

Pili International Multimedia Co., Ltd.

Management Procedure for the Handling of Material Internal Information and Prevention of Insider Trading

I. Purpose

The purpose of the Management Procedure is to establish well-defined Company mechanisms for the handling and disclosure of material internal information, to prevent the improper disclosure of information, to ensure the consistency and accuracy of information released to the public by the Company, and to help the relevant personnel comply with the relevant laws and regulations on the prevention of insider trading.

II. Scope

The handling and disclosure of all material internal information by the Company shall be conducted in accordance with the relevant laws, directives, the regulations of the Taiwan Stock Exchange or Taipei Exchange, and this Management Procedure.

III. Responsible Unit

This Management Procedure shall apply to all directors, supervisors, managerial officers, and employees of the Company as well as other parties who learned of the material internal information due to their status, occupation, or controlling relationship. The Company shall ensure their compliance with the provisions of this Procedure.

IV. Risk Assessment

(I) Failure to maintain the confidentiality of material Company information as well as the unauthorized and improper disclosure of material information at an inappropriate time leading to inconsistencies and inaccuracies in the information released by the Company to the public.

V. Key Control Points

- (I) The responsible unit shall establish and maintain a register of the Company's directors, supervisors, managerial officers, shareholders holding more than 10% of Company stock, and those who satisfied any of the preceding criteria within the last six (6) months.
- (II) Appropriate education shall be arranged for the directors, supervisors, managerial officers and employees of the Company.
- (III) The spokesperson or deputy spokesperson shall only provide information authorized by the Company.
- (IV) Information with material impact on share prices shall be disclosed in the manner prescribed by regulations.
- (V) The responsible unit shall provide a response or clarification to any media reports or false information.
- (VI) Files and documents containing material internal information shall be managed and archived in accordance with regulations.
- (VII) The scope of material internal information with an impact on share prices shall be defined.
- (VIII) Internal personnel shall be required to sign a non-disclosure agreement.

VI. Operating Procedure

- (I) Legal basis:
Securities and Exchange Act and related laws, directives, as well as the relevant regulations of the Taiwan Stock Exchange and Taipei Exchange.
- (II) Dedicated unit for the handling of material internal information
The Company shall establish the Investor Relations Department for the handling of material information. The unit shall be composed of an appropriate number of qualified

personnel based on the size, business activities and management requirements of the Company. Its responsibilities shall be as follows:

1. Responsible for the drafting of this Procedure and its amendments.
2. Responsible for dealing with inquiries and reviews relating to the handling of material internal information and this Procedure, and the providing of recommendations.
3. Responsible for handling reports relating to the leaking of material internal formation and the formulation of what action to take.
4. Responsible for formulating the archival system for all documents, files and electronic records related to this Procedure.
5. The details and register of internal personnel shall be regularly maintained and kept up to date.
6. The audit unit shall provide regular oversight. Anomalies shall be reported to the independent directors.
7. Other matters related to this Procedure.

Once the responsible unit has been approved by the Board of Directors, in addition to the President, head of finance, head of sales, Office of the President's representatives and the spokesperson, the President may also be authorized to appoint other qualified and suitable personnel based on the size, business activities and management requirements of the Company. Other Company units must provide their assistance when requested while the unit is going about its duties.

(III) Scope of application

Internal personnel refers to those who are banned from insider

trading by the Company. These include:

1. The directors, supervisors and managerial officers of the Company, as well as natural persons appointed as representatives in accordance with Article 27, Paragraph 1 of the Company Act.
2. Shareholders holding more than 10% of Company stock.
3. Any person who learned the information through their occupation or controlling relationship.
4. Any person who satisfied the criteria in any of the three preceding sub-paragraphs within the last six (6) months.
5. Any person who learned the information through any of persons listed in the preceding four sub-paragraphs.
6. The spouse, minor children and accounts held in another name by those who satisfied the criteria for internal personnel as listed in sub-paragraphs 1 and 2 within the last six (6) months.

