

Management of the Prevention of Insider Trading

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Management of the Prevention of Insider Trading

Article 1 (Purpose)

These procedures have been established to uphold the principle of information equality and maintain fairness in market transactions, and prevent the Company or insiders from violating the laws and regulations or intentionally violating the insider trading laws and regulations, resulting in lawsuits and damage to the Company's reputation.

Article 2 (Implementation of the rules and regulations)

These procedures have been established in accordance with the "Securities and Exchange Act" for compliance. However, if other laws provide otherwise, the provisions shall be followed.

Article 3 (Applicability and Scope)

The directors, independent directors, supervisors, officers and employees (are referred to individually or collectively as "the personnel of the Company") of the Company and the subsidiaries (are referred to individually or collectively as "the Company"). All the personnel of the Company shall comply with the provisions set forth in the "Securities and Exchange Act". They may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, or have other trade on their behalf.

Article 4 (Responsible Division)

1. The Company's Investor Relations Div. is responsible for the formulation and maintenance of these procedures.
2. The Company's spokesperson is responsible for releasing the Company's material information to the public; where necessary, the chairman may directly disclose information to the public.
3. The Company's internal auditors shall understand the compliance situation and compile an audit from time to time to thoroughly implement these procedures.

Article 5 (Insider Trading Target)

In accordance with the provisions of the "Securities and Exchange Act", the following persons are subject to the prohibition of insider trading rules, not only limited to employees of the Company, including:

1. The Company's insiders (director, independent director, supervisor, and/or

officer, and/or a natural person designated to exercise powers as representative pursuant to Article 27, paragraph 1 of the “Company Act”.

The scope of officers in the preceding paragraph is as follows:

- (1) General Manager and equivalent rank.
 - (2) Vice General Manager and equivalent rank.
 - (3) Assistant General Manager and equivalent rank.
 - (4) Head of the Accounting and Treasury Management Div.
 - (5) Persons who manage company affairs and are authorized to affix signature on behalf of the Company.
2. Shareholders holding more than ten percent of the shares of the Company.
 3. Any person who has learned the information by reason of occupational or controlling relationship, including officers of the Company’s subsidiaries.
 4. A person who, though no longer among those listed in [one of] the preceding three subparagraphs, has only lost such status within the last six months.
 5. Any person who has learned the information from any of the persons named in the preceding four subparagraphs.
 6. The calculation of shares held by shareholders referred to in paragraphs 1 and 2 shall include shares held by their spouses and minor children and those held under the names of other parties, and those who have lost such status within the last six months.

Article 6 (Prohibition of Insider Trading)

1. Upon actually knowing of any information that will have a material impact on the share price of the Company, after the information is precise, and prior to the public disclosure of such information or within 18 hours after its public disclosure, the persons listed in proceeding Article of these procedures shall not sell, in the person’s own name or in the name of another, the shares and other equity-type marketable securities of the Company that are listed on an exchange or an over-the-counter market.
2. Upon actually knowing of any information that will have a material impact on the ability of the Company to pay principal or interest, after the information is precise, and prior to the public disclosure of such information or within 18 hours after its public disclosure, the persons listed in proceeding Article of these procedures shall not sell, in the person’s own name or in the name of another, the non-equity-type corporate bonds of such company that are listed on an exchange or an over-the-counter market.
3. The Company’s insiders are prohibited from trading their stocks during a 30-day closed period before the annual financial report announcement and a 15-day closed period before the quarterly financial report announcement.

Article 7 (Material information I: Material information involving the Company's finance and business)

Information that will have a material impact on the price of shares in Article 157-1, Paragraph 5 of the "Securities and Exchange Act" shall mean information relating to the finances or businesses of the Company or will have a material impact on the investment decision of a reasonably prudent investor, as follows:

