

# Procedures for Handling Material Inside Information

<b>Document No.</b>	KKCIB21	<b>Issuing Date</b>	2023/8/18	<b>Current Rev.</b>	1
<b>Issued &amp; Management Dept.</b>	Investor Relations Div.				

<b>Article Amendment</b>			
<b>Rev.</b>	<b>Pages</b>	<b>Description</b>	<b>Approved Date</b>
1	-	Newly established	2023/8/18
2			
3			
4			
5			
6			
7			
8			
9			
10			

## **Procedures for Handling Material Inside Information**

- Article 1 (Purpose of the Procedures)  
To establish a sound mechanism for handling and disclosing material inside information within the company, and to prevent improper leakage of information while ensuring consistency and accuracy of information released to the outside world, this operational procedure is formulated for compliance.
- Article 2 (Handling of material inside information shall be conducted in accordance with laws and regulations and this operational procedure.)  
The handling and disclosure of the Company's material inside information shall be in accordance with applicable laws, orders and requirements of the competent authorities.
- Article 3 (Applicability)  
The scope of application for this operational procedure includes directors, independent directors, managerial officers, and employees of the company. Other individuals who become aware of material inside information about the company due to their identity, profession, or control relationship shall be encouraged to comply with the relevant provisions of this operational procedure.
- Article 4 (Scope of material information coverage)  
Material inside information referred to in this operational procedure refers to material information as defined by the Securities Exchange Act, relevant laws, regulations, orders, and Taiwan Stock Exchange (TWSE) regulations.
- Article 5 (Responsible Division)  
The Investor Relations Div. is responsible for handling material inside information within the company. It consists of suitable and appropriate members based on the company's size, business conditions, and management needs, Approved by the board of Directors and its authority is as follows:
1. Responsible for drafting and revising draft versions of this operational procedure.
  2. Responsible for receiving consultations, deliberations, and providing recommendations related to the handling of material inside information and this operational procedure.
  3. Responsible for receiving reports on the improper disclosure of material inside information and formulating countermeasures.
  4. Responsible for establishing a system for the preservation of all documents, files, electronic records, and other materials related to this operational procedure.
  5. Responsible for other matters related to this operational procedure.
- Article 6 (Operation of the confidentiality firewall - Personnel)  
The Company's directors, independent director, officers, and employees shall exercise the due care and fiduciary duty of a good administrator and act in good

faith when performing their duties, and shall sign confidentiality agreements. No director, independent director, officer, or employee with knowledge of material inside information of the Company may divulge the information to others.

No director, independent director, officer, or employee of the Company may inquire about or collect any non-public material inside information of the Company not related to their individual duties from a person with knowledge of such information, nor may they disclose to others any non-public material inside information of the Company of which they become aware for reasons other than the performance of their duties.

- Article 7 (Operation of the confidentiality firewall - Object)  
Proper protection of confidentiality shall be given to files and documents containing the Company's material inside information when transmitted in written form. When transmitted by e-mail or other electronic means, such files and documents shall be processed with appropriate security technology such as encryption or electronic signatures.  
Files and documents containing the Company's material inside information shall be backed up and stored in a secure location.
- Article 8 (Operation of the confidentiality firewall)  
The company shall ensure the establishment of the abovementioned firewalls and take the following measures:  
I. Adopt appropriate firewall control measures and conduct regular testing.  
II. Enhance the storage and confidentiality measures for the company's undisclosed material inside information files and documents.
- Article 9 (Confidentiality procedures for external organizations or individuals)  
Any organization or person outside of the Company that is involved in any corporate action of the Company 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, and may not disclose to another party any material inside information of the Company.
- Article 10 (Material Information Release Application)  
When the company discloses material information, it shall comply with relevant laws, regulations, orders, the verification and public disclosure procedures of material information for listed companies by Taiwan Stock Exchange (TWSE), relevant Q&As, and this operational procedure to ensure the timeliness, accuracy, and completeness of information.
- Article 11 (Implementation of the spokesperson system)  
Any disclosure of the Company's material inside information, except as otherwise provided by law or regulation, shall be made by the Company's spokesperson, or by a deputy spokesperson acting in such capacity in a confirmed

sequential order. When necessary, the disclosure may be made directly by a person in charge of the Company.

