

# **LITE-ON Technology Corporation**

## **Procedures for Handling Material Inside Information**

### **Article 1**

The Procedures were established for observation to build a favorable inside information handling and disclosure system, prevent the inappropriate leakage of information, and ensure the consistency and accuracy of information announced to the external parties by the Company.

### **Article 2**

Handling and disclosure of material inside information of the Company shall be subject to the requirements of relevant laws, orders, and TWSE, as well as the Procedures.

### **Article 3**

The Procedures shall apply to the Directors, managers, and employees of the Company.

For other persons who acknowledged the material inside information of the Company due to their identities, occupations, or relationship of control, the Company shall procure them to observe relevant requirements under the Procedures.

### **Article 4**

The material inside information in the Procedures refers to decisions made by the Company or events that have significant effects on the finance, business, shareholders' interest, or securities prices of the Company and have significant effects on the decision-making of rational investors.

### **Article 5**

Regarding the dedicated department of the Company for handling material inside information, the spokesperson shall be the convener to form the department by selecting from each of the Department of Finance Department, Department of Legal Affairs, Department of Investor Relations, Corporate

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Brand Value Development Center, Department of Information Technology, and Department of Investment that is approved by the Board; the functions of the dedicated department is as follows:

1. Responsible for formulating and amending the draft of the Procedures.
2. Responsible for accepting operations related to material inside information handling and consultation, review, and recommendation provision related to the Procedures.
3. Responsible for accepting reports of material inside information leakage and formulating countermeasures.
4. Responsible for formulating the preservation system for all documents, files, electronic records, and data related to the Procedures.
5. Other operations related to the Procedures.

### **Article 5-1**

The Company shall publish material information in accordance with relevant laws, orders, Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, relevant Q&A, and the Procedures to ensure the timeliness, accuracy, and completeness of the information.

If materials decisions of or material events that occurred to the Company fulfill the requirements under the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, or if such decisions or events have significant effects on the finance, business, shareholders' interest or securities prices of the Company after further evaluation of materiality, the responsible department for the proposal shall fill out the "Material Information Evaluation Checklist and Publication Application" (Attachment 1) on or before the occurrence date; after it is submitted to the supervisor of the responsible department for approval, it shall be submitted to the dedicated department for handling material inside information of the Company for examination and review, and then, its shall be submitted to the CFO and spokesperson of the Company for review; the material information shall be published before the deadline stated in the laws and regulations.

The submission of material information for approval may be carried out by way of written records and electronic means; however, the content of

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submission for approval in electronic means shall also include the evaluation and inspection process in the “Material Information Evaluation Checklist and Publication Application,” and the submission for approval shall be delivered to the dedicated department for handling material inside information first, and then, to the CFO and spokesperson for determination and execution. If the evaluation and submission for approval are made by electronic means, written documents shall be archived subsequently. The abovementioned evaluation records, documents submitted for approval, and relevant data shall be preserved for at least five years.

The following records shall be preserved when the Company publishes any material information:

- I. Evaluation content.
- II. Signature or seal of evaluators, reviewers, decision-makers, date and time.
- III. Content of the published material information and regulatory basis applicable.
- IV. Other relevant information.

### **Article 6**

Directors, managers, and employees of the Company shall exercise the due care and fiduciary duty of a good administrator and act in good faith when performing their duties, and managers and employees shall sign non-disclosure agreements.

No Director, manager, or employee with knowledge of material inside information of the Company may disclose the information to others.

No Director, manager, 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 of for reasons other than the performance of their duties.

### **Article 7**

Proper protection of confidentiality shall be given to, and blind carbon copy shall be marked on 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

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appropriate security technology such as encryption or electronic signatures.

Files and documents containing the Company's material inside information shall be backed up and stored in a secure location. Except for otherwise stated in laws or regulations, the preservation period shall be subject to Article 5-1.