1. Matters specified in Article 7 of the "Securities and Exchange Act Enforcement Rules".
2. The Company carries out any material transaction of public offering and issuance or private placement of equity-type securities, capital reduction, corporate merger, acquisition, or split, share exchange, conversion, or transfer of shares from others, direct or indirect investment project, or there is any material change in any of the above matters.
3. The Company is in proceedings for reorganization, bankruptcy, dissolution, or application for stock delisting or termination of OTC securities trading, or there is any material change in any of the above matters.
4. A member of the Company's Board of Directors is subject to a provisional injunction ruling suspending his or her exercise of powers, making it impossible for the board of directors to exercise its powers, or all independent directors of the Company are removed from office.
5. Occurrence of a disaster, group protest, strike, or environmental pollution, or any other material event, where the Company incurs a material loss, or where a relevant authority orders suspension of work, suspension of business, or termination of business, or revokes or voids a relevant permit.
6. Dishonor of a negotiable instrument, filing for bankruptcy or reorganization, or any other similar event of a material nature, with respect to a related party of the Company or to a principal debtor or a joint guarantor of a principal debtor; or inability by a principal obligor, in favor of whom the Company has made an endorsement or guarantee, to settle a matured negotiable instrument, loan, or other obligation.
7. Occurrence of a significant event of internal control-related malpractice, non arm's-length transaction, or defalcation of company

assets.

8. Suspension of part or all of business transactions between the Company and a principal client or supplier.
9. Upon occurrence of any of the following with respect to a financial report of the Company:
 - (1) Failure to make a public announcement or a filing in a manner consistent with the requirements of Article 36 of the “Securities and Exchange Act”.
 - (2) An error or omission in a financial report prepared by the Company, with respect to which Article 6 of the “Securities and Exchange Act Enforcement Rule” requires a correction to and further a restatement of the financial report.
 - (3) A certified public accountant issues an audit or review report containing an opinion other than an unqualified or modified unqualified opinion. The same does not apply, however, in cases where the certified public accountant issues a qualified audit or review report for the reason of annual amortization of losses, as permitted by law, or for the reason that an amount of long-term equity investment and profit/loss thereupon presented in the first-quarter, third-quarter, or semiannual financial report is calculated on the basis of financial statements of the investee company that have not been audited or reviewed by a certified public accountant.
 - (4) A certified public accountant issues an audit or review report indicating substantial doubt about the going-concern assumption.
10. A significant discrepancy between financial forecasts already publicly disclosed and actual figures or between updated (or corrected) financial forecasts and original forecasts.
11. The Company’s operating income or income before tax shows a significant change from the same period of the previous year, or shows a significant change compared with the previous period and the change is not caused by seasonal factors.
12. When any of the following accounting events occurs to the Company, and the event, although it does not affect the profit/loss of the current period, has resulted in a material change in the net worth of the current period:
 - (1) Revaluation of assets.
 - (2) Valuation of financial instruments.
 - (3) Foreign currency translation adjustments.

- (4) Financial instruments accounted for using hedge accounting.
- (5) Net losses not recognized as retirement fund costs.
13. The fundraising plan for corporate bond redemption cannot be carried out.
14. The Company buys back its own shares.
15. The Company makes or suspends a public tender offer to acquire securities issued by a public company.
16. The Company acquirers or disposes of a major asset.
17. If the Company has issued securities overseas, occurrence of a material event that requires prompt public announcement or filing, as provided in the government laws and regulations, or securities exchange market rules and regulations, of the country where the securities are listed.
18. Other matters relating to the finances or businesses of the Company that would have a material impact on its stock price or on the investment decisions of a reasonably prudent investor.

Article 8 (Material Information II: Material Information Involving the Market Supply and Demand of the Company's Securities)

The reference in Article 157-1, paragraph 5, of the "Securities and Exchange Act" to information relating to the market supply and demand of such securities that would have a material impact on its stock price or on the investment decisions of a reasonably prudent investor means any of the following:

1. The Company's securities traded on the centralized securities exchange market or the OTC securities market are subject to a public tender offer or suspension of a public tender offer.
2. Any material changes in the shareholding of the Company or its controlling company.
3. The Company's securities traded on the centralized securities exchange market or the OTC securities market are subject to an event of bidding, auctioning, material default in settlement, change of the original method of trading, or suspension, limitation, or termination of trading, or there is any circumstance that may lead to any such event.
4. Persons duly charged with exercising searches under the law conduct a search of the Company, its controlling company, or any of its major subsidiaries as defined in Article 2-1, paragraph 2 of the "Regulations Governing Auditing and Attestation of Financial Statements by

Certified Public Accountants”.

