

# **Regulation on E.SUN FHC and Subsidiaries Material Inside Information Processing**

Set at the 24<sup>th</sup> Meeting of the 4<sup>th</sup> Board of Directors on March 24, 2014

Set at the 10<sup>th</sup> Meeting of the 6<sup>th</sup> Board of Directors on August 10, 2018

Set at the 23<sup>th</sup> Meeting of the 7<sup>th</sup> Board of Directors on November 11, 2022

## **Article 1 (Purpose)**

These Regulations are specially adopted to establish sound mechanisms for the handling and disclosure of material inside information by E.SUN FHC and its subsidiaries (hereafter the “Company”), thereby preventing improper information disclosure and ensuring the consistency and accuracy of information released by the Company to the public.

## **Article 2 (Legal Basis)**

All departments of the Company shall handle and disclose material inside information in accordance with applicable laws and regulations, 「Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities」, E.SUN FHC and Subsidiaries Guidelines for Information Disclosure, and these Regulations.

## **Article 3 (Scope of Material Inside Information)**

For the purpose of these Regulations, the term “material inside information” refers to the material information defined 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 and the Taiwan Stock Exchange Corp. Procedures for Verification and Disclosure of Material Information of Companies With Listed Securities.

## **Article 4 (Evaluation Procedure of Material Inside Information)**

The relevant business departments consider and evaluate the resolutions made or the occurrence of events conforms to the procedures or other laws and regulations that should announce the important information, or comprehensively evaluates the impact on the company's finances, business, shareholders' equity or securities prices, and should be filled in according to the important information format. The content of the announcement shall be signed in paper (or electronically) by the legal compliance supervisor and section supervisor of the relevant business departments, and countersigned by the relevant unit. After the general manager signs and approves the decision, the major information will be announced before the release time limit stipulated by the law.

## **Article 5 (Division of Duties for Material Inside Information Disclosure)**

The Company's financial and operational information that it is supposed to disclose shall

be handled by personnel appointed by the relevant business departments.

The E.SUN FHC head office's Financial Management Section is charged with applying for, updating, and canceling the certificate needed for making postings on the Market Observation Post System and keying in thereon material information based on that provided by departments of the Company.

#### Article 6 (Applicable Parties)

These Regulations shall apply to all directors, supervisors, managerial officers, and employees of the Company. Any other person who acquires knowledge of the Company's material inside information due to their position, profession, or relationship of control shall also comply with these Regulations.

#### Article 7 (Insiders' Obligation of Confidentiality)

The Company's directors, supervisors, managerial 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 may not divulge material inside information they have knowledge of to others. No director, supervisor, managerial 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 divulge 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 8 (Dissemination and Preservation of Material Inside Information)

Proper protection of confidentiality shall be given to files and documents containing the Company's material inside information when transmitted in written form. Files and documents containing the Company's material inside information shall be stored in a secure location.

#### Article 9 (Signing of Non-Disclosure Agreements)

Any organization or person outside the Company that is involved in any corporate action of the Company relating to a merger or acquisition, major memorandum of understanding, strategic alliance, or other business partnership plans, or the signing of a major contract shall be required to sign a non-disclosure agreement, and pledge not to divulge to another party any material inside information of the Company's thus acquired. Such signatories shall also pledge not to trade the equities or other equity-type securities of all the companies involved in the deal in question before the said information is publicly disclosed; they shall also pledge not to trade their non-equity corporate bonds if the said material inside information has a material effect on their capacity for making principal and interest payments.

Article 10 (Principles for Disclosure of Material Inside Information) The Company shall abide by the following principles when making public material inside information:

1. The information disclosed shall be accurate, complete, and timely.
2. There shall be a well-founded basis for the disclosure.
3. The information shall be disclosed in a fair manner.

#### Article 11 (Power, Responsibility, and Scope of Disclosure)

Any disclosure of the Company's material inside information, except as otherwise provided by applicable laws or regulations or other internal regulations of the Company, shall be made by the Company's spokesperson or acting spokesperson after it has been approved with due process. When necessary, the disclosure may be made directly by the chairman or president of the Company other than the chairman, president, spokesperson, and acting spokesperson may divulge any material inside information of the Company to outside parties without authorization.

#### Article 12 (Record-Keeping for Disclosure of Material Inside Information)

The Company shall keep records of the following in respect of any disclosure of material inside information to outside parties at least 5 years:

1. The person who Evaluation, review, decision-making signature and discloses the information and the date and time of disclosure.
2. The content of the material inside information in accordance with applicable laws and regulations.
- 3 . Any other relevant details.

#### Article 13 (Response to False Media Coverage)

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

#### Article 14 (Response to Leakage of Material Inside Information)

Any director, supervisor, managerial officer, or employee of the Company that becomes aware of any unauthorized disclosure of the Company's material inside information shall report to the spokesperson and the internal audit department of the Company as soon as practicable.

Upon receipt of a report made pursuant to the preceding paragraph, the spokesperson shall gather members of the internal audit and other related departments for discussion and formulation of countermeasures and keep a record of how the adopted measures play out for future reference. The internal auditors shall also perform an audit as their duties may require.

#### Article 15 (Disciplinary Measures)

The Company shall call any personnel to account and take appropriate legal action against them under either of the following circumstances:

1. Personnel of the Company divulge material inside information without authorization to any outside party, or otherwise violate these Regulations or any other applicable law or

regulation.

2. If any person outside the Company divulges any material inside information of the Company, thereby causing damage to any property or interest of the Company.

Article 16 (Incorporation Into Internal Audits)

Implementation of these Regulations shall be incorporated into the Company's internal audit regime, thereby ensuring effective management of material inside information.

Article 17 (Awareness Promotion)

At least once per year, the Company shall conduct educational campaigns to promote awareness of these Regulations and applicable laws and regulations among all directors, supervisors, managerial officers, and employees.

Article 18

These Regulations shall be implemented after adoption by the Board of Directors.