

GlobalWafers Co., Ltd.

Management Procedures for Preventing Insider Trading

Article 1: These Procedures are established in accordance with the provisions of Paragraph 3 of Article 8 of the Regulations Governing Establishment of Internal Control Systems by Public Companies, in order to avoid and prevent individuals with access to material information from violating insider trading laws due to insufficient legal knowledge and understanding.

Article 2: Profiting does not necessarily constitute insider trading, and in accordance with the provision specified in Article 157-1 of the Securities and Exchange Act, the constituent elements of an insider trading include:

- I. A regulated party;
- II. Actual knowing of material information;
- III. Before public disclosure or within 18 hours after public disclosure of material information;
- IV. Purchase or sell shares or securities of the Company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the Company, or the non-equity-type corporate bonds of the Company that are listed on an exchange or an over-the-counter market.

Article 3: The “actor under regulation” described in Subparagraph 1 of Article 2 of these Procedures, within the applicable scope of the prohibition of insider trading requirements, shall include:

- I. Directors, managerial officers, and individuals designated to perform duties under Paragraph 1 of Article 27 of the Company Act.
- II. Shareholders holding more than 10% of the Company’s shares.
- III. Individuals knowing the information due to job occupations or controlling relationship.
- IV. Individuals losing the identities described in the preceding three subparagraphs for a period less than six months.



- V. Individuals who obtain material information from any of the aforementioned parties in the preceding four subparagraphs.

Article 4: The “purchase or sell shares or securities of the Company that are listed on an exchange or an over-the-counter market” described in Subparagraph 4 of Article 2 of these Procedures refer to:

- I. Shares refer to securities of the Company listed at an exchange or an over-the-counter market and other equity-type securities of the Company.
- II. Other equity-type securities of the Company refer to convertible corporate bonds, corporate bonds with warrants, preferred shares with warrants, call (put) warrants, certificates of payment for shares, stock warrant certificates, certificates of entitlement to new shares, bond conversion entitlement certificates, Taiwan depositary receipts and other equity-type securities.

Article 5: The “material information” described in Subparagraph 2 of Article 2 of these Procedures refer to:

- I. Information related to the Company’s financial or business operations, the details of which have a significant impact on the Company’s stock price, or information that has a material impact on the investment decisions of legitimate investors, including:
 - (I) Matters specified in Article 7 of the Enforcement Rules of the Securities and Exchange Act.
 - (II) Material offering, issuance or private offering of equity-type securities organized by the Company, capital reduction, merger, acquisition, split, share exchange, transfer or assignment, direct or indirect investment plan performed by the Company or any material change to the above.
 - (III) Restructuring, bankruptcy, dissolution, or application for termination of stock listing or termination of trading at securities office performed by the Company, or any material change to the above.
 - (IV) Provisional injunction ruling to suspending any director of the Company from exercising his/her duties, making it impossible for the Board of



Directors to exercise its duties, or dismissal of all independent directors of the Company.

- (V) Occurrence of accident, group protest, strike, environmental pollution or other material events, causing major damage to the Company, or suspension of work, suspension of business, termination of business, revocation or cancellation of relevant permits according to orders of relevant competent authorities.
- (VI) Dishonor of a negotiable instrument, filing for bankruptcy or reorganization, or any other similar circumstance, with respect to a related party of the Company, or to a principal debtor of the Company or a joint and several guarantor of a principal debtor; or inability by a principal debtor, to whom the Company has made an endorsement or guarantee, such that matured negotiable instrument, loan, or other obligation cannot be settled.
- (VII) Occurrence of a material event of internal control-related fraud, non-arm's-length transactions or misappropriation of company assets.
- (VIII) The Company suspends a portion or all of the business dealings with the main customers or suppliers.
- (IX) The Company's financial report is subject to any one of the following conditions:
 - 1. Failing to announce or report according to the provision of Article 36 of the Securities and Exchange Act.
 - 2. Errors or omissions in the financial report preprepared, such that the correction and re-preparation of the financial report shall be made according to Article 6 of the Enforcement Rules of the Securities and Exchange Act.
 - 3. CPA issues audit or review report other than unqualified opinion or revised unqualified opinion. However, for the situation where loss may be amortized in years according to the law, or the first quarter, third quarter and semi-annual financial reports are considered as reports of an investee not yet audited or reviewed by CPA due to long-term equity investment amount and profit/loss calculation, and CPA issues the audit



or review report of qualified opinion, the requirement shall not be applied.

4. CPA issues audit or review report indicating material concern on the assumption of continuous business operation.

(X) Material difference in the announced financial forecast and the actual number or material difference in the update (correction) of financial forecast and the original forecast number.

(XI) Material change to the Company's operating income in comparison to the same period of last year, or material change in comparison to the previous period and such change not due to seasonal factors.

(XII) Material change to the current net worth of the Company due to the following accounting matters not affecting the current profit/loss:

1. Asset revaluation.
2. End valuation of financial Instruments.
3. Foreign currency translation adjustment.
4. Accounting treatment of financial instruments.
5. Net loss not recognized as pension cost.

(XIII) Fund raising plan for repayment of corporate debt fails to be completed.

(XIV) Repurchase of the Company's treasury stock.

(XV) Execution or suspension of public purchase of securities issued by listed company.

(XVI) The Company's acquisition or disposition of material assets.