The Company's spokesperson or deputy spokesperson shall communicate to outside parties only information within the scope authorized by the Company, and no personnel of the Company other than those serving as the Company's person in charge, spokesperson, or deputy spokesperson may disclose any material inside information of the Company to outside parties without authorization.

Article 12 (Material Information Evaluation and Decision-making Procedure)

When significant decisions or important events occur in the company that meet the verification and disclosure procedures for material information of listed companies by Taiwan Stock Exchange (TWSE), the responsible units shall complete the "Material Information Release Application" and "Material Information Evaluation Checklist" on the day the event occurs, have them signed by the unit supervisor, submit them to the Investor Relations Div. for review and verification, and then submit them to the company's spokesperson for approval. The material information shall be released after being signed by the Chairman within the legally prescribed time frame.

When significant decisions or important events occur in the company that meet the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities" or after further assessment, if the decision or event has a significant impact on the company's finances, operations, shareholder equity, or security prices, the material information shall be released as soon as possible within the legally prescribed time frame according to the provisions mentioned above.

Article 13 (Storage of verification records)

The Investor Relations Div. serves as the dedicated unit for material information, responsible for evaluating, verifying, reviewing, and releasing material information. The "Material Information Release Application" and "Material Information Evaluation Checklist" shall be documented in writing and submitted to the Chairman for approval. Afterwards, they shall be archived in writing. The evaluation records, verification documents, and related information shall be retained for at least five years.

The following records shall be retained when the company releases material information:

1. Evaluation content.
2. Signatures or seals, dates, and times of the individuals who conducted the evaluation, verification, and approval.
3. The content of the released material information and the legal basis applicable.
4. Any other relevant details.

Article 14 (Response to inaccurate media reports)

If a media agency releases information that is in any respect inconsistent with

material information disclosed by the Company, the Company's Investor Relations Div. shall promptly issue a clarification on the Market Observation Post System (MOPS) and request the media agency to correct the information.

Article 15 (Reporting of abnormal situations)

Any director, independent director, officer, or employee of the Company that becomes aware of any unauthorized disclosure of this the Company's material inside information shall report to the Investor Relations Div. and the Auditing Div. as soon as practicable.

After receiving the aforementioned reports, the responsible unit shall develop countermeasures. When necessary, it may invite internal audit, legal, and other departments to discuss the handling. The results of the handling shall be documented for record, and internal audit shall conduct an audit based on their responsibilities.

Article 16 (Handling of violations)

The Company's Investor Relations Div. shall take measures to discover those responsible and take appropriate legal action against any personnel under either of the following circumstances:

1. Personnel of the Company disclose material inside information without authorization to any outside party, or otherwise violate these procedures or any other applicable law or regulation.
2. The Company's spokesperson or deputy spokesperson communicates to any outside party any information beyond the scope authorized by the Company, or otherwise violates these Procedures or any other applicable law or regulation.
3. If any person outside this Corporation divulges any material inside information of the Company, thereby causing damage to any property or interest of the Company, the Company shall pursue appropriate measures to hold the person divulging the information legally liable.

Article 17 (Internal control mechanism)

This operational procedure is incorporated into the company's internal control system. Internal auditors shall periodically understand its compliance and prepare audit reports to ensure the implementation of the Procedures for Handling Material Inside Information.

Article 18 (Awareness Campaigns)

The company shall conduct education and promotion of this operational procedure and related laws and regulations for directors, independent directors, managerial officers, and employees at least once a year.

Provide educational campaigns to new directors, officers, and employees in a timely manner.

Article 19 (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 20 (Basis)

- I. Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities

Article 21 (Forms Used)

1. Material Information Release Application
2. Material Information Evaluation Checklist