Wiwynn Corporation

Procedures for Preventing Insider Trading

Article 1 The Procedures are formulated in accordance with Article 8 of the “Regulations Governing Establishment of Internal Control Systems by Public Companies” to prevent improper disclosure of material inside information that may affect the stock price, and to ensure all employees comply with relevant insider trading regulations.

Article 2 In order to prevent insider trading, the Company shall do so in accordance with the Procedures; unless otherwise another act or regulation provides to certain parties.

Article 3 The Procedures shall apply to all directors, managerial officers, employees, and consultants 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 the Procedures.

Article 4 The financial unit is the Company’s responsible unit in charge of the handling of material inside information. In the event of any unauthorized disclosure of material inside information, it shall be reported to the financial unit and the internal audit unit as soon as possible. After receiving preceding reports, the responsible unit shall formulate corresponding measures, and if necessary, may invite internal audit and other units to discuss the handling, and record the handling results for future reference. Internal audits should be conducted in accordance with their responsibilities, and shall reported to the Audit Committee and the board of directors with any irregular event.

Article 5 The Company’s directors, managerial officers, employees and consultants shall exercise the due care and fiduciary duty of a good administrator and act in good faith when performing their duties, and shall sign confidentiality agreements. No director, managerial officer, employee or consultants with knowledge of material inside information of the Company may divulge the information to others before the Company has officially spoken to the public. No director, managerial officer, employee or consultants of the Company may inquire about or collect any non-public 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 non-public material inside information of the Company of which they become aware for reasons other than the performance of their duties.
Article 6  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, and may not disclose to another party any material inside information of the Company’s thus acquired.

Article 7  The Company hereby defines material inside information as:
1. Information that would have a material impact on the Company’s stock price includes:
   (1) Information relating to the finances or businesses of the Company that would have a material impact on its stock price or on the investment decisions of a reasonably prudent investor.
   (2) Information relating to the market supply and demand of such securities and public tender offers that would have a material impact on the Company’s stock price or on the investment decisions of a reasonably prudent investor.
2. Information that will have a material impact on the ability of the issuing the Company to pay principal or interest.
3. Others are formulated by the Company’s responsible unit in charge of the handling of material inside information and approved by the board of directors. The Securities and Exchange Act and related laws, orders and relevant regulations of the Taiwan Stock Exchange or Taipei Exchange should be considered.

Article 8  The persons that the Company prohibits insider trading mainly include:
1. A director and/or managerial officer of the Company, and/or a natural person designated to exercise powers as representative pursuant to Article 27, paragraph 1 of the Company Act.
2. Shareholders holding more than ten percent of the shares of the Company.
3. Any person who has learned the information by reason of occupational or controlling relationship.
4. A person who, though no longer among those listed in [one of ] the preceding three subparagraphs, has only lost such status within the last six months.
5. Any person who has learned the information from any of the persons named in the preceding four subparagraphs.
6. A director and/or managerial officer of the Company, or shareholders holding more than ten percent of the total shares, and shall include shares held by their spouses and minor children and those held under the names of other parties.

Article 9  The insider trading referred to by the Company, upon actually knowing of any information that will have a material impact on its stock price, or a material impact on the ability of the issuing the Company to pay principal or interest, after the information is precise, and prior to the public disclosure of such information or within 18 hours after its public disclosure, the following persons shall not purchase or sell, in the person’s own name or in the name of
Article 9-1 To strengthen stock trading control measures, the Company’s directors are prohibited from trading shares of the Company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the Company, during the closed period (the “Closed Period”) of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports. The publication dates mentioned in the preceding paragraph refers to the announcement dates when the Company releases material information in accordance with the provisions of “Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, Article 4, Paragraph 1, Subparagraph 31, Items 1 and 2”. The Company’s responsible unit handling internal material information shall notify the directors electronically before the Closed Period.

