

Ethical Corporate Management Best Practice Principles for MediaTek Inc.

Article 1 (Purpose of enactment and applicable scope)

The Ethical Corporate Management Best Practice Principles (“Principles”) is enacted to maintain a core value of ethical management culture in MediaTek Inc. (hereinafter referred to as the “Company”).

The applicable scope of the Principles covers the Company and the Company’s subsidiaries.

Article 2 (Ethical conducts)

Directors, managers, employees of the Company or persons having the ability to substantially control the Company (hereinafter referred to as the “Substantial Controllers”) shall hold the core value of ethical management as the highest principle, engage in all commercial activities with integrity, and comply with relevant laws and regulations. They shall remind themselves, all the time, to do what they said and to honor any commitment they made, shall maintain the good reputation of the Company by bearing the spirit of integrity, fairness and accuracy, and shall relentlessly focus on delivering commitments once committed.

Article 3 (Prohibition of unethical conducts)

When engaging in commercial activities, directors, managers, employees of the Company or Substantial Controllers shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit any unethical or illegal acts, nor commit any act in breach of fiduciary duty (hereinafter referred to as the "Unethical Conduct") for purposes of acquiring or maintaining benefits.

Parties receiving benefit referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, independent directors, managers, employees, Substantial Controllers or other interested parties of the same.

Article 4 (Type of benefit)

The "Benefits" referred to in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with general accepted social customs and that do not have the risk to adversely affect specific rights and obligations shall be excluded.

Article 5 (Legal compliance)

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 6 (Policy)

The Company shall abide by the operational philosophies of honesty, transparency and responsibility, formulate policies based on ethical conducts, and establish good corporate governance and risk control mechanism so as to create an operational environment suitable for sustainable development.

Article 7 (Prevention program)

The Company shall enact prevention programs in order to implement the operational philosophies and policies prescribed in the preceding article.

When establishing the prevention programs as stated in Paragraph 1 above, the Company shall comply with relevant laws and regulations of the territory where the Company and the Company's subsidiaries are operating.

Article 8 (Scope of the prevention program)

When establishing the prevention programs, the Company shall analyze, within its business scope, which business activities involve a higher risk of being involved in an Unethical Conduct, and strengthen its preventive measures.

The prevention programs adopted by the Company shall include preventive measures against the following:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Engaging in anti-competition practices.
7. Directly or indirectly causing damage to the rights/interests, health, or safety of consumers or other stakeholders when conducting research and development, procurement, manufacture, provision, or sale of products and services.

Article 9 (Promise and execution)

The Company and the Company's subsidiaries shall specify clearly in their internal rules and external documents the ethical corporate management policies. The Board of Directors and the management team shall commit to implement such policies rigorously and thoroughly, and shall carry out such policies in internal management and in external commercial activities.

Article 10 (Engaging in commercial activities under ethical)

The Company shall engage in commercial activities in a fair and transparent manner.

Prior to any commercial transactions, the Company shall take into consideration the legality of its agents, suppliers, clients, or other trading counterparties, and whether they have records involving unethical conduct. It is advisable not to have any dealings with persons who have any records of unethical conduct.

When signing contracts with counterparties, it is advisable to include provisions related to (1) requirement of compliance with policy of ethical management, and (2) if counterparties involved in any unethical conducts, the Company may terminate or rescind the contract at any time.

Article 11 (Prohibition of offering and acceptance of bribery)

When conducting business, the Company, its directors, managers, employees, and Substantial Controllers shall not directly or indirectly offer, promise to offer, request, or accept any improper benefits in any form, including rebates, commissions, grease payments, or offer or accept improper benefits in other ways to or from clients, agents, contractors, suppliers, public servants or other interested parties, unless otherwise the laws of the territories where the Company operates permit so.

Article 12 (Prohibition of offering illegal political donations)

When directly or indirectly offering donations to political parties or organizations or individuals participating in political activities, the Company, its directors, managers, employees and Substantial Controllers shall comply with the Political Donations Act and the Company's relevant internal operational procedures, and shall not make such donations in exchange for commercial benefit or business advantages.

Article 13 (Prohibition of improper charitable donations or sponsorship)

When making or offering charitable donations and sponsorship, the Company, its directors, managers, employees and Substantial Controllers shall comply with relevant laws and regulations and the Company's internal operational procedures, and shall not surreptitiously engage in bribery.

