



Procedures for Handling Material Inside Information of Oriental Union Chemical Corporation

Last update: 2018/08/07

Chapter 1 General Provisions

Article 1 (Purpose of these Procedures)

Procedures for Handling Material Inside Information (hereinafter referred to as these “Procedures”) of Oriental Union Chemical Corporation (hereinafter referred to as the “Company”) are specially adopted to establish sound mechanisms for the handling and disclosure of material inside information by the Company, in order to prevent improper information disclosures and to ensure the consistency and accuracy of information released by the Company to the public.

Article 2 (Material inside information shall be handled in accordance with applicable laws and regulations and these Procedures)

The Company shall implement its handling and disclosure of material inside information in accordance with applicable laws and regulations, the rules and regulations of the Taiwan Stock Exchange Corporation or the GreTai Securities Markets, and these Procedures.

Article 3 (Scope of application)

These Procedures shall apply to all Directors, managerial officers, and employees 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 these Procedures.

Article 4 (Scope of material inside information)



For the purposes of these Procedures, the term “material inside information” refers to information that is defined by the Securities and Exchange Act, other applicable laws and regulations, and the applicable rules and regulations of the Taiwan Stock Exchange Corporation or the GreTai Securities Market.

Article 5

(Responsible Unit in charge of the handling of material inside information)

The unit charged with handling material inside information of the Company is composed of the President, Executive Vice Presidents, and Finance, Accounting and Audit Department heads (hereinafter referred to as the “Responsible Unit”). The Responsible Unit shall have the following functions and authorities:

- 1) Responsibility for formulating the drafts of these Procedures and any amendments to them.
- 2) Responsibility for receiving inquiries in connection with the methods of handling material inside information, and for consultation, review, and recommendations relating to these Procedures.
- 3) Responsibility for receiving reports on unauthorized disclosures of material inside information and formulation of corresponding measures.
- 4) Responsibility for designing 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

Confidentiality Procedures of Material Inside Information

Article 6

(Confidentiality firewall operations – personnel)

The Finance Department of the Company shall establish and maintain the required information reported by insiders in accordance with the Securities and Exchange Act.

The Company’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.

No Director, managerial officer, or employee with knowledge of material inside information of the Company may divulge the information to others, nor may they purchase or sell the shares, other equity-type securities of the Company or sell the non-equity-type corporate bonds of the Company, prior to the public disclosure of such material inside information or within a certain period after its legally public disclosure.

No Director, managerial officer, or employee 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 7 (Confidentiality firewall operations – documents and information)

Proper protection of confidentiality shall be given to files and documents containing the Company's material inside information when transmitted in written form. When transmitted by e-mail or other electronic means, such files and documents must be processed with appropriate security technology such as encryption or electronic signatures.

Files and documents containing the Company's material inside information shall be stored in secure location.

Article 8 (Operation of confidentiality firewalls)

The Company 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 and perform periodic testing.
- 2) Enhance measures for custody and maintaining the secrecy of files and documents containing non-public material inside information of the Company.

Article 9 (Confidentiality obligations of outside organizations and persons)



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.

Chapter 3 Procedure of Disclosure of Material Inside Information

Article 10 (Principles of disclosure of material inside information)

The Company shall comply with the following principles when making external disclosures of material inside 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 11 (Implementation of the Company's Spokesperson system)

Implementation of the Company's material inside information, except as otherwise provided by law or regulation, generally 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 the Chairman or President 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 on personnel of the Company other than those serving as the Company's Chairman, President, spokesperson, or deputy spokesperson may disclose any material inside information of the Company to outside parties without authorization.

Article 12 (Record of disclosure of material inside information)

The Company 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 13 (Response to false media coverage)

If any media agency releases information that is in any respect inconsistent with material information disclosed by the Company, the Finance Department of the Company may depend on circumstances promptly issue a clarification on the Market Observation Post System (MOPS) and request the media agency to correct the information.

Chapter 4 Measures of Unusual Events

Article 14 (Reporting of unusual events)

Any Director, managerial officer, or employee of the Company that becomes aware of any unauthorized disclosure of the Company's material inside information shall report to the Responsible Unit and the Audit Department of the Company 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 relevant departments to meet for discussion of the measures, and shall keep a record of the results of the measures for future reference. The Audit Department of the Company shall also perform such audit as their duties may require.

Article 15 (Disciplinary measures)

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



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

Personnel outside of the Company divulge material inside information of the Company, thereby causing damage to any property or interest of the Company.

Chapter 5 Internal Controls and Publicity

Article 16 (Internal controls)

These Procedures shall be incorporated into the Company's internal control system. The Audit Department 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.

Article 17 (Publicity)

The Finance Department of the Company shall deliver these Procedures to the Director, managerial officer, and employee of the Company in writing or otherwise, and make them acquainted with these Procedures.

Chapter 6 Supplementary Provisions

Article 18 These Procedures herein takes effect after approval at the Director's meeting. The same applies for any amendments.

** In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*