

EPISIL TECHNOLOGIES INC

Procedures for Handling Material Inside Information and Regulation of Insider Trading

Article 1 (Purpose of the Procedures)

The Procedures are specially adopted to establish sound mechanisms for the handling and disclosure of material inside information by the Company, in order to ensure the consistency and accuracy of information released by the Company to the public and strengthen the prevention of insider trading

Article 2 (Scope of application)

This Company shall implement its handling and disclosure of material inside information and regulation of Insider Trading in accordance with applicable laws and regulations, the rules and regulations of the Taiwan Stock Exchange Corporation or Taipei Exchange, and the Procedures.

Article 3 (Responsible unit)

Group Management Center

Article 4 (Procedure/Content Description)

4.1 When the material decisions or important events of the Company's resolutions are identified to meet the Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, or have significant impacts on the Company's finances, business, shareholders' rights or stock prices, the responsible units shall report to the responsible managers and the President on the date of occurrence of the events for their authorization, and release material information within the time limit stipulated by laws or regulations.

4.2 Review and Approval Procedures

In the event that the material decision resolved by the Company, the responsible unit shall fill in the "Release of Material Information Application Form" and the "Evaluation of Material Information Checklist" on the date of occurrence of the event; said forms are to be signed off on by the unit head, then the Company spokesperson for approval. After that, the material information shall be released prior to the release deadline prescribed by the law and regulations.

4.3 Scope of application

4.3.1 The Procedures shall apply to all directors, officers, and employees of the Company.

- 4.3.2 The Company shall ensure that any other person who acquires knowledge of the Company's material inside information due to his/her position, profession, or relationship of control shall comply with the applicable provisions of the Procedures.
- 4.4 The confidentiality of the material inside information and the prohibition of trading.
- 4.4.1 The Company's directors, managerial officers, and employees shall exercise the due care and fiduciary duty of a good administration and act in good faith when performing their duties , and have a duty of confidentiality.
- 4.4.2 Persons regulated by the regulation while being aware of the Company's material information shall not buy or sell the Company's securities on their own or in the name of others before or within 18 hours after the information is disclosed, nor may they disclose undisclosed material information to others.
- 4.4.3 No director, supervisor, officer, or employee of the Company may inquire about or collect any nonpublic material inside information of the Company not related to their individual duties from a person with knowledge of such information, nor may they disclose to others any nonpublic material inside information of the Company of which they become aware for reasons other than the performance of their duties, and shall sign confidentiality agreements.
- 4.4.4. Proper protection of confidentiality shall be given to files and documents containing the Company's material inside information when transmitted in written form, and shall be backed up and stored in a secure location.
- 4.4.5. Any organization or person outside of the Company that is involved in any corporate action of the Company 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 the Company's thus acquired.
- 4.4.6 Directors shall not trade their shares during the blackout period of 30 days prior to the announcement of the annual financial reports and 15 days prior to the announcement of the quarterly financial reports.
- 4.5 The confidentiality of the material inside information and the prohibition of trading.
- 4.5.1 The disclosure of the material inside information should be handled by the company's

spokesperson or acting spokesperson; when necessary, the person in charge of the company can be directly responsible for handling

4.6 Retention of review records.

4.6.1 The company's group management center is a responsible unit for important information, responsible for the evaluation, review and release of important information. The review documents shall be kept in electronic forms or in written forms for at least five years.

4.6.2 The Company shall keep the following when releasing material information:

4.6.2.1 Evaluation content.

4.6.2.2 The content of the material information released and the applicable law.

4.6.2.3 Other relevant information

4.7 Principles of disclosure of material inside information:

4.7.1 The information disclosed shall be accurate, complete, and timely.

4.7.2 There shall be a well-founded basis for the information disclosure.

4.7.3 The information shall be disclosed fairly.

4.8 Disciplinary measures

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

4.8.1.1 Personnel of the Company disclose material inside information without authorization to any outside party, or otherwise violate the Procedures or any other applicable law or regulation.

4.8.1.2 A spokesperson or deputy spokesperson of the Company communicates to any outside party any information beyond the scope authorized by the Company, or otherwise violates the Procedures or any other applicable law or regulation.

4.8.1.3 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.

4.9 Awareness campaigns

4.9.1 At least once per year, the Company shall conduct educational campaigns to promote awareness among all directors, officers, and employees with respect to the

Procedures and related laws and regulations.

4.9.2 The Company shall also provide educational campaigns to new directors, officers, and employees in a timely manner.

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

Article 5 (Control point)

5.1 Regularly establish and maintain information on insiders and shareholders holding more than 10% of the shares

5.2 Whether the confidentiality operation and the prohibition of trading of Material Inside Information that affect the stock price before it is disclosed to the public are in compliance with relevant regulations.

5.3 Whether the disclosure of major information complies with relevant laws and regulations

5.4 Whether new employees in the company have been appointed or dismissed, whether they have gone through the application process in accordance with relevant regulations, and provided education and publicity in a timely manner

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

Article 6 (Appendix)

None

Article 7 (References)

7.1 Securities and Exchange Act and related laws, orders and regulations related to securities OTC

Article 8 (Form)

8.1 "Release of Material Information Application Form"

8.2 "Evaluation of Material Information Checklist"