



**Title**

**Internal Material Information  
Handling and Inside Trading  
Prevention Management  
Operation Procedure**

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## **1 Purpose**

In order to set up a good internal material information handling and disclosure mechanism, avoid improper information leakage, ensure consistency and accuracy of external information release and reinforce prevention of inside trading, the Company specifically institutes this Operation Procedures.

## **2 Legal basis**

The Company's management of its internal material information handling and disclosure and prevention of its inside trading shall be subject to related laws, orders, the regulations set up by the Taiwan Stock Exchange or Gre Tai Securities Market and the Operation Procedure.

## **3 Applicable targets**

- 3.1 The Operation Procedure is applicable to the Company's directors, supervisors, managers and employees.
- 3.2 For those who are aware of the Company's internal material information due to their capacity, occupation or control relationship, the Company shall push them to comply with the Operation Procedure.

## **4 Internal material information coverage**

The internal material information referred to in the Operation Procedure is the material message defined in the Securities and Exchange Act, related laws and orders, and the related regulations set up by the Taiwan Stock Exchange or Gre Tai Securities Market.

## **5 Restrictions on securities trading**

When the Company's directors, supervisors and managers defined in Article 3 of the Operation Procedure learn the internal material information referred to in Article 4 of the Operation Procedures, they are not allowed to buy or sell the Company's stock or other equity securities within 12 hours after the information is under wraps or publicly released. However, in case of any law amendment, the amended law shall prevail.

## **6 Duties**

- 6.1 The Company's financial division is responsible for institution and maintenance of the Operation Procedure.
- 6.2 The Company's spokesperson is in charge of external release of its material information.

## **7 Confidentiality firewall operation – personnel management**

- 7.1 The Company's directors, supervisors, managers and employees shall execute businesses with the due care and faithful obligations as a good administrator and based on the honesty and credit principle, and sign a non-disclosure agreement.
- 7.2 Those directors, supervisors, managers and employees who are aware of the Company's internal material information shall not divulge what they learned to others.

- 7.3 The Company's directors, supervisors, managers and employees shall not inquire about the Company's internal material information from those who are aware of it or collect the Company's internal material information which is irrelevant to their individual duties and is unreleased. Even if they learn the Company's unreleased internal material information not from their business execution, they shall still not divulge it to others.

## **8 Confidentiality firewall operation – document and information management**

- 8.1 When delivering the Company's internal material information file documents in a paper form, proper protection measures shall be taken. For e-mail transmission or other forms of electric transmission, safety technology, such as adding proper encryption or electronic signatures, shall be used.
- 8.2 The Company shall back up its internal material information file documents and retain them at a safe place.

## **9 Confidentiality firewall operation**

The Company shall make sure establishment of the firewall regulated in the first two articles, and take the following measures:

- 9.1 Take proper firewall management and control measures, and periodically conduct the test.
- 9.2 Reinforce the custody and confidentiality measures for the internal material information file documents not publicly released by the Company.

## **10 External agency or personnel confidentiality operation**

The Company's external agencies or personnel participating in the Company's merger, major memorandums, strategic alliance and other business cooperation plans or signing of important contracts shall sign a non-disclosure agreement, and are not allowed to divulge the Company's internal material information they have learned to others.

## **11 Principles of internal material information disclosure**

The following principles shall be followed in the Company's external disclosure of its internal material information:

- 11.1 Information disclosure shall be accurate, intact and prompt.
- 11.2 Information disclosure shall be made based on actual facts.
- 11.3 Information shall be fairly disclosed

## **12 Fulfillment of the spokesperson system**

- 12.1 Unless otherwise provided by statutory laws or regulations, disclosure of the Company's internal material information shall be handled by its spokesperson or its agency's spokesperson, while the agency sequence shall be confirmed. When necessary, the Company's responsible person shall be directly in charge of it.

12.2 The speech made by the Company's spokesperson and agency's spokesperson shall be within the scope of the Company's authorization. Except the Company's responsible person and spokesperson and agency's spokesperson, the Company's other personnel are not allowed to externally disclose its internal material information without being authorized.

### **13 Internal material information disclosure recording**

The Company shall record the following data for any of its external information disclosure:

13.1 Information disclosure personnel (name), date and time

13.2 Information disclosure method

13.3 Content of disclosed information

13.4 Content of the given written data

13.5 Other related information

### **14 Response to media's false reporting**

For any media reporting which is not consistent with the content of the material information disclosed by the Company, according to the content characteristics, the Company shall clarify it on the Market Observation Post System or request the medium in question to make correction.

### **15 Reports on exceptional situations**

15.1 The Company's directors, supervisors, managers and employees learning leakage of the Company's internal material information shall promptly report it to the related unit, such as the legal unit and internal audit unit.

15.2 The legal and internal audit units shall work together to set up a countermeasure, and journalize the handling results for future reference, whereas the internal audit unit shall also fulfill their duties by conducting the audit.

### **16 Violation handling**

In case of any of the following circumstances, the Company shall hold related personnel accountable and take the required legal step:

16.1 When the Company's personnel discretionarily disclose its internal material information or violate the Operation Procedure or statutory laws or regulations

16.2 When the external speech made by the Company's spokesperson or agency's spokesperson is beyond the Company authorization or violates the Operation Procedure or statutory laws or regulations

In case of anyone outside the Company divulging the Company's internal material information which leads to the damage to the Company's property or interests, the Company shall take a legal step against them.

### **17 Educational promotion**

17.1 The Company's internal material information responsible unit shall keep an eye out for requirements of related laws and regulations, and keep the directors, supervisors, managers and employees abreast of the updated information.

17.2 The new directors, supervisors, managers and employees shall also be provided with the information on related laws and regulations in a timely manner.

## **18 Implementation and revision**

The Operation Procedure shall be promulgated and implemented after approved by the general manager and adopted by the board meeting. The same shall also apply in case of any revision.