5. Any other matter relating to the market supply and demand of such securities that would have a material impact on the Company’s stock price or on the investment decisions of a reasonably prudent investor.

Article 9 (Material information III: Material information on corporate bonds that could affect the ability of the Company to pay principal)

The reference in Article 157-1, paragraph 6, of the “Securities and Exchange Act” to information that will have a material impact on the ability of the Company to pay principal or interest means any of the following:

1. Any matter set out in Article 7, subparagraphs 1 to 3 of the “Securities and Exchange Act Enforcement Rules”.
2. Any matter set out in subparagraphs 5 to 8, subparagraph 9, item 4, and subparagraph 13 of Article 2 in the “Regulations Governing the Scope of Material Information and the Means of its Public Disclosure Under Article 157-1, Paragraphs 5 and 6 of the Securities and Exchange Act”.
3. The Company is in proceedings for reorganization, bankruptcy, or dissolution.
4. The Company suffers a material loss, and the loss is likely to result in financial difficulty, suspension of business, or termination of business.
5. The amount of the Company’s current assets, with inventory and prepaid expenses deducted and net cash inflows generated before the maturity date of corporate bonds added, is insufficient to cover the principal or interest due in the near future for the most recent period and other current liabilities.
6. The interest of any already issued corporate bonds is calculated at a non-fixed interest rate, and the interest expenses have risen significantly due to market interest rate fluctuations and affect the ability of the Company to pay principal or interest.
7. Any other matter that could affect the ability of the Company to pay principal or interest.

The provisions of the preceding paragraph do not apply to companies issuing corporate bonds under a bank guarantee.

Article 10 (Precise Timing for Material Information)

The date of existence of the information described in the preceding three

articles shall be the date of the fact, agreement, contract signature, payment, request, execution of transaction, transfer of title, resolution of the audit committee or board of directors, or other precise date based on concrete evidence, whichever comes first.

Whether the material information is deemed precise by the court depends on the situation and not based on the completion of specific procedures. For example, the determination whether material information is precise depends on the signing of a written agreement, the adoption of an internal resolution.

Article 11 (Method to Disclose Material Information)

For the purposes of Articles 7 and 9, public disclosure of information means a company enters such information into the Market Observation Post System.

For the purposes of Article 8, public disclosure of information means any of the following:

1. The Company enters such information into the Market Observation Post System.
2. The Taiwan Stock Exchange Corporation publicly announces the information on the Market Information System website.
3. The Taipei Exchange publicly announces the information on the Market Information System website.
4. Coverage of the information by two or more daily national newspapers on non-local news pages, national television news, or electronic newspapers issued by any the aforesaid media.

In the case of information publicly disclosed under subparagraph 4 of the preceding paragraph, the period of 18 hours referred to in Article 157-1, paragraph 1, of the Act shall begin with the later of the time of delivery of the newspaper, first broadcasting of the television news, or posting of the news on the electronic website, as the case may be.

The time of delivery of a newspaper referred to in the preceding paragraph means 6 a.m. for morning newspapers and 3 p.m. for evening newspapers.

Article 12 (Procedures for Handling Material Information)

1. The handling and disclosure of company's material information should be conducted in accordance with relevant laws and regulations and the rules of the Taiwan Stock Exchange.
2. Implementation of spokesperson system:
 - (1) The disclosure of company's material information should be carried out by the company's spokesperson or authorized representative,

unless otherwise specified by laws or regulations. If necessary, the Chairman of the company or Directors may handle the disclosure directly.

(2) The statements made by the company's spokesperson and authorized representative should be within the scope authorized by the company. Except for the Chairman, Directors, spokesperson, and authorized representative, company personnel should not disclose material information to the public without authorization.

3. Confidentiality obligations:

(1) The personnel of the Company who become aware of company's material information have a duty to maintain confidentiality and should not disclose undisclosed material information to others.

(2) The personnel of the Company should not inquire or collect undisclosed material information unrelated to their job duties from individuals who are aware of such information. They should also not disclose undisclosed material information to others, even if they become aware of it through sources other than their job duties.

