

ITEQ CORPORATION

Guidelines for the Code of Ethical Conduct

Article 1 Purpose of and basis for adoption

In recognition of the necessity to assist the Corporation in its establishment of codes of ethical conduct, these Guidelines are adopted for the purpose of encouraging directors, and managerial officers of the Corporation (including general managers or their equivalents, vice general managers or their equivalents, assistant general managers or their equivalents, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of a company) to act in line with ethical standards, and to help interested parties better understand the ethical standards of such companies.

Article 2 Content of the code

Taking its individual circumstances and needs into consideration, the Corporation shall adopt a code of ethical conduct that addresses at least the following eight matters:

1. Prevention of conflicts of interest:

Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the Corporation, as for example when a director or managerial officer of the Corporation is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the Corporation to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of kinship. The Corporation shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director or managerial officer works. The Corporation should consider not endangering the rights and interests of all shareholders, try its best to prevent conflicts of interest from occurring, and allow directors or managerial officer to proactively explain whether they have any potential conflicts of interest with the Corporation at board meetings.

2. Minimizing incentives to pursue personal gain:

The Corporation shall prevent its directors or managerial officers from engaging in any of the following activities: (1) Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions. (2) Obtaining personal gain by using company property or information or taking advantage of their positions. (3) Competing with the Corporation. When the Corporation has an opportunity for profit, it is the responsibility of the directors and managerial officers to maximize the reasonable and proper benefits that can be obtained by the Corporation.

3. Confidentiality:

The directors and managerial officers of the Corporation shall be bound by the obligation to maintain the confidentiality of any information regarding the Corporation itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Corporation or the suppliers and customers.

4. Fair trade:

Directors and managerial officers shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

5. Safeguarding and proper use of company assets:

All directors and managerial officers have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the Corporation's profitability.

6. Legal compliance:

The Corporation shall comply with the Securities and Exchange Act and other applicable laws, regulations, and bylaws.

7. Encouraging reporting on illegal or unethical activities:

The Corporation shall raise awareness of ethics internally and encourage employees to report to a managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Corporation stipulates opinion communication channels and appeal system in work rules and make employees aware that the Corporation will use its best efforts to ensure the safety of informants and protect them from reprisals.

8. Disciplinary measures:

When a director or managerial officer violates the code of ethical conduct, the Corporation shall, depending on the level of violation, handle the matter in accordance with regulations or the resolution of the Board of the Directors without the violator, and shall without delay disclose on the Market Observation Post System (MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken. The violator may file a complaint for review of the disciplinary action through normal complaint system.

Article 3 Procedures for exemption

The Corporation's exemption for directors or managerial officers from compliance with the Corporation's code of ethical conduct must be adopted by a resolution of the Board of Directors, and that information on the date on which the Board of Directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the Board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.

Article 4 Method of disclosure

The Corporation shall disclose the code of ethical conduct it has adopted, and any amendments to it, on its company website, in its annual reports and prospectuses and on the MOPS.

Article 5 Enforcement

These code of ethical conduct, and any amendments thereto, shall enter into force after it has been adopted by the Audit Committee and the Board of Directors, and reported to a shareholders' meeting.

The code was set on March 11, 2005.

The 1st amendment on March 19, 2015.

The 2nd amendment on March 14, 2018.