

Management Procedure for Insider Trading

Adopted by the Board of Directors
on October 12, 2021

1. Objective

This Management Procedure for Insider Trading (the “**Procedure**”) is established to prevent personnel of the Company from either deliberately or mistakenly, due to unfamiliarity with the law, breaking any insider trading law or rule and thus resulting in any litigations involving the Company or any relevant personnel of the Company.

2. Scope

The Procedure applies to all directors, supervisors, officers, and employees (individually or collectively, the “**Personnel**”) of TSRC Corporation and its subsidiaries (individually or collectively, the “**Company**”).

3. No Insider Trading

The Personnel of the Company should comply with the Securities and Exchange Act. No insider trading should be made with the use of any Material Information (defined below) known by him or her that is not yet in the public domain. Each Personnel is also prohibited from disclosing any such information to anyone or having such information used by others on his or her behalf to conduct any trade.

4. Definition of Insiders

Based on the Securities and Exchange Act, an “**Insider**” refers to any of the following individuals, and are not limited to incumbent Personnel of the Company:

- 4.1 directors, supervisors, or officers of TSRC Corporation, or natural persons designated to exercise powers as representatives under Article 27, Paragraph 1 of the Company Act;
- 4.2 shareholders holding more than 10% of the shares of TSRC Corporation;
- 4.3 individuals who acquire Material Information by reason of their jobs or

- controlling interests in TSRC Corporation;
- 4.4 individuals who no longer hold statuses as set forth in the preceding clauses 4.1-4.3 for less than 6 months;
 - 4.5 individuals who acquire Material Information from any of the persons set forth in the foregoing clauses 4.1-4.4.

Shares held by any person referenced in clause 4.1 or 4.2 include shares held by his or her spouse and underaged children, and shares held in the name of his or her respective nominees.

5. Insider Trading

- 5.1 The following behaviors constitutes an insider trade under the Securities and Exchange Act:
 - (1) Upon learning of any information that may or would materially affect the stock price of TSRC Corporation, an Insider, in his or her own name or the name of others, sells or purchases the shares or other equity securities of TSRC Corporation after such information is ascertained and prior to its public disclosure or within 18 hours after its public disclosure.
 - (2) Upon learning of any information that may materially affect the solvency of TSRC Corporation, an Insider, in his or her own name or the name of others, trades the non-equity-linked exchange-traded bonds of the company after such information is ascertained and prior to its public disclosure or within 18 hours after its public disclosure.
- 5.2 Targets of insider trading should include not only the shares, securities and corporate bonds of TSRC Corporation as listed in clause 5.1 but also the shares, securities and corporate bonds of any subsidiary, affiliate, or current or prospective customer, supplier or business partner of the Company (e.g. other shareholders in a joint venture with TSRC Corporation) as well as the shares, securities and corporate bonds tradable on open markets of any company with which the Company is negotiating to enter into a business relationship.

6. Material Information

“Material Information” refers to any information that may or would materially affect the stock price or solvency of TSRC Corporation, and “information that may or would materially affect the stock price” means the particulars of such information involving the finances or business of the TSRC Corporation, or relating to the supply and demand or tender offer, the result of which may have a material impact on the stock price of TSRC Corporation or the investment

decision of the reasonably prudent investors of TSRC Corporation. For a detailed definition of such information, please see 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* as attached hereto (should there be any amendments or alterations thereof, the Legal Department should promptly announce such changes and update the attachments to this Procedure).

7. Date of Material Information

The date of Material Information shall be the earlier of either the date of the relevant fact, agreement, execution, payment, request, appointment, transaction, deal completion, transfer of title/ownership, resolution of the Audit Committee or Board of Directors, or such other dates as may be confirmed by concrete evidence.

8. Public Disclosure of Material Information

8.1 The public disclosure of any of the following Material Information shall be announced by the Company via the Market Observation Post System (MOPS):

- (1) Any information involving the finances or business of TSRC Corporation which may or would have material impact on its stock price or the decisions of its reasonably prudent investors;
- (2) Any information regarding the non-equity-linked exchange-traded bonds of TSRC Corporation which may or would have material impact on the solvency of TSRC Corporation.