(XVII) For overseas securities issued by the Company, material event requiring immediate announcement or report according to the local government laws and local securities exchange rules occurs.

(XVIII) Other information related to the Company's financial or business operations, the details of which have a significant impact on the Company's stock price, or information that has a material impact on the investment decisions of legitimate investors.

II. Information related to the market supply and demand and open acquisition of the securities of the Company, the details of which have a significant impact on the Company's stock price, or information that has a material impact on the investment decisions of legitimate investors:



- (I) Securities traded at an exchange market or securities office being executed or suspended from public purchase.
 - (II) Material change to the equity of the Company or its controlling company.
 - (III) Securities traded at an exchange market or securities office under tender, auction, material default settlement, change of original trading method, suspension of trading, restricted trading or termination of trading or related matters.
 - (IV) Personnel executing search according to the laws proceeding to the Company, its controlling company or important subsidiary specified in Paragraph 2 of Article 2-1 of the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant to perform search.
 - (V) Other information related to the market supply and demand of the securities, the details of which have a significant impact on the Company's stock price, or information that has a material impact on the investment decisions of legitimate investors.
- III. Information having material impact on the Company's ability to pay principals and interests, as shown in the following subparagraphs; provided that this paragraph shall not be applied to corporate bonds issued by the Company and guaranteed by banks:
- (I) Matters specified in Subparagraph 1 to Subparagraph 3 Article 7 of the Enforcement Rules of the Securities and Exchange Act.
 - (II) Matters specified in Subparagraph 5 to Subparagraph 8, Item 4 of Subparagraph 9 and Subparagraph 13 of Paragraph 1 of Article 5 of these Procedures.
 - (III) Restructuring, bankruptcy or dissolution executed by the Company.
 - (IV) The Company is under material loss such that the Company faces financial difficulty and there is the likelihood of suspension of business or cessation of business.
 - (V) The amount of the current assets of the Company after deduction of inventories and advance expenses and plus the net cash inflow before maturity of corporate bond is insufficient to repay the principals or



interests near their maturity dates in the recent period and other current liabilities.

- (VI) The corporate bonds issued adopt the interest calculation on a fixed rate, and due to the change of the market interest, interest expense is increased significantly, such that the Company's principal and interest repayment ability is affected.
- (VII) Other matters that may materially affect the Company's ability to repay principals and interests.

Article 6: The specific date and time of the material information described in Subparagraph 2 of Article 2 of these Procedures shall be the date of the fact, agreement, contract signature, payment, request, execution of transaction, transfer of title, resolution of the audit committee or board of directors, or other precise date based on concrete evidence, whichever comes first.

Article 7: I. This Corporation shall implement its handling, announcement and disclosure of material internal information in accordance with applicable laws and regulations, the rules and regulations of the Taiwan Stock Exchange Corporation (TWSE) or Taipei Exchange (TPEX), and relevant rules of the Company:

- (I) For the material information described in Subparagraph 1 of Article 5 of these Procedures, the disclosure method refers to that the Company shall disclose via the Market Observation Post System (MOPS);
 - (II) For the material information described in Subparagraph 2 of Article 5 of these Procedures, the disclosure method refers to that the Company shall disclose via the MOPS, basic market status report website of TWSE, basic market status report website of TPEX, or non-financial sections of two or more nationally distributed newspapers, national TV news, or electronic newsletters issued by previous media.
- II. If the news is disclosed via the method of "non-financial sections of two or more nationally distributed newspapers, national TV news, or electronic newsletters issued by previous media" described in Subparagraph 2 of the preceding paragraph, the period of 18 hours referred to in Subparagraph 3 of Article 2 of



these Procedures 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.

- III. The time of delivery of a newspaper referred to in the preceding paragraph shall start at 6 a.m. for morning newspapers and 3 p.m. for evening newspapers.

Article 8: I. For actors under regulation described in Subparagraph 1 of Article 3 of these Procedures, they shall not trade stocks during the closed period of thirty days before the announcement of annual financial report and fifteen days before the announcement of quarterly financial report.

- II. The The Office of the President shall explicitly inform the actors under regulation about the closed period for prohibition on trading of stocks according to the preceding paragraph after the schedule of the Board of Directors' meetings is arranged for the next year.

- III. The The Office of the President shall be responsible for supervising the compliance status of the actors under regulation specified in Paragraph 1 during the monthly report of previous shareholding status.

Article 9: The stock affairs personnel of the Company shall establish and periodically maintain information of the actors under regulation specified in Article 3 of these Procedures, and shall also provide relevant laws and regulations related to insider trading to actors within the scope of regulation.

Article 10: In case of any violation of these Procedures, disciplinary actions shall be imposed according to the following methods:

- (I) Where a director or a representative or a corporate director violates these Procedures, the violation shall be reported to the most recent Board of Directors' meeting and shall be included in the degradation item of annual performance evaluation.
- (II) Where an employee or managerial officer of the Company violates these Procedures, performance evaluations shall follow according to the Regulations on Rewards and Disciplinary Actions, and penalties shall be imposed depending upon the severity of the violation.



Article 11: Any matters not covered herein shall be handled in accordance with applicable laws and regulations.

Article 12: These Procedures shall be enforced upon approval of the Board of Directors. The same shall apply to any amendments.

Article 13: These Procedures were approved on November 13, 2014
First amendment on November 7, 2019.
Second amendment on March 15, 2022.