



BUSINESS ETHICS POLICY

Contents	Page
Message from the Chief Executive Officer	2
Business Integrity	3
No Improper Advantage	4
Disclosure of Information	5
Intellectual Property	6
Fair Business, Advertising and Competition	7
Protection of Identity and Non-Retaliation	8
Responsible Sourcing of Minerals	8
Privacy	9
Employment Practices	9
Conflict of Interest and Other Misconduct	10
Health and Safety	11
Environmental	12
Compliance	13



Message from the Chief Executive Officer

Incorporated in Singapore in 1981 and listed on the Mainboard of the Singapore Exchange Securities Trading Limited in 2007, Avi-Tech Electronics Limited (“Avi-Tech” or “Company”) is a total solutions provider for burn-in, manufacturing and printed circuit board assembly and engineering services for the semiconductor, electronics and life sciences industries. We have developed a strong reputation for delivering quality products and services to our customers and we continually seek to drive improvement, innovation and growth for our company and to deliver sustainable, long term value for all our stakeholders.

This Business Ethics Policy is modeled on and contains language from the Responsible Business Alliance (RBA) and establishes Avi-Tech’s continual improvement commitment to comply with ethical business practices and outlines our fundamental principles of ethical business behaviour and the responsibilities of all employees and Company representatives in aligning with them.

I encourage you to study and understand our Business Ethics Policy and put these principles into practice. The Heads of Department, Managers and Supervisors are expected to promote compliance, leading by example and providing guidance to employees. If you are uncertain about legal, compliance or ethical issues in the course of your work, please seek assistance by checking with the Human Resource department, Executive Management Team or me.

Lim Eng Hong
Chief Executive Officer
20 February 2019



Business Integrity

Everyone who works or conducts business with Avi-Tech plays a part in building our reputation. Avi-Tech expects the highest standards of integrity are to be upheld in all business interactions and has a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement.

Below are some of the ethical guidelines which we adhere to in our day-to-day business:

Compliance with Laws

- All our local and overseas businesses must comply with applicable laws and regulations. Be aware of the legal requirements that apply to your work and business activities and follow those laws strictly.
- Ignorance of the applicable laws and regulations will not justify your non-compliance with the Business Ethics Policy.
- If you are unsure of the applicable laws in the areas of your work and business activities in the country you operate from, contact the Executive Management team.

International Sanctions and Trade Restrictions

- Avi-Tech is subject to a variety of laws relating to international trade and the export of equipment and technology. In addition, Avi-Tech is subject to the United States trade laws and economic sanctions, both directly and as a result of dealing with the United States suppliers of goods or services.
- To comply with all applicable laws, Avi-Tech has established policies and procedures for evaluating and processing international contracts. These procedures include a requirement that the Legal Adviser and a member of the Executive Management Team review contracts before being approved.

Honesty and Integrity

- All employees and Company representatives are expected to be fair, honest and honorable in their undertakings with all stakeholders including colleagues, customers, suppliers, competitors and government authorities, the business community and the general public.



No Improper Advantage

Avi-Tech prohibits offering and accepting bribes, benefits or other means of obtaining undue or improper advantage. This prohibition covers promising, offering, authorising, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws. Some of the prohibition including but not limited to:

Gifts and Entertainment

- It is not an acceptable practice to receive bribes, benefits, monetary or otherwise such as gifts, entertainment, personal favours from an individual or organisation conducting business with Avi-Tech if these benefits could influence your decision or might appear to have influenced your business decision.
- In turn, any gift, entertainment, or benefits you provide to a business associate in the course of your business activity must be prudent in value and scope. Gifts, entertainment or benefits that contravene any applicable laws or contract term or that is large enough to influence or appear to influence the recipient's business decisions are prohibited. All expenditures on gift, entertainment and benefits must be recorded in the Company's accounts.

Consultant Fees, Commissions and Other Payments

- Giving or receiving any payment that falls outside the normal range of business activities is prohibited. All consulting or agency fees, commissions, retainers or other payments made are to be deemed reasonable in the context of acceptable commercial practice and that they comply with applicable corporate policies.
- Engaging in offering or accepting kickbacks, bribes, payoffs or other illegal or similar transactions is strictly prohibited and employees will be subject to immediate discipline, up to and including dismissal and legal actions.
- All payments given or received in the Company's accounts are to be properly recorded. The use of "slush funds", or other unrecorded funds or assets are strictly prohibited.

Personal Transactions with Business Associates

- Employees are prohibited from accepting loans from an individual or organisation that does business with Avi-Tech, unless the individual or organisation is in the business of making loans such as a financial institution.



