

Leadtek Research Inc.
Procedures for Handling Material Inside Information

1. Purpose:

In order to establish a good internal important information processing and disclosure mechanism of the company, avoid improper leakage of information, and ensure the consistency and accuracy of the information published by the company to the outside world, these operating procedures are specially formulated.

2. Scope:

The company's management of handling, disclosing and preventing insider trading of major internal information shall be carried out in accordance with relevant laws, orders and the Taiwan Stock Exchange's verification and disclosure procedures for major information of listed companies with securities, relevant Q&A and these operating procedures. .

3. Definition:

This procedure is applicable to the company's directors, managers and employees. The Company shall urge other persons who have access to important internal information of the Company due to their status, occupation or control relationship to comply with the relevant provisions of these operating procedures.

4. Reference documents:

- 4.1 Reference example of "○○ Co., Ltd.'s internal major information processing procedures".
- 4.2 Verification and disclosure procedures for material information of listed companies.
- 4.3 Code of Practice for the Governance of Listed Overseas Companies.
- 4.4 Please refer to the Q&A for matters that listed companies should pay attention to when releasing major information.

5. Rights and Responsibilities:

- 5.1 Spokespersons and acting spokespersons: Release important company information to the outside world within the scope authorized by the company.
- 5.2 Dedicated unit: The dedicated unit set up by the company to handle major internal information is composed of the general manager, spokesperson, acting spokesperson and head of the financial unit. The unit's powers are as follows:
 - 5.2.1 Responsible for formulating and revising the draft of this operating procedure.
 - 5.2.2 Responsible for accepting consultation, review and providing suggestions related to internal major information processing operations and this operating procedure.
 - 5.2.3 Responsible for accepting reports on the leakage of major internal information and formulating countermeasures.
 - 5.2.4 Responsible for formulating the retention system for all documents, files, electronic records and other information related to this operating procedure.
 - 5.2.5 Other business related to this operating procedure.
- 5.3 Responsible unit: Responsible for application for release of major information,
- 5.4 Audit unit: Incorporate internal information processing procedures into the internal control system and regularly audit relevant compliance.
- 5.5 Board of Directors: approve the formulation and amendment of this procedure.

6. Flowchart:

(not applicable)

7. Procedure/Method:

- 7.1 Reporting procedures: The company's major decisions or important events are in compliance with the Taiwan Stock Exchange's verification and disclosure procedures for major information of listed

companies. The responsible unit should fill in the report on the date of the fact<<Release of major information The application form >> is sent to the major information unit for evaluation and review, and then to the spokesperson for review. Major information must be released after approval by the general manager or a person of equivalent level before the release is implemented as required by law.

The company's major decisions or important events are in compliance with the Taiwan Stock Exchange's verification and disclosure procedures for major information from listed companies, or after further assessment of the significance, the decisions or events have an impact on the company's finances, business, shareholders' equity or Those that have a significant impact on securities prices shall release significant information as soon as possible within the time limit specified by law and in accordance with the provisions of the preceding paragraph.

7.2 Confidential firewall operation-personnel management

7.2.1 The directors, managers and employees of the Company shall exercise care and loyalty as good managers, perform business in good faith and sign confidentiality agreements.

7.2.2 Directors, managers and employees who are aware of the Company's internal material information shall not disclose the Company's internal material information to others.

7.2.3 The directors, managers and employees of the company are not allowed to inquire or collect undisclosed internal information of the company that is not related to their personal duties from those who know the company's material information. Important internal information must not be disclosed to others.

7.3 Confidential firewall operation-management of files and information

7.3.1 When the company's internal important information files are transmitted in writing or electronically, they must be processed with appropriate encryption or electronic signature and other security technologies.

7.3.2 Archives of important internal company information should be backed up and kept in a safe place.

7.4 Operation of confidentiality firewall: The company shall ensure the establishment of the firewall specified in 7.2 and 7.3 and take the following measures:

7.4.1 Adopt appropriate firewall control measures and test them regularly.

7.4.2 Strengthen the storage and confidentiality measures of the company's undisclosed internal important information files.