Article 14 (Prohibition of unreasonable presents, hospitality or other improper benefits)

The Company and its directors, managers, employees and Substantial Controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits so as to establish business relationship or affect commercial transactions.

Article 15 (Prohibition of misappropriating intellectual property rights)

The Company and its directors, managers, employees and Substantial Controllers shall observe laws and regulations related to intellectual property, the Company's internal operational procedures and contractual provisions, and may not use, disclose, dispose or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 16 (Prohibition of engaging in anti- competition practices)

The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 17 (Prevention of causing damage to stakeholders by products or services)

In the course of research and development, procurement, manufacture, provision or sale of products and services, the Company and its directors, managers, employees, and Substantial Controllers shall observe applicable laws and regulations and international guidelines to ensure the transparency of information about, and safety of, the Company's products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out such policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to support that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, those products shall be recalled and those services shall be suspended in accordance with relevant laws and regulations.

Article 18 (Organization and responsibility)

The Board of Directors of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, review the results of the preventive measures regularly, and continually make improvement to the preventive measures so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound administration ethical corporate management, the human resources department and the legal and intellectual property department of the Company shall be in charge of enacting the ethical corporate management policies, and the audit division shall be in charge of supervising the implementation.

Article 19 (Legal compliance for business operation)

When conducting business, the Company and its directors, managers, employees, and Substantial Controllers shall comply with laws and regulations and the applicable prevention programs.

Article 20 (Recusal of conflicts of interests)

The Company shall adopt policies for preventing conflicts of interest so as to identify, monitor and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether there is any potential conflict of interest exists between them and the Company.

When a proposal at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by, the directors, managers and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation has the risk of prejudicing the interest of the Company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper way.

The Company's directors, managers, employees and Substantial Controllers shall not take advantage of their positions or their influence in the Company to obtain improper benefits for themselves, their spouses, parents, children or any third party.

Article 21 (Accounting and internal control)

The Companies shall establish effective accounting systems and internal control systems for business activities having higher risk of being involved in an Unethical Conduct, shall not have under-the-table accounts or keep secret accounts, and shall conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

The internal auditor of the Company shall periodically examine the Company's

compliance with the systems mentioned in the previous paragraph and shall prepare audit reports to be submitted to the Board of Directors.

Article 22 (Operation procedures and guidelines of conduct)

The prevention programs established by the Company in accordance with Article 7 hereof shall provide concrete rules about the operational procedures and guidelines of conduct for directors, managers, employees, and Substantial Controllers which should contain the following contents:

1. The offer or acceptance of benefit must be consistent with normal social customs, be of occasional nature, and not be likely to affect specific rights or obligations.
2. Handling procedures for offering legitimate political donations.
3. Handling procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and handling procedures for dealing with suppliers, clients and business transaction counterparties suspected of involving in Unethical Conduct.
7. Handling procedures for when discovering any violations of the Principles of the Company.
8. Disciplinary measures on offenders.

Article 23 (Education training and review)

The Company shall periodically organize training and awareness programs for directors, managers, employees and Substantial Controllers so they can fully understand the Company's determination to implement ethical corporate management, the related policies, prevention programs and the consequences of committing Unethical Conduct.

The Company shall combine the policies of ethical corporate management with its employee performance appraisal system and human resource policies so as to establish a clear and effective reward and discipline system.

Article 24 (Report and discipline)

The Company shall have in place a formal channel for receiving reports on Unethical Conduct and keep the reporter's identity and content of the report in strict confidential.

The Company shall enact a well-defined disciplinary and compliant system to handle violation of the ethical corporate management rules. Anyone who violates the Principles will be deemed as serious violation of the Company's internal rule and is subject to the Company's discipline rules and the relevant local regulations.

Article 25 (Disclosure of information)

The Company shall disclose the status of the enforcement of the Principles on the websites, annual reports and prospectuses of the Company.

Article 26 (Review and amendment to the Principles)

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management, and encourage their directors, managers and employees to make suggestions, thereby based on which to review and improve the adopted ethical corporate management policies and measures with a view to achieving better implementation of ethical management.

Article 27 (Enforcement)

The Principles of the Company shall be implemented after been approved by the Audit Committee and the Board of Directors. The same apply to any amendment thereto.