### **Article 8**

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

1. The Department of Information Technology shall adopt adequate control measures for the firewalls and perform periodic testing.
2. The Department of Legal Affairs shall enhance measures for custody and maintaining the secrecy of files and documents containing non-public material inside information of the Company.

### **Article 9**

Any external organization or person 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 non-disclosure agreement, and may not disclose to another party any material inside information of the Company's thus acquired.

### **Article 10**

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.

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### **Article 11**

Any disclosure of the Company's material inside information, except as otherwise provided by law or regulation, shall be made by the Company's spokesperson or by a deputy spokesperson acting in such capacity in confirmed sequential order. When necessary, the disclosure may be made directly by a responsible person of the Company.

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

Communications to external parties of the Company shall be subject to the requirements of the Procedure and the “Spokesperson System” of the Company.

### **Article 12**

The Company shall keep records of the following in respect of any disclosure of information to outside parties; except for otherwise stated in laws or regulations, the preservation period shall be subject to Article 501:

1. The person who discloses the information, the date, and the time.
2. Method of information disclosure.
3. Content of information disclosure.
4. Content of written data delivered.
5. Other relevant information.

### **Article 13**

If a media agency releases information that is in any respect inconsistent with material information disclosed by the Company, the Corporate Brand Value Development Center of the Company shall promptly issue a clarification on the MOPS and request the media agency to correct the information.

### **Article 14**

Any Director, manager, or employee of the Company that becomes aware of any unauthorized disclosure of the Company's material inside information shall report to the dedicated department for handling material inside information and the Internal Audit Center as soon as practicable.

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Upon receipt of a report made pursuant to the preceding paragraph, the dedicated department for handling material inside information shall formulate countermeasures. When necessary, it may invite members from the Internal Audit Center 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 Audit Center shall also perform such audits as its duties may require.

### **Article 15**

The Department of Legal Affairs of the Company shall take measures to discover those responsible and take appropriate legal action against any personnel under either of the following circumstances according to the Company's "Regulations for Rewards and Violations":

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

If any external person of the Company discloses any material inside information of the Company, thereby causing damage to any property or interest of the Company, the Department of Legal Affairs of the Company shall pursue appropriate measures to hold the person disclosing the information legally liable.

### **Article 16**

The Procedures are incorporated into the Company's internal control system. The Internal Audit Center shall keep themselves regularly informed of the status of compliance with the Procedures and shall prepare related audit reports so as to ensure full implementation of the procedures for handling material inside information.

### **Article 17**

At least once per year, the Company shall conduct educational campaigns to promote awareness among all Directors, managers, and employees with respect to the Procedures and related laws and regulations; the same shall apply to any amendment to relevant laws and regulations.

The Company shall also provide educational campaigns to new Directors, supervisors, managers, and employees in a timely manner.