8.2 The public disclosure of any Material Information relating to the supply and demand of securities and may or would have a material impact on the stock price or the decisions of the reasonably prudent investors of TSRC Corporation shall be made through one of the following:

- (1) Publication by TSRC Corporation via the Market Observation Post System (MOPS);
- (2) Publication on the website of Market Information System of the Taiwan Stock Exchange Corporation;
- (3) Publication on the website of Market Information System of the Taipei Exchange;
- (4) News coverage by two or more daily national newspapers in non-local news sections, or by national television news or e-newspaper issued by any of the aforesaid media.

9. Processing Procedure for Material Information

- 9.1 The Material Information of the Company should be processed and disclosed in accordance with the applicable laws and the regulations of the Taiwan Stock Exchange.
- 9.2 Spokesperson
- (1) Unless otherwise required by law or other regulations, any Material Information of the Company should be disclosed by the spokesperson or deputy spokesperson of TSRC Corporation. The CEO or Chairperson of TSRC Corporation may handle such matter directly if necessary.
 - (2) The spokesperson or deputy spokesperson of TSRC Corporation should deliver remarks only to the extent authorized by the Company. Unless duly authorized, no Personnel of the Company other than the Chairperson, CEO, spokesperson, and deputy spokesperson of TSRC Corporation may disclose any Material Information externally.
- 9.3 Confidentiality Obligation
- (1) The Personnel of the Company is obligated to keep confidential all Material Information he or she acquires and should not disclose such information to any other person if such information is not publicly available (the “**Material Non-Public Information**”).
 - (2) The Personnel of the Company should not make inquiries of or collect from any informed person any Material Non-Public Information unrelated to their job functions, and are also prohibited from disclosing to anyone any Material Non-Public Information acquired that is not a result of their job duties to the Company.
 - (3) Any Material Non-Public Information of the Company, when stored or transmitted in any written or electronic means, should be decrypted or protected with proper confidentiality measures. The receiving party should also be obligated to keep such information confidential.
 - (4) The Company shall enter into a non-disclosure agreement with any participating entity, organization, or personnel in the execution of any merger, investment, important memorandums of understanding, business cooperation or other important agreements, in which prohibits the participating party from disclosing any Material Non-Public Information acquired or using such information to conduct any insider trade.
 - (5) All files and documents that contain the Material Information of the Company should be backed up and stored in a safe place.
- 9.4 The Personnel of the Company should notify the head of the Legal Department of TSRC Corporation as soon as practically possible if he or she learns of any unauthorized disclosure of the Material Non-Public

Information. The head of the Legal Department should then immediately report to the CEO to take appropriate actions.

10. Regulations on Online Behavior for the Prevention of Insider Trading

Except for passive observation online, the Personnel of the Company should not mention or discuss any non-public information about the Company on any social media or groups, organizations, internet chatrooms, message boards or forums related to investment or stocks. The Personnel of the Company are also advised to avoid discussion of or mentioning any Material Information of the Company, even if such information has been publicized.

If any Personnel of the Company discover any false or misleading information or comments about the Company online, they may report such incidents to the spokesperson of TSRC Corporation for further handling, but must not make their own clarifications, statements, or responses.

11. Whistleblowing and Handling of Insider Trading

11.1 When learning of any instances of insider trading, the Personnel of the Company should promptly notify the Legal Department or report such incident in accordance with the whistleblowing procedure of the Company. Upon receipt of such notification, the Legal Department should immediately report it to the CEO and take appropriate actions.

11.2 The Legal Department should, where necessary, invite other relevant departments to discuss and handle the reported case pursuant to the instructions of the CEO. The handling results should be made into a written record. The CEO may, based on the severity of the case, timely report to the Chairperson or the Board of Directors of TSRC Corporation.

11.3 Any Personnel of the Company in violation of this Procedure will be subject to disciplinary actions and punishments under the regulations of the Company, and may be sought for civil and criminal liabilities.