(3) When storing or transmitting undisclosed material information in written or electronic form, appropriate confidentiality measures or encryption should be implemented. The recipients should also be bound by confidentiality obligations.

(4) Organizations, institutions, or individuals outside the company participating in mergers, investment plans, important memoranda, business cooperation plans, or significant contract signing should sign confidentiality agreements with the involved parties. They should be required not to disclose undisclosed material information or engage in insider trading.

(5) Files and documents related to company's material information should be backed up and securely stored.

4. If the personnel of the Company became aware of leaks or breaches of undisclosed material information, they should promptly notify the Investor Relations Div. of the Company. The Investor Relations Div. should immediately report to the Chairman and handle the matter appropriately.

Article 13 (Networking Behavior to Avoid Insider Trading)

In addition to passive observation, the personnel of the Company may not discuss information about the Company that is not publicly disclosed on social

media, or in groups, organizations, online chatrooms and information forums related to investments or stocks. The personnel of the Company are advised to avoid discussing material information online even if it has been previously disclosed.

Personnel of the Company who find any false or misleading information shall notify the Company's spokesperson and shall not clarify or respond to them at will.

Article 14 (Whistleblowing on Insider Trading)

If the personnel of the Company become aware of insider trading activities, they should promptly inform the Investor Relations Div. or report it through the company's whistleblowing system. The Investor Relations Div. should immediately report to the Chairman and handle the matter appropriately.

If necessary, the Investor Relations Div. may invite other relevant departments to discuss the issue, and handle the matter as instructed by the Chairman.

The outcome of the handling should be recorded. Depending on the severity of the violation, the Chairman may report to the Company's Board of Directors.

Any personnel of the Company who violate this management policy should be disciplined in accordance with the Company's code of conduct and may be held accountable under civil and criminal law.

Article 15 (Legal Liability for Breach of Insider Trading)

Persons engaging in insider trading shall be liable for damages for violating Article 157-1 of the "Securities and Exchange Act" and shall be criminally liable in accordance with Article 171 of the "Securities and Exchange Act".

Article 16 (Insider Information Filing and Reporting Changes)

The Company's Stock Affair Div. shall establish and maintain the information files of insiders and report them to the competent authorities within the prescribed timeline and methods.

Where there are any changes in the shareholdings of directors, supervisors, officers and shareholders holding more than 10% of the total shares of the Company, and their related parties (including: insiders' spouses, minor children and those whose shares are held under the name of third parties), the Investor Relations Div. shall report the relevant information within two days counting inclusively from the date of occurrence of the event (Reporting System for New (Dismissed) Insiders). (See "Measures for Management of Insiders Reporting")

Article 17 (Awareness Campaigns)

At least once per year, the Legal Div. of the Company shall conduct educational campaigns to promote awareness among all directors, officers, shareholders holding more than ten percent of the shares of the Company, and employees with respect to these procedures and related laws and regulations. The Legal Div. shall also provide educational campaigns to new directors, officers, and employees in a timely manner. A declaration confirming their knowledge of insider laws signed within 5 days of their appointment shall be kept for reference. A copy of the declaration of directors and independent directors shall be sent to the Taiwan Stock Exchange within 10 days of their appointment for reference.

Article 18 (Implementation and Amendment)

These procedures are implemented after the resolution by the Board of Directors; the same is true for any amendment and repeal. These procedures were established on 2023/8/18.

Article 19 (Control Focus)

- I. The Stock Affair Div. shall establish and maintain the information files of insiders and shareholders holding more than ten percent of the shares of the Company.
- II. Any organization or person outside of the Company that is involved in any corporate action relating to a merger or acquisition, major memorandum of understanding, strategic alliance, other business partnership plans, or the signing of a major contract shall be required to sign a confidentiality agreement by the Investor Relations Div..

Article 20 (Basis)

1. Securities and Exchange Act
2. Securities and Exchange Act Enforcement Rules
3. Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants
4. Regulations Governing the Scope of Material Information and the Means of its Public Disclosure Under Article 157-1, Paragraphs 5 and 6 of the Securities and Exchange Act
5. Measures for Management of Insiders Reporting

6. Procedures for Ethical Management and Guidelines for Conduct

Article 21 (Forms Used)
None