



Procedures for the Prevention of Insider Trading

File No.

CA-042

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Version

1

Article 1 (Purpose)

In order to avoid the corporation or insiders from ignoring laws and regulations, or intentionally violate the relevant regulations on insider trading, causing the corporation or insiders to sue and damage their reputation, this operating procedure is specially formulated to comply with the regulations.

Article 2 (Scope)

The corporation's management operations to prevent insider trading shall be governed by the provisions of this operating procedure, unless otherwise provided by other laws and regulations.

Article 3 (Definition)

1. Insiders:

According to the Securities and Exchange Act, the scope of insiders includes directors, managers and shareholders holding more than 10% of shares; the related parties of insiders include:

- (1) The spouse, minor children of the insider, and those who hold it in the name of another person.
- (2) The representative of a corporate director, the representative's spouse, under-age children, and those who hold it in the name of another person.

2. Objects to prevent insider trading regulations:

Besides the previously disclosed insiders, it includes persons who have received information based on professional or controlling relationships, and information recipients who have received information from insiders.

Article 4 (responsibility)

1. The CEO office is responsible for the formulation and maintenance of this operating procedure.
2. The spokesperson is responsible for disclosing major corporation information publicly.

Article 5 (Process)

1. Persons who is defined in the following subparagraphs of Article 157-1, Paragraph 1 of the Securities and Exchange Act are all within the scope of application of the prohibition on insider trading, including:

- (1) The directors, managers of the corporation and natural persons who are designated representatives to implement their duties in accordance with Article 27, Paragraph 1 of



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the corporation Act (Article 27, Paragraph 1 of the company Act, when the government or legal person is a shareholder, may be elected as a director. or supervisor. However, a natural person representative must be appointed to exercise power).

- (2) Shareholders who hold more than 10% of the corporation's shares.
- (3) Persons who have received information based on occupational or controlling relationships.
- (4) It has been less than 6 months after losing the status in the preceding three subparagraphs.
- (5) Persons who have received information from the persons listed in the preceding four paragraphs.

In addition, in accordance with Article 22-2, Item 3 of the Securities and Exchange Act, the directors, managers and shareholders of the corporation who hold more than 10% of the shares shall include their spouses, minor children, and other people's names.

2. Insider trading:

- (1) Pursuant to Article 157-1, Paragraph 1 of the Securities and Exchange Act, when the subject of insider trading regulations actually received the information of the corporation that has a significant impact on the stock price, after the information is clarified, before it is disclosed publicly or 18 hours after this period, no buying nor selling the corporation's stocks or other securities or in the name of another person is allowed.
- (2) The stock traded by the insiders of the corporation from the date of learning of the corporation's financial report or related operation data, including but not limited to directors shall not be allowed to trade 30 days before the declaration of the annual financial report and 15 days before the declaration of the quarterly financial report.

Violation of the above provisions is considered to insider trading.

3. According to Article 157-1, Item 5 of the Securities and Exchange Act, the scope of information that has a significant impact on the corporation's stock price includes:

- (1) Significant impact on the stock price for information of the corporation's finances and business or a significant impact on the decision of legitimate investors.
- (2) Information that involves the market supply and demand of the corporation's stock, public acquisition, and has a significant impact on the corporation's stock price or has a significant impact on the decision-making of legitimate investors.
- (3) The corporation has information that affects the ability to pay principal and interest.

4. Information that has a significant impact on stock prices shall be disclosed in the following manner:

In accordance with Article 157-1 Item 5 and Item 6 of the Securities and Exchange Act, the Scope of Material Information and the Administrative Measures for its Disclosure:

- (1) For material information that complies with the provisions of Subparagraphs 1 and 3 of paragraph 3 of this article, the method of disclosure shall refer to the input of MOPS.
- (2) For material information that complies with the provisions of Subparagraph 2, Item 3 of this article, the method of disclosure refers to the disclosure through one of the following methods:
 1. Input through MOPS.
 2. Declaration on the basic market report website of TWSE.
 3. Declaration on the basic market report website of TPEX.
 4. Reports on non-local pages of nationwide newspapers, nationwide TV news or electronic newspapers issued by above mentioned media reports by two or more daily newspapers.