Disclosure of Information

As a publicly-listed entity on the Mainboard of the Singapore Exchange Securities Trading Limited since 2007, Avi-Tech has in place a corporate disclosure policy regarding disclosure of information of our labour, health and safety, environmental practices, business activities, structure, financial situation, and performance in accordance with applicable laws and regulations and prevailing industry practices. Falsification of records or misrepresentations of conditions or practices in the supply chain are unacceptable. In addition:

- All employees are to comply with the Company's accounting procedures and controls, and applicable laws at all times and all financial data and transactions are to be properly recorded.
- All public communications made by or on behalf of Avi-Tech shall be full, fair, accurate, timely and understandable.
- The Company's Executive Management has designated spokespersons to communicate to the public regarding its business activities including investor relations which are handled by the Chief Executive officer, the Chief Financial officer and the media/ investor relations team.



Intellectual Property

As a total solutions provider for burn-in, manufacturing and printed circuit board assembly and engineering services for the semiconductor, electronics and life sciences industries, protection of customers' intellectual property is paramount to both our customers' and our success. We have in place policies to respect intellectual property rights, to safeguard customer information and to ensure that the transfer of technology and know-how is conducted in a manner that protects intellectual property rights:

- All commercial and technical information received on a confidential basis from third parties such as suppliers, customers, and partners are held in the strictest confidence.
- We execute a Non-Disclosure Agreement with each customer and/or supplier to ensure that all information received and deemed to be confidential will be maintained in confidence.
- Depending on our customers' business nature and requirements, we also enter into contracts that have specific terms which prohibit the sale of system, spare parts, or components to anyone other than our defined customers, including their end customers.
- As every Avi-Tech's employee has potential access to some type of confidential information such as technical information about Avi-Tech tools or equipment, information on work processes, financial and pricing data, methods of conducting operations, business plans and intentions, legal matters; applications for patents and trademarks and software developments, all Avi-Tech employees also sign an undertaking of confidentiality to the Company when starting their employment.



Fair Business, Advertising and Competition

Avi-Tech is committed to upholding standards of fair business, advertising and competition, and to institute appropriate measures to safeguard our customers. Some of the prohibition measures include but are not limited to:

- Price-fixing
- Misrepresentation/ misleading advertising and sales materials
- Tiered selling
- Abuse of dominant market position
- Resale price maintenance
- Bid rigging
- Double ticketing



Protection of Identity and Non-Retaliation

Avi-Tech values the help of employees and suppliers who identify the concerns and potential violation of the laws, this Code, or any other Company policies and guidelines. We prohibit threats, reprisals or retaliation of any kind against anyone who reports, in good faith, an actual or suspected violation of the law, this Code, or any other Company policies and guidelines.

Avi-Tech enables employees to report concerns regarding any alleged fraudulent activities including the Company's internal accounting controls or auditing matters directly to the Audit Committee of the Company's Board of Directors. Employee and supplier whistleblowers* are assured of their confidentiality and protection at all times. The procedures for the confidential reporting of issues regarding any questionable or fraudulent activities are as follows:

- Employees are encouraged to report their issues or concerns including and beyond accounting, internal controls and auditing matters directly to their line manager or human resource manager or the Chief Executive Officer.
- Whistleblowers can also contact the Audit Committee whose telephone numbers are listed below. All voicemail messages will be electronically altered/disguised to ensure the confidentiality of the whistleblower.
 - Mr Michael G Gray Tel 9855 0055
 - Mr Khor Thiam Beng Tel 6224 9966
 - Mr Goh Chung Meng Tel 9631 0839
- The whistleblower can send an email message to the Audit Committee. The email address is: mikeggray@hotmail.com
- *Whistleblowers are defined as any person who makes a disclosure about improper conduct by an employee or officer of a company, or by a public official or official body.*

Responsible Sourcing of Minerals

Avi-Tech has a strict policy regarding the sourcing of tantalum, tin, tungsten and gold in the products we manufacture to ensure that it does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country. We exercise due diligence on the source and chain of custody of these minerals. These due diligence measures are available to our customers upon customer request.



Privacy

Avi-Tech is committed to protecting the reasonable privacy expectations of personal information and interests of everyone we do business with, including suppliers, customers, consumers and employees. We comply with prevailing and applicable privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted and shared.

Employment Practices

Avi-Tech strives to provide a positive work environment that supports productivity, dignity and self-esteem and the pursuit of personal goals:

- Our Human Resource policies and procedures provide for equal opportunity and fairness in employment decisions. We do not discriminate on the basis of race, colour, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status.
- We also endeavour to ensure that employees are treated fairly in all aspects of the employment relationship, including performance appraisals, compensation, opportunities for advancement and disciplinary matters.