Article 10 The reference in Article 7-1, paragraph 1 to information relating to the finances or businesses of the Company that would have a material impact on its stock price or on the investment decisions of a reasonably prudent investor means any of the following:
1. A matter provided in Article 7 “any matter which has had a significant impact on shareholders rights or the price for the securities” of the Securities and Exchange Act Enforcement Rules.
2. The Company carries out any material transaction of public offering and issuance or private placement of equity-type securities, capital reduction, corporate merger, acquisition, or split, share exchange, conversion, or transfer of shares from others, direct or indirect investment project, or there is any material change in any of the above matters.
3. The Company is in proceedings for reorganization, bankruptcy, dissolution, or application for stock delisting or termination of OTC securities trading, or there is any material change in any of the above matters.
4. A member of the Company’s board of directors is subject to a provisional injunction ruling suspending his or her exercise of powers, making it impossible for the board of directors to exercise its powers, or all independent directors of the Company are removed from office.
5. Occurrence of a disaster, group protest, strike, or environmental pollution, or any other material event, where the Company incurs a material loss, or where a relevant authority orders suspension of work, suspension of business, or termination of business, or revokes or voids a relevant permit.
6. Dishonor of a negotiable instrument, filing for bankruptcy or reorganization, or any other similar event of a material nature, with respect to a related party of the Company or to a principal debtor or a joint and several guarantor of a principal debtor; or inability by a principal obligor, in favor of whom the company has made an endorsement or guarantee, to
settle a matured negotiable instrument, loan, or other obligation.
7. Occurrence of a significant event of internal control-related malpractice, non arms-length transaction, or defalcation of Company assets.
8. Suspension of part or all of business transactions between the Company and a principal client or supplier.
9. Upon occurrence of any of the following with respect to a financial report of the Company:
   (1) Failure to make a public announcement or a filing in a manner consistent with the requirements of Article 36 of the Securities and Exchange Act.
   (2) An error or omission in a financial report prepared by the company, with respect to which Article 6 of the Securities and Exchange Act Enforcement Rules requires a correction to and further a restatement of the financial report.
   (3) A certified public accountant issues an audit or review report containing an opinion other than an unqualified or modified unqualified opinion. The same does not apply, however, in cases where the certified public accountant issues a qualified audit or review report for the reason of annual amortization of losses, as permitted by law, or for the reason that an amount of long-term equity investment and profit/loss thereupon presented in the first-quarter, third-quarter, or semiannual financial report is calculated on the basis of financial statements of the investee company that have not been audited or reviewed by a certified public accountant.
   (4) A certified public accountant issues an audit or review report indicating substantial doubt about the going-concern assumption.
10. A significant discrepancy between financial forecasts already publicly disclosed and actual figures or between updated (or corrected) financial forecasts and original forecasts.
11. The Company’s operating income or income before tax shows a significant change from the same period of the previous year, or shows a significant change compared with the previous period and the change is not caused by seasonal factors.
12. When any of the following accounting events occurs to the Company, and the event, although it does not affect the profit/loss of the current period, has resulted in a material change in the net worth of the current period:
   (1) Revaluation of assets.
   (2) Valuation of financial instruments.
   (3) Foreign currency translation adjustments.
   (4) Financial instruments accounted for using hedge accounting.
   (5) Net losses not recognized as retirement fund costs.
13. The fundraising plan for corporate bond redemption cannot be carried out.
14. The Company buys back its own shares.
15. The Company makes or suspends a public tender offer to acquire securities issued by a public company.
16. The Company acquirers or disposes of a major asset.
17. If the Company has issued securities overseas, occurrence of a material event that requires
prompt public announcement or filing, as provided in the government laws and regulations, or securities exchange market rules and regulations, of the country where the securities are listed.

18. Other matters relating to the finances or businesses of the Company that would have a material impact on its stock price or on the investment decisions of a reasonably prudent investor.