5. Operational procedures for material information processing:

- (1) The corporation shall handle the handling and disclosure of material inside information in consideration of the Securities and Exchange Act and relevant laws, orders and the relevant regulations of TWSE or TPEX.
- (2) The directors, managers and employees of the corporation shall operate their business with the care and loyalty of good managers, in accordance with the principle of good faith, and sign confidentiality agreements. Directors, managers and employees who are aware of material inside information of the corporation shall not disclose material inside information that they are aware of to others. The directors, managers and employees of the corporation are not allowed to inquire about the corporation's material inside information or collect undisclosed material inside information of the corporation that is not related to their personal positions. Material information must not be disclosed to others.
- (3) Appropriate protection shall be provided when the corporation's material inside information files is transmitted in writing. When transmitted by e-mail or other electronic means, it must be handled with appropriate security techniques such as encryption or electronic signatures. The archives of material inside information of the corporation shall be backed up and kept in a safe place.

- (4) Organizations or personnel other than the corporation shall sign a confidentiality agreement due to their participation in the corporation's mergers and acquisitions, important memorandums, strategic alliances, other business cooperation plans or signing of important contracts, and must not disclose the corporation's material inside information they know to others.
- (5) The following principles shall be followed to when disclosing material inside information externally:
 1. Information disclosure shall be accurate, complete and timely.
 2. The disclosure of information shall be based on the basis.
 3. Information shall be disclosed fairly.
- (6) Unless otherwise stipulated by laws or decrees, the disclosure of material inside information of the corporation shall be handled by the spokesperson of the corporation or a deputy spokesperson, and the order of deputy spokesperson shall be confirmed; if necessary, the person in charge of the corporation may be directly responsible for handling. The content of the speeches made by the spokesperson and acting spokesperson of the corporation shall be limited to the scope authorized by the corporation, and except for the person in charge of the corporation, the spokesperson and the deputy spokesperson, the corporation personnel are not authorized to disclose material inside information publicly.
- (7) The corporation shall keep the following records when disclosing external information:
 1. Person, date and time of information disclosure.
 2. The method of information disclosure.
 3. The content of the information disclosed.
 4. The content of the written information delivered.
 5. Other relevant information.
- (8) If the content reported by the media is inconsistent with the content disclosed by the corporation, the corporation shall immediately clarify at the MOPS and request correction from the media.
- (9) If the directors, managers and employees of the corporation are aware of the leakage of material inside information, they shall report to the responsible unit and the internal audit department as soon as possible. After accepting the report in the preceding paragraph, the responsible unit shall formulate solutions, and when necessary, may invite internal auditing and other departments to discuss the handling, and record the handling results for future reference.
- (10) In the event of one of the following circumstances, the corporation shall investigate the responsibilities of the relevant personnel and take appropriate legal measures:



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1. The corporation's personnel disclose material inside information without authorization or violate the operating procedures or other laws and regulations.
2. The content of the corporation's spokesperson or acting spokesperson's external speech exceeds the scope of the corporation's authorization or violates the operating procedures or other laws and regulations.

If a person other than the corporation leaks material information within the corporation, causing damage to the corporation's property or interests, the corporation shall pursue its legal responsibility through relevant channels.

Article 6 (Education and promotion)

The corporation conducts education and promotion of this operating procedure and related laws and regulations to directors, managers and employees at least once a year. Education and publicity shall be provided in a timely manner to new directors, managers and employees.

Article 7 (Declaration)

1. The corporation shall establish and maintain insider information files, and report to the administration within the prescribed time limit and method.
2. When directors and managers are newly appointed or dismissed, they shall complete the information reporting operation of the "New (Dismissed) Insiders Real Time Reporting System" within 2 days after the event.
3. Directors and managers shall sign a statement confirming the relevant laws and regulations of insiders within 5 days after on duty and keep it in the corporation for future reference. A copy of the statement that directors and general managers have not violated the principle of good faith shall be sent to the TPEx by letter for inspection within 10 days.

Article 8 (Implementation and revision dates)

This operating procedure will become effective after it has been approved by the board of directors and revisions as well.