

Procedures for handling of Internal Material Information

- 1. Purpose:** The Company's internal materials information shall be handled and disclosed in accordance with the applicable laws and regulations. Any matters not provided herein shall be handled in accordance with the applicable laws and regulations.
- 2. Scope:** Unless otherwise provided by the applicable laws and regulations, these procedures shall apply to all directors, managerial officers and employees of the Company. The Company shall ensure that any other person who acquires knowledge of the Company's internal materials information due to their position, profession or relationship of control shall comply with the applicable provisions of these procedures.
- 3. Operating procedures:**
 - 3.1. Responsibility of directors, managerial officers and employees**
 - 3.1.1.** The Company's directors, managerial officers, and employees shall exercise due care and fiduciary duties of a good administrator and act in good faith when performing their duties and shall sign non-disclosure agreements.
 - 3.1.2.** No director, managerial officer or employee with knowledge of materials inside information of the Company may divulge the internal materials information known by him/her to others.
 - 3.1.3.** No director, managerial officer, or employee of the Company may inquire about or collect any non-public internal materials 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 materials inside information of the Company of which they may become aware for reasons other than the performance of their duties.
 - 3.2. The safety of transmission of internal materials information shall be secured to prevent retrieval of data without authorization.**
 - 3.2.1.** Proper protection of confidentiality shall be given to files and documents containing the Company's internal materials information when transmitted in written form. When transmitted by e-mail or other electronic means, such files and documents must be processed with appropriate security technology. Files

and documents containing the Company's internal materials information shall be backed up and stored in a secure location.

3.2.2. The Company shall ensure that the firewalls specified in the preceding article are established and take the following additional steps:

3.2.2.1. Adopt adequate control measures for the firewalls and perform periodic testing.

3.2.2.2. Enhance measures for custody and maintain the secrecy of files and documents containing non-public internal materials information of the Company.

3.3. Unless otherwise provided by law or any court's order, 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 non-disclosure agreement and be prohibited from disclosing to another party any internal materials information of the Company thus acquired.

3.4. The Company shall comply with the following principles when making external disclosures of internal materials information:

3.4.1. The information disclosed shall be accurate, complete and timely.

3.4.2. There shall be a well-founded basis for the information disclosure.

3.4.3. The information shall be disclosed fairly.

3.5. Implementation of the spokesperson system

3.5.1. Any disclosure of the Company's internal materials information, except as otherwise provided by law or regulations, 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 responsible person of the Company.

3.5.2. The Company's spokesperson or deputy spokesperson shall only communicate to outside parties information within the scope authorized by the Company, and no personnel of the Company may disclose any internal materials information of the Company to outside parties without authorization.

3.6. The Company shall keep a record of the following with respect to any disclosure of information to outside parties:

- 3.6.1.** The person who discloses the information, the date and the time
 - 3.6.2.** How the information is disclosed
 - 3.6.3.** What information is disclosed
 - 3.6.4.** What written material is delivered
 - 3.6.5.** Any other relevant details
- 3.7.** In the event that any director, supervisor, managerial officer or shareholder holding more than ten percent of the shares of a listed company sells the listed securities within six months after its acquisition or repurchase the securities within six months after its sale, the company shall claim for the disgorgement of any profits realized from the sale and purchase.
- If the board of directors of the company fails to exercise the right of claim for disgorgement under the preceding paragraph on behalf of the company, its shareholders may request the directors to exercise the right of claim within thirty days. Upon the expiration of such period, if no action has been taken, such requesting shareholders shall have the right to claim for disgorgement on behalf of the company. The directors shall be jointly and severally liable for damages suffered by the company as a result of their failure to exercise the claim provided under paragraph 1 of this Article.
- 3.7.1.** The right of claim specified in the preceding paragraph shall be extinguished if not exercised within two years after the date on which the profit is realized.
 - 3.7.2.** The calculation of shares held by shareholders referred to in Article 3.7 shall include shares held by their spouses and minor children and those held under the names of other parties.
 - 3.7.3.** This Article shall apply *mutatis mutandis* to other securities with the nature of equity shares issued by a company.
- 3.8.** Upon actually knowing of any information that will have a material impact on the price of the securities of the issuing company, after the information is precise and prior to the public disclosure of such information or within 12 hours after its public disclosure, the following persons shall not purchase or sell, in the person's own name or in the name of another, shares of the company that are listed on an exchange or an over-the-counter market or any other equity-type security of the company:
- 3.8.1.** A director and managerial officer of the company and/or a natural person designated to exercise powers as a representative pursuant to the company's

articles of incorporation.