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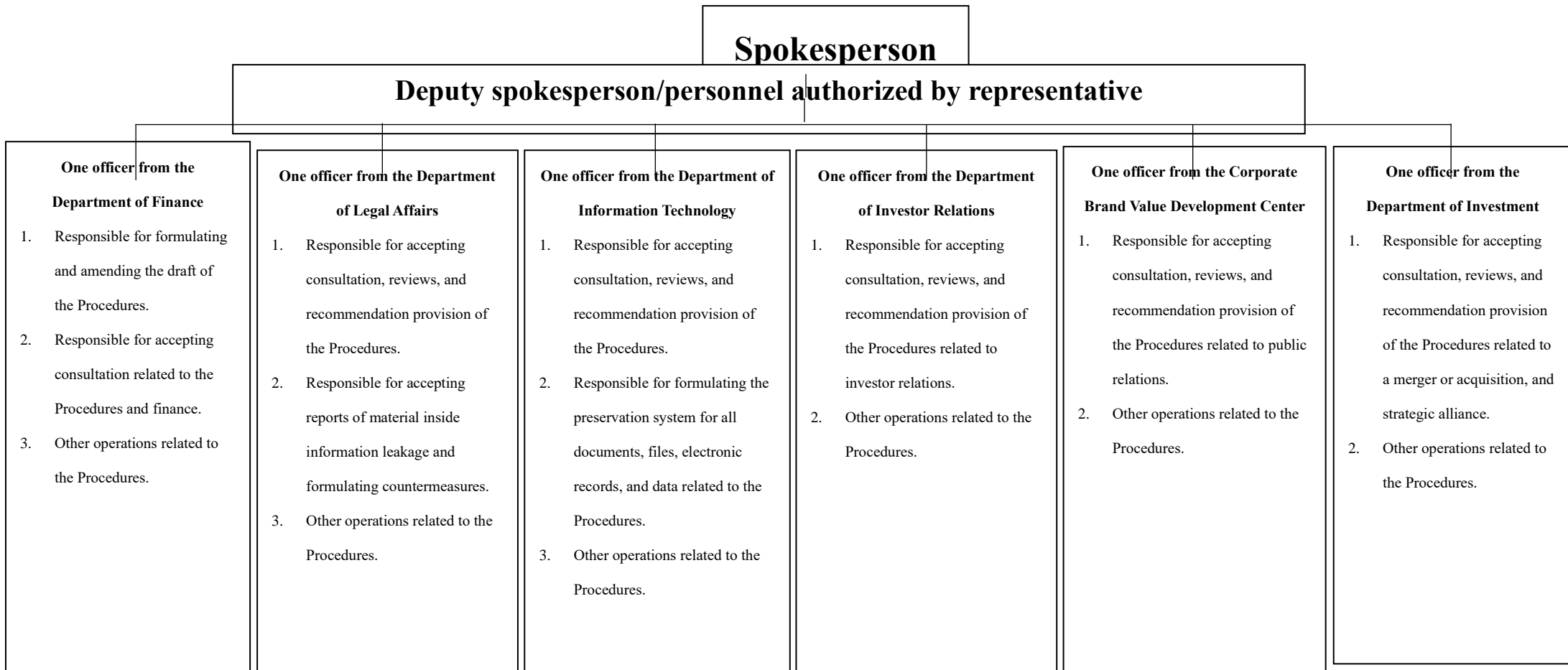
### **Article 18**

The Procedures shall be implemented upon approval by the Board; the same shall apply to any amendments.

The implementation rules for the Procedures shall be established by the dedicated department for handing material inside information shall be implemented upon approval by the Chairman; the same shall apply to any amendments.

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## Organizational Chart of Dedication Department for Handling Material Internal Information





## Material Information Evaluation Checklist and Publication Application

### I. Evaluation Content

Events of material information publication in compliance with the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities or relevant Q&A

Description: \_\_\_\_\_

Events of material information publication based on the judgment of materiality (Other events of material information publication having significant effects on the finance and business of the Company that require)

Description: \_\_\_\_\_

### II. Examination Procedures

#### ● Requirements of the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities

(I) Published the material information according to subparagraph [\*] of Article 4

Date of occurrence \_\_\_\_\_

(II) Is a media conference required?

- Yes, according to subparagraph [\*] of Article 11 (please complete relevant applications)  
 No

(III) Is the application of trading suspension required?

- Yes, according to subparagraph [\*] of Article 13 (please complete relevant applications)  
 No

(IV) Content of the material information in Chinese and English

The files of the material information in Chinese and English have been uploaded, and the electronic certification and declaration were made on the MOPS, and no error was found in the examination by the system.

The estimated publication content of the material information in Chinese and English, free of error after the examination, is enclosed.

Responsible department for the proposal			
Handler: (Date)		Supervisor of the proposing department: (Date)	

Dedicated department for handling the material inside information					
IR: (Date)		CBVD: (Date)		Others (Date)	

Approval and execution			
CFO: (Date)		Spokesperson (Date)	