Article 11

The reference in Article 7-1, paragraph 2 to information relating to the market supply and demand of such securities that would have a material impact on the Company’s stock price or on the investment decisions of a reasonably prudent investor means any of the following:

1. The Company’s securities traded on the centralized securities exchange market or the OTC securities market are subject to a public tender offer or suspension of a public tender offer.
2. Any material change in the shareholding of the Company or its controlling company.
3. The Company’s securities traded on the centralized securities exchange market or the OTC securities market are subject to an event of bidding, auctioning, material default in settlement, change of the original method of trading, or suspension, limitation, or termination of trading, or there is any circumstance that may lead to any such event.
4. Persons duly charged with exercising searches under the law conduct a search of the Company, its controlling company, or any of its major subsidiaries as defined in Article 2-1, paragraph 2 of the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants.
5. Any other matter relating to the market supply and demand of such securities that would have a material impact on the Company’s stock price or on the investment decisions of a reasonably prudent investor.

Article 12

The reference in Article 7-2 to information that will have a material impact on the ability of the Company to pay principal or interest means any of the following:

1. Any matter set out in Article 7, subparagraphs 1 to 3 of the Securities and Exchange Act Enforcement Rules.
2. Any matter set out in subparagraphs 5 to 8, subparagraph 9, item 4, and subparagraph 13 of Article 10-1 herein.
3. The Company is in proceedings for reorganization, bankruptcy, or dissolution.
4. The Company suffers a material loss, and the loss is likely to result in financial difficulty, suspension of business, or termination of business.
5. The amount of the Company’s current assets, with inventory and prepaid expenses deducted and net cash inflows generated before the maturity date of corporate bonds added, is insufficient to cover the principal or interest due in the near future for the most recent period and other current liabilities.
6. The interest of any already issued corporate bonds is calculated at a non-fixed interest rate,
and the interest expenses have risen significantly due to market interest rate fluctuations and affect the ability of the company to pay principal or interest.

7. Any other matter that could affect the ability of the company to pay principal or interest. The provisions of the preceding paragraph do not apply to companies issuing corporate bonds under a bank guarantee.

Article 13 The date of existence of the information described in the preceding three articles shall be the date of the fact, agreement, contract signature, payment, request, execution of transaction, transfer of title or resolution of the Audit Committee or the board of directors, or other precise date based on concrete evidence, whichever comes first.

Article 14 For the purposes of Articles 10 and 12, public disclosure of information means the Company enters such information into the Market Observation Post System. For the purposes of Article 11, public disclosure of information means any of the following:

1. The Company enters such information into the Market Observation Post System.
2. The Taiwan Stock Exchange Corporation publicly announces the information on the Market Information System website.
3. The GreTai Securities Market publicly announces the information on the Market Information System website.
4. Coverage of the information by two or more daily national newspapers on non-local news pages, national television news, or electronic newspapers issued by any the aforesaid media.

In the case of information publicly disclosed under subparagraph 4 of the preceding paragraph, the period of 18 hours referred to in Article 9, shall begin with the later of the time of delivery of the newspaper, first broadcasting of the television news, or posting of the news on the electronic website, as the case may be. The time of delivery of a newspaper referred to in the preceding paragraph means 6 a.m. for morning newspapers and 3 p.m. for evening newspapers.

Article 15 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. When necessary, the disclosure may be made directly by a responsible person of the Company. The Company’s spokesperson or deputy spokesperson shall communicate to outside parties only information within the scope authorized by the Company, and no personnel of the Company other than those serving as the Company’s responsible person, spokesperson, or deputy spokesperson may disclose any material inside information of the Company to outside parties without authorization.
Article 16 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 the Procedures or any other applicable law or regulation.
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.
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.

Article 17 The Company shall establish and maintain files of information of insiders, and report to the competent authority within the prescribed time limit and method.

Article 18 The Procedures are incorporated into the Company’s internal control system to implement the management of insider trading prevention.

Article 19 The directors, managerial officers, employees, and consultants of the Company shall participate in the education and promotion of the Procedures and related laws and regulations in a timely manner.

Article 20 The Procedures, and any amendment hereto, shall enter into force after the approval by the Board of Directors on August 14, 2017, and shall enter into force after public offering. The 1st amendment was made on November 1, 2022.