



**Policy No.: NTEI-02-001(1)**

**Nam Tai Electronics, Inc.**

**Code of Business Conducts and Ethics**

**Effective from: December 1, 2009**

**Revision or Amendment**

Date	Rev No.	Description
2009-Nov-1st	1	Update on procedures and distribution list.

## **A. Preamble**

Nam Tai Electronics, Inc. (the "Company") is committed to conducting its business in compliance with the highest standards of ethical conduct and all applicable laws, rules and regulations and, in particular, to full and accurate financial disclosure. This Code of Business Conduct and Ethics (this "Code") is applicable to members of the Board of Directors and all employees of the Company. The Company will insist on full compliance with this Code.

## **B. Compliance with laws, rules and regulations**

All employees are required to comply with all applicable laws, rules and regulations including insider trading laws as stipulated in the Insider Trading and Employee Selling/Buying Securities Guidelines that govern the conduct of the Company's business and to report any suspected violations in accordance with section G below.

## **C. Conflict of Interest**

C.1 A conflict of interest occurs when an employee's private interests interfere in any way, or even appear to interfere, with the interests of the Company. All employees have the obligation to conduct the Company's business in an honest and ethical manner, including ethical handling of actual or apparent conflicts of interest.

C.2 Before making any investment, accepting any position or benefits, participating in any transaction or business arrangement, such as giving or receiving gifts or otherwise acting in a manner that creates or appears to create a conflict of interest, all employees must make full disclosure of all facts and circumstances to, and obtain the written approval of the Nominating/Corporate Governance Committee (the "CGC"), or if the CGC is not available within a reasonable period of time, the approval of the Audit Committee of the Company. No employee shall pay or offer to pay bribes or illicit payments to government officials or candidates, or other parties in order to obtain or retain business.

- C.3 All directors and employees of grade 4 or above of the Company are required to declare if they have any interest in vendors or customers of the Company quarterly.

#### **D. Protection and proper use of assets and information of the Company**

D.1 All employees shall protect the Company's assets and ensure their efficient use at all times during their employment with the Company. Theft of the Company's assets including, but is not limited to, theft of confidential information, technical information, trade secrets, confidential operations, processes, know-how and design, will lead to summary dismissal without compensation. All employees shall also take reasonable measures to otherwise safeguard and protect the confidentiality of the Company's assets.

D.2 All employees shall protect and keep confidential all the Company's assets, whether written or non-written, and shall not for whatever reason during and after the employment disclose to any person, including friends, family members, firm, company or otherwise make use of such information. All employees shall fully indemnify the Company for all losses and damages to the Company and/or Nam Tai Group of Companies arising from such employee's default of their confidentiality obligation.

D.3 All employees of grade 4 or above of the Company are required to sign an acknowledgment of understanding of their confidentiality obligation annually.

#### **E. Disclosure**

It is Company's policy to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws, rules and regulations in all reports and documents that the Company files with or submits to, the United States Securities and Exchange Commission, the New York Stock Exchange and in all other public communications made by the Company. All employees are required to abide by the standards, policies and procedures designed by the Company to promote compliance with this policy.

## **F. Fair dealing**

All employees are required to deal fairly with customers, suppliers, competitors or other employees of the Company and should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair business practices.

## **G. Compliance with this Code**

G.1 Violations of this Code may result in disciplinary action, up to and including summary dismissal without compensation. The CGC or, in the absence of the CGC, the Audit Committee shall determine, or shall designate appropriate persons to determine appropriate actions in response to violations of this Code.

G.2 If an employee knows of or suspects a violation of applicable laws, rules or regulations or this Code, he/she must immediately report that information to (i) the CGC, (ii) the Audit Committee, (iii) non-management directors of the Company through the email address: [independent@namtai.com.hk](mailto:independent@namtai.com.hk) or by mail to Hong Kong office address of the Company; or (iv) the Internal Audit Department through its "suggestion box" located at the Internal Audit Department of Zastron SZ. No one will be subject to retaliation because of a good faith report of a suspected violation.

## **H. Waiver of this Code**

If an employee would like to seek a waiver of this Code, he/she must make full disclosure of his/her particular circumstances to the CGC, or in the absence of CGC, the Audit Committee.

## **I. Acknowledgment of receipt of this revised Code**

All existing or new employees of grade 3 or above of the Company must signify their agreement and understanding of this revised Code by signing and returning the attached "Acknowledgment of Understanding" upon receipt of this Code. All employees of grade 3 or above are also required to sign the "Acknowledgment of Understanding" again annually.

## **J. No rights created**

This Code is a statement of certain fundamental principles, policies and procedures that govern the Company's employees. It is not intended to and does not create any rights in any employee, customer, supplier, competitor, shareholder, any other person or entity.

## **K. This Code shall be distributed to the following parties:**

- For NTEL:
  - ◆ Directors of the Company
  - ◆ Chairman, CEO and CFO
  - ◆ Head of Internal Audit Department
  - ◆ Vice CFO
  - ◆ In-House Legal Counsel/ Senior Company Secretary/ Corporate Secretary
  - ◆ All other employees of grade 3 or above
- For BU and its supporting departments:
  - ◆ CEO
  - ◆ Business Development President
  - ◆ Operation President
  - ◆ Financial Controller
  - ◆ All other employees of grade 3 or above
  - ◆ Document Control Center of subsidiaries



ACKNOWLEDGMENT OF UNDERSTANDING

I have received and read the Code of Business Conduct and Ethics (this “Code”), and I understand its contents. I agree to comply fully with the standards contained in this Code and the Company's related policies and procedures as well as all applicable laws, rules and regulations. I understand that I have an obligation to report any suspected violations of this Code to (i) the Corporate Governance Committee, (ii) the Audit Committee, (iii) non-management directors of the Company through the email address: [independent@nantai.com.hk](mailto:independent@nantai.com.hk) or by mail to Hong Kong office address of the Company; or (iv) the Internal Audit Department through its “suggestion box” located at the Internal Audit Department of Zastron SZ.

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Signature

\_\_\_\_\_  
Name (Please print)

\_\_\_\_\_  
Date