

# **Chlitina Holding Limited**

## **Procedure for the Prevention of Insider Trading**

### **I. Purpose**

This procedure is established in accordance with the Financial Supervisory Commission's "Procedures for Handling Material Inside Information" (hereinafter referred to as the "Procedure"), the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"), and their supplemental provisions, as well as the Company's internal policy "Procedure for the Prevention of Insider Trading", to govern relevant operations.

### **II. Scope of Application**

This procedure applies to the Company's directors, supervisors, managerial officers, and any other individuals who, due to their identity, profession, or control relationship, come to know of the Company's material inside information. The Company shall promote compliance with the relevant provisions of this Procedure by such individuals.

### **III. Operating Procedures**

#### **(1) Definitions:**

1. Insiders: According to the Securities and Exchange Act, insiders include the Company's directors, supervisors, managerial officers, and shareholders holding more than 10% of the total shares.
2. Related parties of insiders include:
  - a. Spouses, minor children, and those holding shares under another's name.
  - b. Representatives of corporate directors (or supervisors), their spouses, minor children, and those holding shares under another's name.
3. Both categories 1 and 2 above are considered insiders of the Company.
4. Subjects of insider trading regulation: In addition to the insiders mentioned above, this also includes individuals who become aware of information due to their profession or control relationship, and those who receive information from insiders.

(2) According to Article 157-1, Paragraph 1 of the Securities and Exchange Act, the following individuals are subject to insider trading prohibitions:

1. The Company's directors, supervisors, managerial officers, and natural persons appointed as representatives under Article 27, Paragraph 1 of the Company Act (i.e., when the government or a legal person is a shareholder, it may be elected as a director or supervisor, but must appoint a natural person as a representative).
2. Shareholders holding more than 10% of the Company's shares.
3. Persons who learn of information due to their profession or control relationship.
4. Persons who have lost the above-mentioned identities for less than six months.
5. Persons who receive information from the above categories (1–4).
6. According to Article 22-2 of the Securities and Exchange Act, the shares held by the Company's directors, supervisors, managerial officers, or shareholders holding more than 10% shall also include those held by their spouses, minor children, and under others' names.

(3) Insider Trading:

According to Article 157-1 of the Securities and Exchange Act, individuals subject to insider trading regulations may not buy or sell the Company's listed stocks or equity-based securities at a securities firm's business premises before material, price-sensitive information becomes public or within 18 hours after its public disclosure. Violating this provision constitutes insider trading.

When Company insiders become aware of financial reports or performance-related information, they (including, but not limited to, directors) are prohibited from trading Company shares during blackout periods — 30 days prior to the announcement of annual financial reports and 15 days prior to quarterly financial reports. The “announcement date” is defined as the earliest occurrence among the following: the date on which a significant piece of information, such as a financial report, is submitted to or approved by the Board of Directors and made public; the date of electronic upload of the financial report; or the date of filing in eXtensible Business Reporting Language (XBRL) format.

(4) According to Article 157-1, Paragraph 5 of the Securities and Exchange Act, information considered to have a significant impact on the Company's stock price includes:

1. Information involving the Company's finance or operations that could have a major effect on its stock price or significantly influence the investment decisions of rational investors.
2. Information regarding market supply and demand, or tender offers, that could similarly impact stock prices or investor decisions.

(5) Disclosure of such material information must comply with the "Regulations Governing the Scope of Material Information under Article 157-1, Paragraphs 5 and 6 of the Securities and Exchange Act and the Means of Its Public Disclosure":

1. For material financial or operational information: disclosure must be made via the Market Observation Post System (MOPS).
2. For market supply and demand-related information: disclosure must be made via MOPS, general market news reports, at least two national newspapers (not local editions), national TV news, or relevant electronic media.

(6) The Company shall establish a dedicated unit responsible for handling material inside information. This unit shall consist of competent and appropriate personnel according to the Company's size and operations and shall be approved by the Board of Directors. The unit's responsibilities include:

- Drafting and revising this Procedure.
- Handling consultations, reviews, and recommendations related to the processing of material inside information.
- Accepting reports of information leaks and formulating response strategies.
- Establishing procedures for the retention of documents, files, and electronic records related to this Procedure.
- Other duties related to the Procedure.

(7) The Company's directors, supervisors, managerial officers, and employees shall perform their duties with the diligence of a good administrator and the duty of loyalty, and act in good faith.

(8) Directors, supervisors, managerial officers, and employees who become aware of material inside information shall not disclose it to others.

(9) Such personnel shall not inquire about or collect non-public material inside information unrelated to their duties, nor shall they disclose any such information learned outside the scope of their work.

(10) If documents containing material inside information are transmitted in writing, they must be properly protected. If sent via email or other electronic means, a copy must be sent to the relevant department head.

(11) Documents related to material inside information must be backed up and securely stored by authorized personnel.

(12) The Company shall establish a firewall system and implement appropriate firewall controls, including regular testing.

(13) Any external organization or personnel involved in the Company's mergers and acquisitions, memoranda of understanding, strategic alliances, other business cooperation, or key contracts must sign a confidentiality agreement and must not disclose any material inside information learned.

(14) The Company's external disclosures of material inside information shall adhere to the following principles:

1. Accuracy, completeness, and timeliness.
2. Disclosures must be based on verifiable facts.
3. Disclosures must be made fairly.

(15) Unless otherwise provided by law, disclosures shall be made by the Company's spokesperson or acting spokesperson, with the order of succession clearly defined. If necessary, the Company Head may handle disclosures directly.

(16) Statements by the spokesperson or acting spokesperson shall be limited to the scope of authority granted. No employee may disclose material inside information externally without proper authorization.

(17) The Company shall keep records of all external disclosures of material inside information, including:

1. The person making the disclosure, and the date and time.
2. Method of disclosure.
3. Content of the information disclosed.
4. Contents of any written materials provided.
5. Other relevant details.

(18) If media reports are inconsistent with the Company's disclosures, the Company shall promptly clarify the information on the MOPS and request corrections from the media outlet.

(19) If any director, supervisor, managerial officer, or employee becomes aware of a leak of material inside information, they shall immediately report it to the designated unit and internal audit department.

(20) Upon receiving such a report, the designated unit shall formulate a response strategy and, if necessary, convene with internal audit and other departments to handle the situation. The outcome shall be documented, and internal audit shall conduct an audit according to its responsibilities.

(21) The Company shall hold responsible and take appropriate legal action against any of the following:

1. Employees who disclose material inside information without authorization, or violate this Procedure or other regulations.
2. Spokespersons or acting spokespersons who exceed their authority or violate this Procedure or other laws.

If an external person leaks the Company's material inside information and causes damage to the Company's assets or interests, the Company shall pursue legal liability through appropriate channels.

(22) This Procedure shall be incorporated into the Company's internal control system. Internal auditors shall regularly check compliance and prepare audit reports to ensure effective implementation.

(23) The Company shall conduct at least annual training and education on this Procedure and related laws for directors, supervisors, managerial officers, and employees. New appointees shall receive timely education and advocacy.

(24) This Procedure shall take effect upon approval by the Board of Directors. Amendments shall follow the same process.

#### IV. Version Control Record

Version	Amendment Description	Date
1	New Document	August 2012
2	In line with the amendment of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies	December 22, 2022