Conflict of Interest and Other Misconduct

All employees and our Company's representatives are to act in the best interests of Avi-Tech. Employees are to avoid situations or activities where their personal interests are, or may appear to be, in conflict or in opposition to the Company's interests. Such situations include activities which may prevent an employee from devoting the necessary time, resources or attention to his duties, or situations that might affect his judgment or ability to act in the Company's best interests. These situations include but are not limited to:

- Competing business interests – If you or someone close to you owns or participates in a business that competes with, is served by or provides services to Avi-Tech, or if you are going to participate in any business venture that may compete with Avi-Tech, whether directly or indirectly, prior written approval is to be obtained from the Executive Management Team and/or the Board of Directors.
- Participation in related and other business activities – Employees may not engage, on Avi-Tech's behalf, in any transaction with a business in which you or a family member has an interest unless prior written approval has been obtained from the Executive Management Team and/or the Board of Directors. Employees who want to start any businesses or serve on the Boards of Directors of any companies whether related or not related to Avi-Tech's businesses, must seek written approval from the Chief Executive Officer.
- Insider trading – As employees of a listed entity, all employees must adhere strictly to the Company's Confidentiality of Information, Employee Trading and Insider Trading and Reporting Policy and applicable laws on insider trading.
- Misuse of employee time, activities, Company property and resources – Employees are engaged by the Company to fulfill their employment obligations. Employees are not to abuse their positions at Avi-Tech by using their employment time, Company's property and resources including vehicles, computer equipment and software, corporate information and tools, for personal activities, gains or benefits.



Health and Safety

It is the primary concern of Avi-Tech to maintain a safe and healthy working environment for all employees. We aim to implement a zero-accident rate through the safe execution of all production procedures and safety regulations. Safety is the responsibility of each and every person in Avi-Tech and we urge all employees to strive for the same goals.

Avi-Tech, its business partners, customers, external contractors and visitors are to comply with the Workplace Safety & Health (“WSH”) Act, its regulations and other statutory requirements for accident prevention.

Our WSH Policy

We are committed to achieve WSH excellence through continual improvement which will enable us to:

- Provide safe and healthy working conditions for the prevention of work-related injury and ill health to the specific nature of WSH risks and opportunities
- Provides a framework for setting WSH objectives
- Fulfil relevant WSH legal requirements and other requirements
- Eliminate hazards and reduce WSH risks
- Commit to consultation and participation of employees, and, where they exist, employees’ representatives
- Communicate our WSH policy within Company
- Be available to interested parties, as appropriate



Environmental

Avi-Tech is committed to minimising the effects of our operations on our environment. We endeavour to meet all regulatory and industry standards by implementing appropriate measures for the assessment of potential environmental effects, for the prevention of these potential effects and for appropriate responses to any incidents that might occur.

All Avi-Tech employees are expected to be familiar with the required environmental standards that apply to his work at Avi-Tech, and to comply with these standards at all times.

Our Environmental Policy

We are committed to enhance environmental performance through continual improvement in environmental management system in which will enable us to:

- Comply to fulfil the compliance obligations
- Consistently establish and maintain our environmental performance
- Committed to protection of the environment, including prevention of pollution
- Communicate our Environmental Policy to all interested parties



Compliance

Avi-Tech has adopted this Ethics Policy and we trust that all employees will use their best judgment to ensure that they comply with these principles. We have implemented the following compliance program to support the Ethics Policy:

Compliance – The Executive Management Team is responsible for overseeing the compliance with this Ethics Policy. The Executive Management Team will receive and investigate complaints and reports of non-compliance and may delegate such investigations to a sub-committee of the Executive Management Team for report back to the full Executive Management Team.

Employee Communication – The Company will provide employees with an opportunity to become familiar with the Ethics Policy and related policies and procedures. We will communicate the contents of the Ethics Policy and provide ongoing opportunities for employees to ask questions and seek additional information. Employees can also access such information and reference materials on Avi-Tech intranet or obtain this information from the Human Resource department.

Reporting – We encourage employees to comply with all aspects of this Ethics Policy and to report any violations they observe to the Human Resource department, any member of the Executive Management Team and the Audit Committee if relevant.

Violations – The Executive Management Team will investigate all reports or other information received regarding alleged violations of this Ethics Policy and will report to the Board of Directors on the results of investigations of material violations. It is a violation of this Policy to intimidate or retaliate against any person who has reported a violation of this Ethics Policy. Any employee, who is found to have violated this Ethics Policy, or any related corporate policy, will be subject to disciplinary action in accordance with Avi-Tech's policy on employee discipline, which provides appropriate disciplinary measures for employee misconduct, up to and including dismissal.

Waivers of Compliance – Only the Board of Directors has the authority to grant a waiver of compliance with this policy and such waiver shall be granted only where the Board deems it necessary and warranted, and where it is in the best interest of the Company. All waivers shall be limited so as to protect the Company to the greatest extent possible and shall be disclosed as required by applicable laws.