

Procedures for Handling Material Inside Information Walsin Lihwa Co., Ltd.

Article 1 Purpose

These Procedures are specially adopted to establish sound mechanisms for the handling and disclosure of material inside information by this Corporation, in order to prevent improper information disclosures and to ensure the consistency and accuracy of information released by this Corporation to the public.

Article 2 Scope of application

1. These Procedures shall apply to all directors, supervisors, managerial officers, and employees of this Corporation.
 2. This Corporation shall ensure that any other person who acquires knowledge of this Corporation's material inside information due to their position, profession, or relationship of control shall comply with the applicable provisions of these Procedures.
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Article 3 Contents

1. Legal basis

This Corporation shall implement its handling and disclosure of material inside information in accordance with applicable laws and regulations, the rules and regulations of the Taiwan Stock Exchange Corporation or the GreTai Securities

2. Scope of material inside information

The scope of material inside information as referred to in these Procedures is determined by the units responsible handling material inside information at this Corporation, and such information includes:

- 2.1. Relevant rules prescribed by the Competent Authority governing required public announcements or filings as prescribed in Article 36-1 of the Securities and Exchange Act,
 - 2.2. The material information and the public disclosure of such information as prescribed in Article 157-1 of the Securities and Exchange Act,
 - 2.3. Any matter with a significant impact on shareholders rights or the price for the securities as prescribed in Article 7 of the Securities and Exchange Act Enforcement Rules. and
 - 2.4. The material information as defined by the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities.
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3. Unit charged with handling material inside information

This Corporation shall establish a unit charged with handling material inside information in accordance with the size, business conditions, and management needs of this Corporation. The Shareholder Service Office of this Corporation is responsible for communication and coordination of material inside information-related matters and shall be responsible for:

- 3.1. Formulating the drafts of these Procedures and any amendments to them;
 - 3.2. Receiving inquiries in connection with the methods of handling material inside information, and for consultation, review, and recommendations relating to these Procedures;
 - 3.3. Receiving reports on unauthorized disclosures of material inside information and formulation of corresponding measures;
 - 3.4. Designing a system for preserving all documents, files, electronic records, and other materials related to these Procedures;
 - 3.5. Other activities related to these Procedures.
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4. Confidentiality firewall operations - Personnel

Such personnel shall:

- 4.1. Exercise the due care and fiduciary duty of a good administrator and act in good faith when performing their duties;
 - 4.2. Not divulge their knowledge of material inside information of this Corporation may divulge the information to others; and
 - 4.3. Inquire about or collect any non-public material inside information of this Corporation not related to their individual duties from a person with knowledge of such information, nor disclose to others any non-public material inside information of this Corporation of which they become aware for reasons other than the performance of their duties.
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5. Confidentiality firewall operations - Documents and information

The documents and files of material inside information at this Corporation shall be handled in accordance with the following:

- 5.1. Proper protection of confidentiality shall be given to files and documents containing this Corporation's material inside information when transmitted in written form;
- 5.2. When transmitted by e-mail or other electronic means, such files and documents must be processed with appropriate security technology such as

encryption or electronic signatures; and

5.3. Files and documents containing this Corporation's material inside information shall be backed up and stored in a secure location.

6. Operation of confidentiality firewalls

This Corporation shall ensure that the firewalls specified in the preceding two articles are established, and take the following additional steps:

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

6.2. Enhance measures for custody and maintaining the secrecy of files and documents containing non-public material inside information of this Corporation.

7. Confidentiality obligations of outside organizations and persons

Any organization or person outside of this Corporation that is involved in any corporate action of this Corporation 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 this Corporation's thus acquired.

8. Principles of disclosure of material inside information

This Corporation shall comply with the following principles when making external disclosures of material inside information:

8.1. The information disclosed shall be accurate, complete, and timely;

8.2. There shall be a well-founded basis for the information disclosure; and

8.3. The information shall be disclosed fairly.

9. Implementation of the spokesperson system

9.1. Any disclosure of this Corporation's material inside information, except as otherwise provided by law or regulation, shall be made only by the Chairman of the Board or President of this Corporation'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 the personnel designated by the person (s) in charge of this Corporation. Any announcement about this Corporation and made by this Corporation shall abide by the Regulations Governing News Releases of this Corporation.

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

10. Disclosure procedures

The Operating Procedures for the Spokesperson and Deputy Spokesperson of this Corporation shall be applicable to all directors, supervisors, managerial officers, and employees of this Corporation, whatever is disclosed, disclosure authorization, and related processes.

11. Record of disclosure of material inside information

This Corporation shall keep records of the following in respect of any disclosure of information to outside parties and shall also have written material deposited with its designated units:

- 11.1. The person who discloses the information, the date, and the time;
 - 11.2. How the information is disclosed;
 - 11.3. What information is disclosed;
 - 11.4. What written material is delivered; and
 - 11.5. Any other relevant details.
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12. Response to false media coverage

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

13. Reporting of unusual events

- 13.1. Any director, supervisor, managerial officer, or employee of this Corporation that becomes aware of any unauthorized disclosure of this Corporation's material inside information shall report to the responsible unit and Auditing Office of this Corporation as soon as practicable.
 - 13.2. Upon receipt of a report made pursuant to the preceding paragraph, the responsible unit shall formulate corresponding measures. When necessary, it
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may invite members from the internal audit and other departments to meet for discussion of the measures, and shall keep a record of the results of the measures for future reference. Auditing Office shall also perform such audits as its duties may require.

14. Disciplinary measures

This Corporation shall take measures to discover those responsible and take appropriate legal action against any personnel under either of the following circumstances:

- 14.1. Personnel of this Corporation disclose material inside information without authorization to any outside party, or otherwise violate these Procedures or any other applicable law or regulation;
 - 14.2. A spokesperson or deputy spokesperson of this Corporation as prescribed in Article 9 here above communicates to any outside party any information beyond the scope authorized by this Corporation, or otherwise violates these Procedures or any other applicable law or regulation; and
 - 14.3. Any person outside this Corporation divulges any material inside information of this Corporation, thereby causing damage to any property or interest of this Corporation.
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15. Internal controls

These Procedures shall be incorporated into this Corporation's internal control system. The internal auditors shall keep themselves regularly informed of the status of compliance with these Procedures and shall prepare related audit reports, so as to ensure full implementation of the procedures for handling material inside information.

16. Awareness campaigns

This Corporation shall conduct educational campaigns to promote awareness among all directors, supervisors, managerial officers, and employees with respect to these Procedures and related laws and regulations.

17. Supplement

These Procedures, and any amendments to them, shall be implemented upon approval by the board of directors.

Approved on December 18, 2009
First amended on November 2, 2017