(IV) Timing of material information

Date of event, date of agreement, date of contract signing, date of commission, date of transaction, transfer date, date resolution was passed by the Audit Committee or Board of Directors, or any other date where confirmation is possible. The earlier date shall prevail.

(V) Maintaining the confidentiality of material information

1. Confidentiality period: Before information is made public, or within 18 hours of it being made public.
2. Personnel who learn directly of material information relating to the Company's finances or operations through their duties may not mention or hint at such information to a third party before it is made public. Those who learn of material internal information not yet made public by the Company outside of their duties are also barred from

divulging it to other persons.

3. Non-disclosure agreements shall be signed in advance with external organizations or personnel participating in important joint projects or the signing of important contracts. They are also barred from divulging material internal information they learn about the Company to other persons.
4. The directors, supervisors, managerial officers and employees of the Company shall exercise due care of a prudent manager, duty of loyalty and the principle of good faith during the performance of their duties. A non-disclosure agreement shall be signed as well.
5. Appropriate safeguards shall be taken if Company files and documents containing material internal information are to be transmitted in writing. If transmission is by e-mail or other electronic methods then appropriate security technologies such as encryption or certificates must be used. Appropriate firewall management measures shall be adopted and tested on a regular basis.
6. A back-up shall be made of Company files and documents containing material internal information and kept in a secure location. The custody and confidentiality of files and documents containing material internal information that have not yet been made public by the Company shall also be strengthened.
7. Non-disclosure agreements shall be signed in advance with external organizations or personnel involved with the signing of the Company's mergers and acquisitions, memorandums of understanding, strategic alliances, other business partnerships or important contracts. Nor may they divulge material internal information they learn about

the Company to other persons.

(VI) Evaluation process for material information

1. Principles

When releasing any material information, the Company shall comply with laws, orders, and Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with TPEX Listed Securities, the related Q&A, and the Operating Procedures, to ensure the timeliness, accuracy, and integrity of the information.

2. Evaluation and approval procedures

Approval procedures:

For any major policy resolution of the board of directors or other matter meeting the requirements of the “Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with TPEX Listed Securities,” the Investor Relations Department shall complete the “Application Form of Releasing Material Information” and the “Evaluation and Checklist for Material Information” on the date of occurrence, and have the accountable officer to sign the forms, before submitting the forms to the Corporate Governance Officer for review. Before the statutory timeframe is due, the “Application Form of Releasing Material Information” is signed and approved by the Company’s spokesperson (Chairman) for releasing.

Content of evaluation:

For any major policy resolution of the board of directors or other matter meeting the requirements of the “Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with TPEX Listed Securities,” or any matter meeting the following criteria for its further materiality assessment, the material information shall be released as soon as

possible pursuant to the requirements in the preceding paragraph with the statutory timeframe.

- (1) The amount impacted by the transaction or event reaches an amount not less than 20 percent of the Company's paid-in capital of the latest financial statements.
- (2) The amount impacted by the transaction or event reaches an amount not less than 10 percent of the Company's total capital of the latest financial statements.

For the calculation of 10 percent of total assets, the total assets as stated in the most recent parent company financial report or individual financial report prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” shall be used.

- (3) The absolute amount impacted by the transaction or event reaches NT\$300 million or more.
- (4) Any material effect on the Company's finances, business, operations, stabilization of managerial control, shareholders' equity, or price of the securities, resulting from a litigious or non-litigious matter, administrative disposition, contentious administrative procedure, provisional attachment, provisional injunction, or compulsory execution against the Company.
- (5) Regarding the handling of similar situation, and the impacts thereof by the Company or other companies, the material information is warranted to be released.
- (6) Any other circumstance having material effect on the Company's shareholders' equity or price of the securities, or deemed by the Company that the material information is warranted to be released.

(VII) Retention of the records of submission and approval:

The Investor Relations Department is the dedicated unit for the

material information, in charge of the evaluation, review, approval and release; the approvals may be done in writing or electronically. The “Evaluation and Checklist for Material Information” shall be approved up to the Corporate Governance Officer, and the “Application Form of Releasing Material Information” shall be reviewed by the Corporate Governance Officer and then approved by the Spokesperson (Chairman) for determination. The aforesaid records, approved documents, and related information (including the written or electronic information) shall be retained for at least five years.

The following records shall be retained for releasing the material information:

- (1) Content of evaluation.
- (2) Signatures or seals of the staff for evaluation, review, and determination, date, and time.
- (3) Content of the released material information and the applied legal basis.
- (4) Other related information.

(VIII) Release of material information and treatment for violations or negligence

1. The Company has defined the scope of information with a material effect on the share prices of the Company in accordance with “Regulations Governing the Scope of Material Information and the Means of its Public Disclosure Under Article 157-1, Paragraphs 5 and 6 of the Securities and Exchange Act” and the regulations of the competent authority. Public disclosure shall be carried out in accordance with the defined procedure.
2. The disclosure of material internal information by the Company shall follow the principles listed below:
 - (1) The information shall be disclosed in an accurate,

complete and timely manner.

- (2) There shall be a well-founded basis for the information being disclosed.
 - (3) The information shall be disclosed fairly.
3. Procedure for the disclosure of material information:

Once the timing of material information has been confirmed, the responsible unit must complete the approval and reporting process before the start of trading on the next business day.
4. Implementation of the spokesperson system
 - (1) All communications relating to information about the Company with the financial-economic media, share analysts, shareholders and potential investors before or after disclosure shall be handled by the Company spokesperson, or the deputy spokesperson in the duly appointed order; it may also be handled directly by the Company's person-in-charge or their appointed representative if necessary.
 - (2) The Company spokesperson or deputy spokesperson may only communicate information authorized by the Company. With the exception of the Company's person-in-charge, spokesperson and deputy spokesperson, no other Company personnel may disclose material internal information to outside parties without authorization.
5. Recording the disclosure of material internal information:

The Company shall keep the following records on the disclosure of information to outside parties:

 - (1) The person making the disclosure as well as the date and time.
 - (2) Method of disclosure.
 - (3) The information disclosed.

- (4) Written information delivered.
- (5) Other related information.
- 6. Response to false media coverage: If media coverage is inconsistent with the information disclosed by the Company then a clarification shall be immediately issued on the Market Observation Post System (MOPS) and the media asked to make a correction.
- 7. Reporting of anomalies:
 - (1) If any Company director, supervisor, managerial officer or employee becomes aware of material internal information being leaked then they should report this to the responsible unit and internal audit department as soon as possible.
 - (2) The responsible unit shall formulate a response upon receiving the above report. If necessary, it may discuss with internal audit and other departments the action to take. The outcome shall be recorded for future reference and an investigation shall be conducted by internal audit as part of its duty.
- 8. Handling of violations: In the event of any of the following, the Company shall hold the relevant personnel responsible and take appropriate legal action:
 - (1) Unauthorized divulging of material internal information to outside parties by Company personnel, or the violation of this Management Procedure, or the relevant laws and regulations.
 - (2) Information released by the Company spokesperson or deputy spokesperson exceeds the scope authorized by the Company, or the violation of this Management Procedure, or the relevant laws and regulations.
 - (3) Where material internal information was divulged by

persons outside of the Company causing harm to Company property or interests, the Company shall take any available legal action.

(VII) Reporting of internal personnel changes

1. Changes in internal personnel and their interested parties were reported to this Center within two (2) days.
2. New directors and supervisors have signed declarations on awareness of insider regulations within five (5) days of their appointment, with a photocopy of all declarations compiled and submitted to this Center for reference within fifteen (15) days.
3. Managerial officers have signed declarations on awareness of insider regulations within five (5) days of their appointment with a copy retained by the Company for reference.

(VIII) Education and Training

The Company arranges for directors, supervisors, managerial officers and employees to be educated on this Procedure and related regulations at least once every year. Education of new directors, supervisors, managerial officers and employees is also arranged at a suitable time.

VII. This Procedure shall take effect upon it is approved by the Board of Directors. Amendments shall follow the same process.

This Procedures were formulated on March, 15, 2013.

The 1st amendment to the Procedures was made on November 10, 2022.