

Primax Electronics Ltd.

Procedures for Handling Material Inside Information and Prevention of Insider Trading

Chapter 1. General provisions

Article 1

These Procedures are specially adopted to establish sound mechanisms for the handling and disclosure of material inside information by this Corporation, in order to prevent improper information disclosures and to ensure the consistency and accuracy of information released by this Corporation to the public.

Article 2

This Corporation shall implement its handling and disclosure of material inside information and prevention of insider trading in accordance with applicable laws and regulations, the rules, and regulations of the Taiwan Stock Exchange Corporation and these Procedures.

Article 3

These Procedures shall apply to all directors, managerial officers, and employees of this Corporation. This Corporation shall ensure that any other person who acquires knowledge of this Corporation's material inside information due to their position, profession, or relationship of control shall comply with the applicable provisions of these Procedures.

Article 4

The scope of material inside information under this procedure includes the following:

1. Matters listed in the “Regulations Governing the Scope and Disclosure Methods of Significant News Pursuant to Article 157-1, Paragraphs 5 and 6 of the Securities and Exchange Act.”
2. Matters listed in the “Taiwan Stock Exchange Corporation Procedures for the Verification and Public Disclosure of Material Information on Listed Company”
3. Matters that should be publicly announced or reported pursuant to the “Securities Trading Act, Article 36-1,” as authorized by the competent authority.

Article 5

Personnel specified in Article 3 of this procedure, upon becoming aware of internal significant information as referred to in Article 4, Paragraph 1, Subparagraph 1, shall not, within 18 hours before or after the clear disclosure of such information, personally or on behalf of others, buy or sell the company's stocks or other equity-like securities or non-equity-like corporate bonds.

Insiders, upon receiving financial reports or related performance information of the company, including (but not limited to) directors, shall refrain from trading their stocks during the 30-day period before the announcement of annual financial reports and the 15-day period before the announcement of quarterly financial reports.

Article 6

This Corporation is responsible for handling material inside information through a dedicated unit, and its authority is as follow:

1. Formulating the drafts of these Procedures and any amendments to them.
2. Receiving inquiries in connection with the methods of handling material inside information, and for consultation, review, and recommendations relating to these Procedures.
3. Receiving reports on unauthorized disclosures of material information and formulation of corresponding measures.
4. Resigning a system for preserving all documents, files, electronic records, and other materials related to these Procedures.
5. Other activities related to these Procedures.

Chapter 2. Procedures of confidentiality material information

Article 7

This Corporation's directors, managerial officers, and employees 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.

Personnel specified in the preceding procedure shall not disclose material information of this Corporation known to others. And can't inquire about or collect any nonpublic material inside information not related to their individual duties, nor may they disclose to others any nonpublic material inside information of this Corporation of which they become aware for reasons other than the performance of their duties.

Article 8

Proper protection of confidentiality shall be sealed in an envelope and clearly marked with relevant confidential labels. When transmitted by email or other electronic means, such files and documents must be processed with appropriate security technology such as password or access controls. Files and documents containing this Corporation's material information shall be backed up and stored in a secure location.

Article 9

This Corporation shall ensure that the firewalls specified in the preceding two articles are established and take the following additional steps:

1. Adopt adequate control measures for the firewalls.
2. Enhance measures for custody and maintaining the secrecy of files and documents containing nonpublic material information of this Corporation.

Article 10

Any organization or person outside of this Corporation that is involved in any corporate action of this Corporation 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 this Corporation's thus acquired.

Chapter 3. Procedures of material information disclosure

Article 11

This Corporation shall comply with the following principles when making external disclosures of material information:

1. The information disclosed shall be accurate, complete, and timely.
2. There shall be a well-founded basis for the information disclosure.
3. The information shall be disclosed fairly.

Article 12

Any disclosure of this Corporation's material inside information, except as otherwise provided by law or regulation, shall be made by this Corporation'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 this Corporation.

This Corporation's spokesperson or deputy spokesperson shall communicate to outside parties only information within the scope authorized by this Corporation, and no personnel of this Corporation other than those serving as this Corporation's responsible person, spokesperson, or deputy spokesperson may disclose any material inside information of this Corporation to outside parties without authorization.

Article 13

This Corporation shall keep records of the following in respect of any disclosure of information to outside parties:

1. The person who discloses the information, the date, and the time.
2. How the information is disclosed.
3. What information is disclosed.
4. What written material is delivered.
5. Any other relevant details.

Article 14

If a media agency releases information that is in any respect inconsistent with material information disclosed by this Corporation, this Corporation shall promptly clarify the situation on the Market Observation Post System (MOPS) and request the media agency to correct the information.

Chapter 4. Measures of unusual events

Article 15

Any director, managerial officer, or employee of this Corporation that becomes aware of any unauthorized disclosure of this Corporation's material inside information shall report to the responsible unit and the internal audit department of this Corporation as soon as practicable.

Upon receipt of a report made pursuant to the preceding paragraph, the responsible unit shall formulate corresponding measures. When necessary, it may invite members from the internal audit and other departments to meet for discussion of the measures, and shall keep a record of the results of the measures for future reference. The internal auditors shall also perform such audits as their duties may require.

Article 16

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

1. Personnel of this Corporation disclose material inside information without authorization to any outside party, or otherwise violate these Procedures or any other applicable law or regulation.
2. A spokesperson or deputy spokesperson of this Corporation communicates to any outside party any information beyond the scope authorized by this Corporation, or otherwise violates these Procedures or any other applicable law or regulation.

If any person outside this Corporation divulges any material inside information of this Corporation, thereby causing damage to any property or interest of this Corporation, this Corporation shall pursue appropriate measures to hold the person divulging the information legally liable.

Chapter 5. Internal controls and awareness campaigns

Article 17

Company decision-makers who become aware of sufficient material information should promptly report it to the designated unit, and the designated unit should promptly determine whether to notify internal personnel in accordance with the procedures outlined in this policy.

Article 18

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

Article 19

At least once per year, this Corporation shall conduct educational campaigns to promote awareness among all directors, managerial officers, and employees with respect to these Procedures and related laws and regulations.

This Corporation shall also provide educational campaigns to new directors, managerial officers, and employees in a timely manner.

Chapter 6. Supplementary Provisions

Article 20

These Procedures, and any amendments to them, shall be implemented upon approval by the board of directors.

Article 21

These Procedures was created on November 4, 2022.

First amendment was made on November 8, 2023.