7.5 Confidentiality operations of external organizations or personnel: Organizations or personnel outside the company who participate in the company's mergers and acquisitions, important memorandums, strategic alliances, other business cooperation plans or the signing of important contracts should sign a confidentiality agreement and must not disclose any information they know. Disclose important internal company information to others.

7.6 Principles for disclosing internal material information: The company should adhere to the following principles when disclosing internal material information to the outside world:

7.6.1 Information disclosure should be accurate, complete and timely.

7.6.2 The disclosure of information should have a basis.

7.6.3 Information should be disclosed fairly.

7.7 Implementation of the spokesperson system

7.7.1 The disclosure of important internal information of the company, unless otherwise provided by laws or regulations, should be handled by the company's spokesperson or acting spokesperson, and the order of agency should be confirmed; when necessary, the person in charge of the company may be directly responsible for handling.

7.7.2 The content of the speeches of the company's spokesperson and acting spokespersons should be limited to the scope authorized by the company. Except for the company's person in charge, spokespersons and acting spokespersons, the company's personnel are not allowed to disclose internal information to the outside without authorization. Important information.

7.8 The company's dedicated unit is responsible for the evaluation, review, presentation and release of important information. Except for emergencies, non-business hours or legitimate reasons, the review can be done electronically. <<Major Information Release Application Form>> A written

record should be made and submitted to the general manager or a person at a similar level for decision-making. If the evaluation or evaluation is conducted electronically, it should be filed as a written document afterwards. The previous evaluation records, evaluation documents and related information should be kept for at least five years. Year. When the company releases important information, it should leave the following records:

7.8.1 Assessment content.

7.8.2 The date and time of evaluation, review and review by decision-making personnel.

7.8.3 Important information content and applicable legal basis.

7.8.4 Other relevant information.

7.9 Response to false media reports: If the content of media reports is inconsistent with the material information disclosed by the company, the company may, depending on the nature of the content, clarify it on the Public Information Observatory or request corrections from the media.

7.10 Reporting of abnormal situations

7.10.1 If the Company's directors, managers and employees become aware of any leakage of important internal information, they should report it to the responsible and legal departments as soon as possible.

7.10.2 After accepting the report in the preceding paragraph, the dedicated unit shall formulate a handling strategy, and may invite legal and other units to discuss the handling if necessary, and record the handling results for reference. Internal audits shall also conduct inspections based on their responsibilities.

7.11 Violation of regulations: If any of the following circumstances occurs, the company shall hold the relevant personnel accountable and take appropriate legal measures:

7.11.1 Company personnel disclose important internal information to the outside without authorization or violate these operating procedures or other legal regulations.

7.11.2 The content of the company's spokesperson or acting spokesperson's external speeches exceeds the scope of the company's authorization or violates these operating procedures or other legal regulations.

7.11.3 If anyone outside the company leaks important internal information of the company or violates these operating procedures, causing damage to the company's property or interests, the company shall pursue their legal liability through relevant channels.

7.12 Internal control mechanism: This operating procedure should be incorporated into the company's internal control system. Internal auditors should regularly understand its compliance and prepare audit reports to implement the internal major information processing and insider trading prevention management operating procedures.

7.13 Education Promotion

7.13.1 The company conducts education and publicity on this operating procedure and related laws to directors, managers and employees at least once a year.

The publicity of the content in the preceding paragraph includes the Company's insiders' stock trading control measures from the day they learn the Company's financial report or related performance content, including (but not limited to) directors are not allowed to trade their shares during the 30 days before the announcement of the annual financial report, and the closed period of 15 days before the announcement of the quarterly financial report.

7.13.2 New directors, managers and employees should also be provided with timely education and promotion of relevant legal information.

7.14 Other matters: This procedure shall be approved by the board of directors, and the same shall apply when it is revised.

8. Related documents:

8.1 Documentation:
(not applicable)

8.2 Form:

8.2.1 Application form for major information release

8.3 Records and others: