

SynPower Co., Ltd.

Procedures for the Prevention of Insider Trading

Approved at the Board of Directors on held on August 4, 2023

I. Purpose:

The Procedures are established to ensure a sound mechanism for the handling and disclosure of material information within the Company, to prevent improper disclosure of information, and to ensure the consistency and accuracy of the information disclosed externally by the Company, thereby serving as a basis for compliance.

II. Scope:

The Procedures apply to the Company's directors, managerial officers, shareholders holding more than ten percent of the Company's shares, and employees. Other persons who, due to their status, profession, or control relationship, become aware of the Company's material internal information, as well as those who have lost any of the aforementioned statuses for less than six months, and those who receive such information from any of the foregoing persons, shall also be encouraged by the Company to comply with the relevant provisions of the Procedures.

III. Flowchart: None.

IV. Procedures:

i. Scope of Material Internal Information

The term "material internal information" as used in the Procedures shall be proposed by the Company's dedicated unit for material internal information, approved by the Board of Directors, and formulated in consideration of the Securities and Exchange Act, relevant laws and regulations, and the rules of the Taiwan Stock Exchange or Taipei Exchange.

ii. The Company's Finance Department shall serve as the dedicated unit for handling material internal information, with the following responsibilities:

1. Drafting and amending the Procedures.
2. Handling inquiries, deliberations, and providing recommendations related to the handling of material internal information and the Procedures.
3. Receiving reports of material internal information leakage and formulating response measures.

4. Establishing a retention system for all documents, files, and electronic records related to the Procedures.
5. Handling other matters related to the Procedures.

iii. Definition of Insider Trading

1. Pursuant to Article 157-1, Paragraphs 1 and 2 of the Securities and Exchange Act, any person who is aware of material information that could significantly affect the share price of the Company or its ability to fulfill debt obligations shall not, before such information is disclosed or within 18 hours after disclosure, buy or sell the Company's listed securities or equity-linked securities in their own name or under another's name.
2. Pursuant to Article 157-1, Paragraph 1 of the Securities and Exchange Act, individuals who have obtained knowledge of the Company's financial reports or performance results shall be subject to trading restrictions, including but not limited to: directors shall not trade Company shares during the 30-day period before the announcement of the annual financial report and the 15-day period before the announcement of each quarterly financial report.

Violation of the above provisions constitutes insider trading.

iv. Pursuant to Article 157-1, Paragraph 1 of the Securities and Exchange Act, the following persons are prohibited from engaging in insider trading:

1. Directors, managerial officers, and individuals designated under Article 27, Paragraph 1 of the Company Act.
2. Shareholders holding more than ten percent of the Company's shares.
3. Persons who obtain information due to their profession or control relationship.
4. Those who have lost any of the above identities within the past six months.
5. Persons who obtain information from any of the aforementioned individuals.

In addition, pursuant to Article 22-2 of the Securities and Exchange Act, the shares held by a director, managerial officer, or a shareholder holding more than ten percent of the Company's shares shall include those held by their spouse, minor children, and shares held under the names of others.

v. Pursuant to Article 157-1, Paragraphs 5 and 6 of the Securities and Exchange Act and the Regulations Governing the Scope of Material Information and Means of Disclosure:

1. If the information involves the Company's finance or business and significantly affects the share price or investment decisions, it shall be disclosed via the Market Observation Post System (MOPS).
2. If the information involves market supply and demand of the securities or tender offers and significantly affects the share price or investment decisions, it shall be disclosed through one of the following:
 - a. MOPS input by the Company.
 - b. Announcement on the Taiwan Stock Exchange market information website.
 - c. Announcement on the Taipei Exchange market information website.
 - d. Reports in at least two nationally circulated newspapers, national television news, or electronic bulletins of the aforementioned media.

For the calculation of the 18-hour window under Article 157-1, Paragraph 1, the timing shall be based on the later of the newspaper distribution or the first television or web broadcast.

Morning papers count from 6:00 a.m., and evening papers count from 3:00 p.m.

vi. Confidentiality and Firewalls

1. Directors, managerial officers, shareholders holding more than ten percent of the Company's shares, and employees shall perform their duties with the care of a good administrator and a fiduciary duty under the principle of good faith, and shall sign a confidentiality agreement. Persons who are aware of material internal information shall not disclose it to others.
2. Directors, managerial officers, and employees shall not seek or inquire about undisclosed information unrelated to their duties, nor shall they disclose any such information to others.
3. When material internal information is transmitted in written form, proper protection must be applied. If sent electronically, encryption or digital signatures must be used.

4. Information files shall be backed up and stored securely.
5. The Company shall implement appropriate firewall controls, conduct regular testing, and strengthen confidentiality and security measures for undisclosed material information.
- vii. Institutions or individuals outside the Company involved in mergers, MOUs, strategic alliances, other business collaborations, or significant contract signings shall sign confidentiality agreements and may not disclose material internal information obtained.
- viii. Principles, Evaluation, and Approval of Disclosure of Material Information
 1. Principle: Disclosure shall comply with applicable laws and the procedures for verifying and publicly disclosing material information established by the Taiwan Stock Exchange or Taipei Exchange, relevant Q&As, and the Procedures to ensure timeliness, accuracy, and completeness.
 2. Evaluation: If a major decision or event is deemed material under the Taiwan Stock Exchange or Taipei Exchange rules, or upon further assessment is found to significantly impact the Company's finances, business, shareholder rights, or stock price, it shall be disclosed promptly within the statutory deadline.
 3. Approval: The responsible unit shall complete a "Material Information Disclosure Application Form" and "Evaluation Checklist" on the occurrence date, obtain signature from the supervisor, submit for review by the dedicated unit, and have it approved by the spokesperson and signed by the General Manager before public disclosure.
- ix. Record Retention of Disclosure Evaluation and Approval

The dedicated unit shall be responsible for evaluating, reviewing, and approving material information. Except under urgent circumstances or outside office hours, evaluations shall be documented in writing and signed by the responsible supervisor. If done electronically, written backup must be filed later. All documents shall be retained for at least five years.

Records shall include:

 1. Evaluation content.
 2. Signatures/seals, dates, and times of evaluators, reviewers, and approvers.

3. Disclosed content and legal basis.
4. Other related information.
- x. If any director, managerial officer, shareholder holding more than ten percent, or employee becomes aware of a potential leak of material internal information, they shall immediately report to the dedicated unit and the Internal Audit Department. Upon receiving such a report, the dedicated unit shall devise a response plan and may convene with relevant departments as needed, and the result shall be recorded. Internal audit shall also conduct an investigation as part of its duties.
- xi. Spokesperson Mechanism
 1. Disclosure of material internal information shall be handled only by the Company's spokesperson or their deputy unless otherwise provided by law. The order of substitution shall be clearly defined. In necessary cases, the responsible person of the Company may disclose directly.
 2. Spokespersons may speak only within the authorized scope. Except for the responsible person, spokesperson, or deputy spokesperson, no other personnel may disclose material internal information externally without authorization.
- xii. If media reports conflict with the Company's disclosures, the Company shall clarify on MOPS and request a correction from the media outlet.
- xiii. Handling of Disclosure Violations

The Company shall pursue accountability and legal action under the following circumstances:

 1. Unauthorized disclosure of material internal information or violation of these Procedures or applicable laws by Company personnel.
 2. Spokesperson or deputy spokesperson making statements beyond their authority or violating laws or the Procedures.
 3. Third parties leaking material internal information or violating the Procedures, causing damage to the Company's assets or interests.
- xiv. The Procedures are incorporated into the Company's internal control system. Internal auditors shall periodically review compliance and prepare audit reports to ensure effective implementation.
- xv. The Company shall conduct education and training on the Procedures and relevant laws at least once a year for directors, managerial officers,

shareholders holding more than ten percent, and employees. Timely training shall be provided to new appointees.

- xvi. The Procedures shall take effect upon approval by the Board of Directors and after completion of the public offering process. Any amendments shall also be subject to Board of Directors approval.

V. Key Control Points:

- i. Whether confidentiality agreements are signed with external institutions or individuals involved in the Company's mergers, memoranda of understanding, strategic alliances, other business cooperation plans, or the execution of significant contracts, and whether the counterparties are required not to disclose the Company's material internal information to others.
- ii. Whether the Company's insiders have signed confidentiality agreements.
- iii. Whether the Company's external disclosure of material information is based on proper grounds and whether such information is disclosed fairly, accurately, consistently, completely, and in a timely manner.
- iv. Whether the disclosure of material internal information is approved by the responsible authority within the Company and properly documented for future reference.
- v. Whether the Company promptly clarifies on the MOPS when media reports are inconsistent with the Company's disclosed information.
- vi. In the event of a leak of material internal information, whether a response plan is formulated and the results are documented and filed.
- vii. Whether personnel who disclose the Company's material internal information without authorization are subject to disciplinary action, and whether appropriate legal measures are taken if the Company's rights or interests are harmed.
- viii. Whether the Company conducts education and training at least once a year for personnel defined as insiders.

VI. Reference Materials: None.

VII. Attachments:

Forms Used				Custodian Unit
Form Number	Filed By Unit	Form Name	Copies	
	Dedicated Unit for Material Internal Information	Material Information Disclosure Application Form	1	Dedicated Unit for Material Internal Information
	Dedicated Unit for Material Internal Information	Material Information Evaluation Checklist	1	Dedicated Unit for Material Internal Information