12. Legal Liabilities of Insider Trading

The Personnel of the Company in violation of the insider trading rule will be subject to the following civil and criminal liabilities under the Securities and Exchange Act:

12.1 Criminal liabilities: imprisonment for not less than 3 years and not more than 10 years, and a fine of not less than NT\$10 million and not more than NT\$200 million in addition thereto. If the criminal proceeds reach NT\$100 million or more, a sentence of imprisonment for not less than 7 years, and a fine of not less than NT\$25 million and not more than NT\$500 million in addition thereto. If the stability of the securities market is consequently

prejudiced by the violation, the punishment shall be aggravated by an extra half of the foregoing.

- 12.2 Civil Liabilities: compensatory damages in the amount of the difference between the buy or sell price of the person undertaking the opposite side of the trade with bona fide intent on the day of the trading and the average closing price over the 10 business days after the Material Information becomes public. If the violation is severe, the court may also, upon the request of the counterparty trading with bona fide intent, triple the damages payable by the violator of the insider trading rule. In addition, the disclosing party of any Material Information will be held jointly and severally liable with the receiving party of such information.

Other than the foregoing civil and criminal liabilities, the violators will face severe punishment by the Company in accordance with the law (including termination of engagement or employment).

13. Authority and Duties

- 13.1 The Legal Department of the Company is responsible for maintaining and implementing this Procedure. Any Personnel of the Company who has questions as to whether any information acquired is “Material Information” should promptly consult the Legal Department.
- 13.2 The Legal Department should hold annual educational training and promotion sessions on the prevention of insider trading with an eye to strengthening the Personnel’s understanding of the insider trading rule and maintenance of the confidentiality of the Material Information.

14. Establishment and Amendment

The Procedure, as amended from time to time, should be implemented upon being adopted by the Board of Directors.

Attachments to the Management Procedure for Insider Trading of TSRC Corporation:

Extracts from 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 (the "Act")

Article 2

The reference in Article 157-1, paragraph 5, of the Act to information relating to the finances or businesses of a company 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. Matters provided in Article 7 of the Enforcement Rules to the Act.
2. 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 projects by the Company, or any material changes in any of the foregoing matters.
3. The company being in the process of reorganization, bankruptcy, dissolution, or applying for delisting of stocks or termination of OTC securities trading, or any material changes in any of the foregoing 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 disasters, group protests, strikes, environmental pollutions, or any other material event, where the company incurs a material loss, or where a relevant authority orders suspension of work, suspension of business, termination of business, or revokes or voids a relevant permit.
6. With respect to a related party of the company or to a principal debtor or a joint and several guarantor of a principal debtor, the dishonoring of a negotiable instrument, filing for bankruptcy or reorganization, or any other similar event of a material nature; or the failure by a principal obligor to settle a matured negotiable instrument, loan, or other obligation on behalf of whom the company has made an endorsement or guarantee.
7. Occurrence of a significant event of internal control-related malpractice, non arms-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. 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 Act.
 - (2) An error or omission in a financial report prepared, to which a correction to and further a restatement of the financial report is required in accordance with Article 6 of the Enforcement Rules to the Act.
 - (3) A certified public accountant issues an audit or review report containing an opinion other than an unqualified or modified unqualified opinion. This does not apply to cases where the certified public accountant issues a qualified audit or review report for the reasons of annual amortization of losses as permitted by law, or 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 concerns on the assumption of continuation of business.
10. A significant discrepancy exists 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 the redemption of corporate bonds 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 acquirer or disposes of major assets.
17. If the company has issued securities overseas, the occurrence of a material event that requires prompt public announcement or filing, as provided in the laws and regulations or rules and regulation of the securities exchange market 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 3

The reference in Article 157-1, paragraph 5, of the 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 bidding, auctioning, material default in settlement, change of the original trading method, or suspension, limitation, or termination of trading.
4. Persons exercising searches in accordance with the law conducts 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 matters 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 4

The reference in Article 157-1, paragraph 6, of the 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 subparagraphs 1 to 3 of Article 7 of the Enforcement Rules of the Act.
2. Any matter set out in subparagraphs 5 to 8, item 4 of subparagraph 9, and subparagraph 13 of Article 2 herein.
3. The company is in process of reorganization, bankruptcy, or dissolution.
4. The company suffers a material loss, and such 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 affects 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.

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