



**GlobalWafers Co. Ltd.
Procurement Guideline
&
Supplier's Declaration on
Compliance with Procurement Guidelines**

GlobalWafers Co. Ltd. ("Buyer") is committed to comply with the highest level of legal, ethical, environmental and quality standard and expects all of its Suppliers to conduct business in a manner consistent with the foregoing standard.

As such, Buyer provides this document which consists of two parts: Buyer's Procurement Guidelines ("Procurement Guidelines") which define the basic requirements placed by Buyer to all of its Suppliers (as defined in "Declaration of the Supplier") and put emphasis on Suppliers' responsibilities to comply with all laws, rules and regulations where Supplier's business is carried out and when any such law, rule or regulation should be applicable, and the Declaration of the Supplier which Supplier gives its commitment of the full compliance of Buyer's Procurement Guidelines.

Procurement Guidelines

1. Procurement Guideline on ABAC (Anti-Bribery; Anti-Corruption)

1.1 Buyer requires Supplier to follow U.S. "Foreign Corrupt Practices Act (FCPA)", UK "Bribery Act 2010" and all anti-bribery and anti-corruption laws whenever applicable, in addition to applicable local R.O.C. laws.

1.2 Supplier shall inform their employees, agents, representatives, suppliers, subcontractors and any role alike who directly or indirectly transact business with Buyer or on Buyer's behalf of their responsibilities to avoid bribery or corruptive behaviors. Under no circumstances may Supplier offer any payment, promise to pay, or authorization to pay any money, gift or anything of value to Buyer or on Buyer's behalf that is intended to influence Buyer's business decisions.

1.3 Buyer requires Supplier to periodically evaluate, verify and self-certify that it is not involved in and comply with all applicable laws regarding related party transactions, fictitious transactions, deceptions and corner-cuttings.

2. Procurement Guideline on Social and Environmental Responsibility

2.1 Buyer requires Supplier to thoroughly recognize, comprehend, adopt and commit to the compliance with "Responsible Business Alliance Code of Conduct" ("RBA") and its subsequent updates. The latest full RBA provisions is available at: <http://www.responsiblebusiness.org/>.

2.2 Supplier shall recognize that RBA establishes standards regarding issues on labor, health and safety, environment, and business ethics, which aim to ensure that working condition is safe in the electronics industry or industries in which electronic is a key component, and that business operations are environmentally responsible and conducted ethically. To adopt RBA, Supplier shall declare its support for RBA and actively pursue conformance to RBA and its standards in accordance with a management system as therein.

3. Procurement Guideline on Conflict-Free Minerals



3.1 Supplier shall recognize that armed rebel organizations in the Democratic Republic of the Congo (DRC) and its surrounding regions operate through metal mining and trading invoke serious social and environmental problems, including human right violations, armed conflict, and international disputes.

3.2 As a corporate citizen responsible for protecting human rights and ameliorating armed conflicts in DRC and its surrounding regions, Supplier is required to take due diligence within its supply chain to assure “Conflict-Free Minerals” with respect to gold (Au), tantalum (Ta), tungsten (W), tin (Sn) used in its products sold, transferred or delivered to Buyer are not derived from or sourced from the foregoing areas.

3.3 Supplier shall acknowledge that areas not confirmed to be “Conflict-Free Minerals” include direct exports from the DRC, as well as exports through Angola, Burundi, Central African Republic, Republic of Congo, Rwanda, South Sudan, Zimbabwe, Uganda, Tanzania, Kenya, and Zambia (countries of whom the U.N. Security Council note are global export routes for DRC-mined minerals).

4. Procurement Guideline on Trade Compliance

4.1 Buyer requires Supplier’s commitment to periodically update and review information regarding Country of Concern, Party of Concern and Regulated Item subject to control. Prior to taking any actions, Supplier shall consult the requirements of the specific applicable Export Control Laws and Regulations.

4.2 Supplier recognizes that, for the purpose of this Procurement Guideline, definitions of the terms specified as follows are respectively given:

- i. **“Export Control Laws and Regulations”** are inclusive of yet not limited to regulations stipulated by or within Nuclear Suppliers Group, Australia Group, Missile Technology Control Regime, Wassenaar Arrangement, Chemical Weapons Convention, the Export Administration Regulations of the U.S., Foreign Exchange and Foreign Trade Act of Japan, Setting up a Community Regime for the Control of Exports, Transfer, Brokering and Transit of Dual-Use Items of the EU, Foreign Trade Act of R.O.C., Regulations Governing Export and Import Of Strategic High-tech Commodities of R.O.C., and any restriction with respect to products, customers, end-users, end-uses, destinations as trade embargoes or economic sanctions.
- ii. **“Regulated Item”** means any product, software, technology, information, or any object, whether tangible or intangible, which is subject to control under applicable Export Control Laws and Regulations.
- iii. **“Country of Concern”** means a country or region that is subject to control under applicable Export Control Laws and Regulations, and is updated from time to time. In general, such controls primarily yet non-exhaustively relate to dealings with Afghanistan, Central African Republic, Democratic Republic of the Congo, Eritrea, Iran, Iraq, Lebanon, Libya, North Korea, Russia, Somalia, Sudan, Syria, and certain designated countries or regions. (For a convenient reference, Countries of Concern denoted as “Country Groups” in the U.S. Export Administration Regulations may be found at: https://www.ecfr.gov/cgi-bin/text-idx?SID=dd52195df505f97a1fdbccedabd9486c&mc=true&node=ap15.2.740_121.1&rgn=div9)
- iv. **“Party of Concern”** means any company, entity or natural person designated under applicable Export Control Laws and Regulations, and is updated from time to time. In the event a potential party in an export transaction appears to match Party of Concern, additional due diligence is required before proceeding. Depending on applicable Export Control Laws and Regulations, a match indicates that; for instance, there is a strict export prohibition, a specific license requirement, or a "red flag" is present. (For a convenient reference, lists of Party of Concern as defined in the U.S. Export Administration Regulations may be found at: <https://www.bis.doc.gov/index.php/policy-guidance/lists-of-parties-of-concern>)



4.3 Supplier shall incessantly keep track of latest updates to ensure its compliance with all applicable Export Control Laws and Regulations, and shall completely and correctly notify Buyer of all such Export Control Laws and Regulations applicable to the supply, transfer or delivery to Buyer of Supplier's products or goods.

4.4 Supplier shall not engage in any illegal, improper, anti-competitive or unfair business activities.

5. Procurement Guideline on Non-infringement Products/Goods

Supplier shall warrant that each of the product/good supplied, transferred or delivered to Buyer must not infringe, induce infringement of, or contribute infringement of any foreign or domestic intellectual property rights of any third party.

Declaration of the Supplier

To: GlobalWafers Co. Ltd.

We, _____, as a supplier of GlobalWafers Co. Ltd. ("Buyer"), are a corporation organized and existing under the laws of _____, with a principal place of business at _____. ("Supplier")

Supplier is willing to fulfill and conduct our business pursuant to Buyer's expectation and, having acknowledged and unconditionally agreed that Supplier may be unfavorably treated by the authorities concerned in case of any violation of applicable law, rule or regulation, or by Buyer in case of any violation of the Procurement Guidelines.

Supplier hereby expressly declares that:

- I. We have prudently reviewed and fully comprehend Procurement Guidelines provided above, and hereby commit ourselves to comply with Procurement Guidelines and its principles and requirements.
- II. We agree that Buyer or a third party appointed by Buyer may at any time carry out inspections or audits on our premises to verify our compliance with Procurement Guidelines. We are willing to provide Buyer upon request with a written self-assessment regarding compliance with Procurement Guidelines as required by Buyer for auditing purpose within five business days after receiving such a request.
- III. (Please fill in if applicable) Pursuant to Section 4.3 of the Procurement Guidelines, we hereby completely and correctly notify to Buyer our supply, transfer or delivery of _____ (names of Supplier's products or goods) is/are construed a Regulated Item subject to control under applicable Export Control Laws and Regulations of _____ (name applicable laws or regulations; e.g. U.S. EAR, UN sanctions against Iran), under the designation of _____ (name relative codes if applicable; e.g. ECCN, EAR99, or other specific reasons for control).
- IV. In case of any breach of compliance with Procurement Guidelines, we agree that Buyer has the right to immediately and without reason or condition terminate the business relationship without assuming any liability or damages to us. We also acknowledge that Buyer holds the right for any legal action against relative laws or regulations that may be subject to prison sentence and/or penalties.



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- V. We shall indemnify, hold harmless, and defend Buyer and its respective officers, directors, employees and agents against any and all costs, damages, settlement payments, and fees (including, but not limited to, attorneys' and other professionals' fees) attributable to any claims for, allegations of or executive sanctions on any violation of applicable laws or regulations arising out of or in connection with our failure to perform our obligations under this Declaration.
- VI. We are willing to report to Buyer promptly to whistleblower@saswafer.com with details any red-flag against Procurement Guidelines provided above initiated by any internal or external stakeholder of Buyer.

Again, we are committed to the highest level of compliance with Procurement Guidelines, and will fulfill and conduct our business in a manner that is consistent with this Declaration.

Supplier: _____

Address: _____

Name: _____

Title: _____

Signature: _____

Company Seal: _____

Date: _____