

Code of Ethics for Far Eastern Department Stores Ltd. (the “Company”)

Article 1 (Purpose of establishment)

The purpose of the Code of Ethics (hereinafter referred to as the “Guidelines”) is to provide Directors, Supervisors, managers, and all other employees of Far Eastern Department Stores Ltd. (hereinafter referred to as the “Company”) with guidelines to comply with the ethical standards of the Company, and make such standards better understood by the affiliated persons of the Company.

Article 2 (Application scope)

The Guidelines enacted is applied to Directors, Supervisors, managers, and all other employees (hereinafter collectively referred to as “All Employees”) of the Company.

Article 3 (Principle of prudent and ethical management)

With respect to behaviors in the corporate management, the Company and All Employees shall abide by the following guidelines with prudence and integrity.

Article 4 (Prevention of conflicts of interests)

All Employees shall act in an objective and efficient manner when exercising duties on behalf of the Company, preventing oneself, a spouse, direct family members, or extended family relatives from obtaining inappropriate benefit as a result of one’s position and authority in the Company.

Should the Company provide loans, endorsements and guarantees to the companies owned or associated with persons mentioned in the preceding paragraph, or sell/purchase material assets, sell/purchase goods and services to/from companies owned or associated with persons mentioned in the preceding paragraph, the individuals involved shall proactively report to the Company and explain if conflicts of interests occur, and shall act abiding by the Guidelines and other rules of the Company, in order to prevent conflicts of interests.

Article 5 (Prohibition of inappropriate personal benefit)

All Employees are prohibited from wrong-doings listed in the followings:

1. Obtain inappropriate personal benefit at the cost of the assets and information of the Company or when one exercises his/her duties on behalf of the Company;
2. Compete with the Company within the scope of the Company business, provided that this restriction shall not apply to those who approved in Annual General Shareholders’ meeting of the Company for lifting the restriction on non-competition.
3. Any act or behavior in violation of the Guidelines and other relevant rules of the Company.

All Employees who act as a capacity of sales of the Company (hereinafter referred to as “Sales”) shall comply with the following rules:

1. Sales shall refrain from receiving and/or giving monetary payments with a cooperative company of the Company except in their capacity as employees of the Company, and shall refrain from conducting trades, dealings, and transactions consigned by outside entities.
2. Should direct family members of Sales own or operate a business within the similar or relevant scope of the business department that the involved Sales serve, such Sales must receive official written permission from

the President of the Company or the Vice President of the aforesaid department prior to execution of contracts made by the Sales to the entities or companies involved.

3. Sales shall refrain from soliciting business with entities or companies served or owned by former employees of the Company, and investing in such entities or companies by all means. If necessary, Sales must receive official written permission from the President of the Company or the Vice President of the department that involved Sales serve prior to any business activity being conducted, with the only exception that the former employees have left the Company for two years or more.
4. Except social activities perceived by the public as normal and ethically acceptable, Sales shall avoid any sorts of interactions, or appearance of interactions, with a cooperative company of the Company.

Article 6 (Preservation of confidentiality)

1. Unless authorized by the Company or required by laws to disclose, All Employees have obligations to safeguard confidential information, which, once released or used by outside entities, can cause damage to the Company and customers of the Company. The aforesaid confidential information includes, but not limited to, proprietary technology related information, non-technology related information, and data of vendors and customers.
2. All Employees shall abide by the relevant letters and agreements signed with the Company to safeguard the confidential Information.
3. All Employees are entrusted by the Company to protect the confidential information or other relevant business information. All written documents and accounting books are not allowed to be disclosed without the prior permission from the authorized management.
4. Sales are expected to be sophisticated in professional knowledge, pay attention to the changes and revisions of laws and regulations governing their business activities, and strictly safeguard the business confidential information of the Company.

Article 7 (Fair transactions and treatments)

1. With integrity and reasonable principle, All Employees shall treat customers, vendors, competitors, and employees of the Company in a fair manner. It is improper and, therefore, prohibited to obtain benefit by a) manipulating, concealing, and misusing the information which possessed by any individual acting in the capacity of employees of the Company; b) declaring fraudulent information about material events; c) any other transaction methods perceived as or appeared to be ethically unfair.
2. When offering or receiving entertainments and gifts, All Employees shall comply with the relative rules or policies of the Company.

Article 8 (Proper safeguard and use of the Company's assets)

All Employees shall safeguard the assets of the Company, and ensure aforesaid assets be used for the Company business in an efficiently and legitimate manner, for the purpose of preventing theft, negligence, and waste.

All Employees are prohibited from misusing the funds of the Company; and shall not waste and obliterate any sorts of assets belong to the Company.

All Employees are expected to bear thrift in mind. Non recurring payments or payments not being prepared in the budget of the Company will be paid only after the permission is granted by the authorized management.

Otherwise, the Company may reject such payments.

Article 9 (Compliance with laws and regulations)

All Employees shall comply with Securities and Exchange Act and other rules, regulations, and laws.

Article 10 (To blow the whistle)

The Company shall organize and enhance internal educational program to promote and reinforce the Guidelines to All Employees.

All Employees who discover any violation or appearance of violation of the Guidelines, laws, and regulations shall proactively report to Supervisors, Managers, Head of Internal Audit Department, or other properly authorized management, meanwhile provide sufficient information or evidences to make subsequent investigation and rectification possible.

All information and evidences being reported shall be kept confidential, and investigated by an independent third entity, in order to protect the whistle-blower.

Article 11 (Discipline and remedy)

All Employees violating the Guidelines shall be disciplined by the Company pursuant to relevant laws, regulations, or internal rules of the Company.

Any of All Employees obtains, or intends to obtain, improper benefit for oneself and others at the cost of the Company by using one's position or authority shall be dismissed, and shall unconditionally indemnify the Company for all losses occurred.

An appeal system is established in the Company. Any of All Employees being accused to violate the Guidelines may appeal for remedy via the system.

Article 12 (Disclosure)

The Guidelines, and the amendments of the Guidelines after promulgation, shall be disclosed on the website, annual reports, and the prospectus of the Company, and on the Market Observation Post System operated by the Taiwan Stock Exchange.

Article 13 (Implementation)

After receiving the approval from the Board of Directors, the Guidelines will be implemented, and a copy of the Guideline will be submitted to each Supervisor and the contents will be reported to the Annual General Shareholders' Meeting. The amendments of the Guidelines follow the same procedure.

*In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.