3.8.2. A shareholders holding more than ten percent of the shares of the company.

3.8.3. Any person who has learned the information by reason of occupational or controlling relationship.

3.8.4. A person who, though no longer among those listed in [one of] the preceding three subparagraphs, has lost such status only within the last six months.

3.8.5. Any person who has learned the information from any of the persons named in the preceding four sub-paragraphs.

Persons in violation of said provisions shall be held liable, to trading counterparts who on the day of the violation undertook the opposite-side trade with *bona fide* intent, for damages in the amount of the difference between the buy or sell price and the average closing price for ten business days after the date of public disclosure; the court may also, upon the request of the counterpart trading in good faith, treble the damages payable by the said violators should the violation be of a severe nature. The court may reduce the damages where the violation is minor.

The persons referred to in Article 3.8.5 shall be held jointly and severally liable with the persons referred to in Article 3.8.1 through Article 3.8.4 who provided the information for the damages referred to in the preceding paragraph. However, where the persons referred to in Article 3.8.1 through Article 3.8.4 who provided the information had reasonable cause to believe the information had already been publicly disclosed, they shall not be liable for damages.

The phrase "information that will have a material impact on the price of the securities" in the preceding paragraph shall mean information relating to the finances or businesses of the company or the supply and demand of such securities in the market or tender offer of such securities, the specific contents of which will have a material impact on the price of the securities or will have a material impact on the investment decision of a reasonably prudent investor.

Any other matters not covered herein shall be handled in accordance with applicable laws and regulations.

3.9. If a media agency releases information that is in any respect inconsistent with material information disclosed by the Company, the Company shall promptly issue a clarification on the Market Observation Post System (MOPS) and request the media agency to correct the information.

3.10. Any director, supervisor, managerial officer or employee of the Company who

becomes aware of any unauthorized disclosure of the Company's internal materials information shall report to the responsible unit and the internal audit department of the Company as soon as practicable.

3.11. Upon receipt of a report made pursuant to the preceding paragraph, the responsible unit shall formulate corresponding measures. When necessary, it may invite members from the internal audit and other departments to meet and discuss the measures, and shall keep a record of the results of the measures for future reference. The internal auditors shall also perform such audits as their duties may require.

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

3.12.1. Personnel of the Company disclosed material inside information without authorization to any outside party or otherwise violate these procedures or any other applicable laws or regulations.

3.12.2. A spokesperson or deputy spokesperson of the Company communicates to any outside party any information beyond the scope authorized by the Company or otherwise violates these procedures or any other applicable laws or regulations.

3.12.3. If any person outside the Company divulges any internal materials 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.

3.13. The internal auditors shall keep themselves regularly informed of the status of compliance with these procedures and shall prepare related audit reports to ensure full implementation of the procedures for handling internal materials information.

3.14. At least once a year, the Company's unit dedicated to handling internal materials information shall conduct educational campaigns to promote awareness among all directors, managerial officers and employees with respect to related laws and regulations. The Company shall also provide educational campaigns for o new directors, managerial officers and employees in a timely manner.

3.14.1 Directors and managerial officers shall sign to acknowledge the insider's statement for compliance with related laws and regulations within 5 days after

they hold the position as director and managerial officer, and the statement shall be recorded by the Company. A photocopy of the director's statement shall be recorded at the Taiwan Stock Exchange Corporation within 10 days after the directors assume the position as director and fulfilled precisely.

3.15. In case of any changed in the insiders and their related parties (including the insiders' spouses, minor children and those under whose names the insiders hold the shares), such as any director, managerial officer or shareholder holding more than ten percent of the Company, it shall be reported (in the real-time reporting system for employment (discharge) of insiders) within 2 days upon their occurrence and fulfilled precisely.

3.16. Implementation and amendment

The Procedures shall be implemented upon approval by the Board of Directors. The same shall apply where the procedures are amended.

The procedures shall be implemented upon approval by the Board of Directors on January 8, 2010.

The procedures shall be implemented upon approval by the Board of Directors on March 11, 2014.

4. References:

4.1. Securities and Exchange Act

4.2. Taiwan Stock Exchange Corporation Procedures for Press Conferences Concerning Material Information of Listed Companies

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

5. Form:

5.1. Public notice form