

(Translation-In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.)

# **Procedures For Handling Material Inside Information Of Pegatron Corporation**

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## **CHAPTER I. GENERAL PRINCIPLES**

Article 1 These Procedures are adopted to establish sound mechanisms for the handling and disclosing material inside information by the Company, in order to prevent improper information disclosures and to ensure the consistency and accuracy of information released by the Company to the public.

Article 2 The Company shall implement the handling and disclosing of material inside information in accordance with applicable laws, regulations, rules of Taiwan Stock Exchange Corporation, and these Procedures.

Article 3 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 material inside information due to their position, profession, or relationship of control shall comply with the applicable provisions of these Procedures.

Article 4 For the purposes of these Procedures, the term "material inside information" refers to information that, with reference to the Securities and Exchange Act, applicable laws and regulations, and the applicable rules of Taiwan Stock Exchange Corporation, is defined as material inside information.

Article 5 The Company shall establish a Designated Unit in Charge of Handling Material Inside Information (including Corporate Information Dept., Stock Affairs Office, and Audit etc.). The designated unit shall be composed of an adequate number of competent members in accordance with the size, business conditions, and management needs of the Company. The designated unit shall have the following functions and authorities:

1. Responsible for formulating the drafts of these Procedures and any amendments thereto.
2. Responsible for taking inquiries in connection with the methods of handling material inside information, and for consultation, review, and recommendations relating to these Procedures.
3. Responsible for processing reports on unauthorized disclosures of material inside information.
4. Responsible for formulating a system to preserve all documents, files, electronic records, and other materials related to these Procedures.
5. Other activities related to these Procedures.

**CHAPTER II.**  
**PROCEDURES FOR KEEPING MATERIAL INSIDE INFORMATION**  
**CONFIDENTIAL**

Article 6     The Company's directors, 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 comply with confidentiality policy of the Company.

The Company's director, managerial officer, and employee with knowledge of material inside information shall not divulge the information to others.

The Company's director, managerial officer, and employee may not inquire about or collect any non-public material inside information 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     Proper protection of confidentiality shall be given to files and documents containing the Company's material inside information when transmitted in written form, by e-mail, or other electronic means.

Files and documents containing the Company's material inside information shall be backed up and stored in secure locations.

- Article 8 The Company shall ensure that the firewalls specified in the preceding two articles are established, and initiate the following steps:
1. Adopt adequate control measures for the firewalls and perform periodic testing.
  2. Enhance measures for custody and maintaining the secrecy of files and documents containing non-public material inside information of the Company.
- Article 9 Any organization or person outside of the Company that is involved in any corporate action related to the Company's 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 confidentiality agreements, and may not disclose to another party any material inside information of the Company's thus acquired.

### **CHAPTER III.**

#### **PROCEDURES FOR DISCLOSING MATERIAL INSIDE INFORMATION**

- Article 10 The Company shall comply with the following principles when making external disclosures of material inside information:
1. The information disclosed shall be accurate, complete, and timely.
  2. There shall be a well-founded basis for the information disclosure.
  3. The information shall be disclosed fairly.
- Article 11 Procedure of Material Information evaluation
1. Principles of Material Information evaluation:  
The Company shall comply with relevant laws, regulations, Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, applicable regulation, related Q&A, and these Procedures when disclosing material information to ensure timeliness, accuracy, and completeness of the information.
  2. Procedure of Material Information evaluation and approval  
For matters that resolved by the Company or significant events that meet regulations of Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, Responsible Unit shall fill in Application Form

of Announcement of Material Information (Attachment I) and Assessment Report of Material Information (Attachment II) on the date of event and send to the Manager (or above) of the Division for sign off. Then send it to Designated Unit in Charge of Handling Material Information for concurrence. And forward it to the Company's Spokesperson, Deputy Spokesperson or Manager of Stock Affairs for review and sign off for announcing the Material Information before deadline as regulated.

3. 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. It shall be done by, taking the industry that the Company belongs and its scale into account, evaluating the impact on the Company's finance, business, rights of shareholders, or securities price. When necessary, the disclosure may be evaluated or handled directly by the Chairman or CEO of the Company.

The Company's Spokesperson or Deputy Spokesperson shall communicate to outside parties information within the scope authorized by the Company, and no personnel of the Company other than the Company's Chairman, CEO, Spokesperson, and Deputy Spokesperson may disclose any material inside information of the Company to outside parties without authorization.

Article 12 The Designated Unit in Charge of Handling Material Information of the Company are Corporate Information Dept. and Stock Affairs Office, which are responsible for evaluation, concurrence, sign off and release of the Material Information. Other than the case of emergency, non-office hour or other necessary circumstances that allow e-mail sign-off, Application Form of Announcement of Material Information (Attachment I) and Assessment Report of Material Information (Attachment II) shall be documented in paper format and sign off by Spokesperson, Deputy Spokesperson or Manager of Stock Affairs. If evaluation and sign off are done in e-mail, paper format documentation for filing is required afterward. Records of evaluation, signed off and related documentation as

aforementioned shall be kept for at least five years. The Company shall keep records of the following in respect to any disclosure of information to outside parties :

1. Signature or chop of the person who evaluates, concurs, approves and discloses the information with the date and time.
2. The way of information disclosure.
3. Evaluation and content of material inside information disclosed and applicable laws and regulations.
4. Submitted documents in paper format.
5. 5. Any other relevant details.

Article 13 If the content of media reports is in any respect inconsistent with material information disclosed by the Company, the Company shall promptly issue a clarification statement on the Market Observation Post System (MOPS) and request the media to correct the information if necessary.

#### **CHAPTER IV. HANDLING OF UNUSUAL EVENTS**

Article 14 Any director, 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 responsible unit as soon as practicable.

Upon receipt of a report made pursuant to the preceding paragraph, the responsible unit shall discuss about measures based on the Company's policy and document the results.

Article 15 The Company 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. A Spokesperson or Deputy Spokesperson of the Company communicates to any outside party information beyond the scope authorized by the Company, or otherwise violates these Procedures or any other applicable law or regulation.

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, the Company shall pursue appropriate measures to hold the person divulging the information legally liable.

**CHAPTER V.  
INTERNAL CONTROLS PROCEDURES AND INTERNAL AWARENESS  
TRAINING**

Article 16 These Procedures shall be incorporated into the Company's internal control system. The internal auditors shall keep themselves periodically 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.

Article 17 At least once per year, the Company shall conduct educational campaigns to promote awareness among all directors, managerial officers, and employees with respect to these Procedures and related laws and regulations.

The Company shall also provide awareness training to new directors, managerial officers, and employees in a timely manner.

**CHAPTER VI.  
SUPPLEMENTARY PROVISIONS**

Article 18 These Principles shall be implemented after the board of directors grants the approval, and the same procedure shall be followed when these Principles are amended.