



Sercomm Corporation Procedures for Handling Material Inside Information

Chapter 1. GENERAL PRINCIPLES

Article 1 Purpose

These Procedures are adopted to establish sound mechanisms for the handling and disclosure of material inside information by the Company, preventing improper disclosures and ensuring 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 relevant laws, orders, the regulations of the Taiwan Stock Exchange, and these Procedures.

Article 3 Scope of application

These Procedures shall apply to all directors, supervisors, managers, and employees of the Company. Others who have access to material inside information of the Company due to their identity, profession, or control relationship shall be urged by the Company to comply with these Procedures.

Article 4 Scope of material inside information

The material inside information mentioned in these Procedures should consider whether resolutions made or events occurred comply with the Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, as stipulated by Taiwan Stock Exchange, or other legal requirements related to the disclosure of material information. Additionally, a comprehensive assessment should be made regarding the impact on the Company's finances, operations, shareholder equity, or stock prices. The purpose of this assessment is to create evaluation records that can be used to make informed judgments when releasing material information.

Article 5 Responsible unit in charge of the handling of material inside information

The stock affairs agency is the responsible unit for handling material inside information within the Company and its duties are as follows:

- I. Responsible for drafting and revising these Procedures.
- II. Responsible for handling material inside information, providing consultations, reviews, and recommendations related to these Procedures.
- III. Responsible for receiving reports of material inside information leaks and formulating response strategies.
- IV. Responsible for the evaluation, review, approval, and release of material information.
- V. Responsible for preserving relevant documents, files, and electronic records.
- VI. Other activities related to these Procedures.

Chapter 2. PROCEDURES FOR MAINTAINING THE CONFIDENTIALITY OF MATERIAL INSIDE INFORMATION

Article 6 Confidentiality firewall operations - Personnel

The Company's directors, supervisors, managers, and employees shall exercise the due care and fiduciary duty of a good administrator and act in good faith when performing their duties, and shall sign confidentiality agreements.

Directors, managers, and employees with knowledge of material inside information of the Company may not divulge the information to others.

Directors, managers, and employees of the Company shall not inquire about or collect undisclosed material information unrelated to their duties from individuals with access to such information. In addition, they are also prohibited from disclosing any unpublished material inside information of the Company to others outside the scope of their duties.

Article 7 Confidentiality firewall operations - Documents and information

The Company shall ensure proper protection of confidentiality for files and documents containing material inside information when transmitting them 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.

The Company shall back up and store files and documents containing material inside information in a 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 measures:

- I. Implement appropriate firewall control measures and conduct regular testing.
- II. Enhance the storage and confidentiality measures for the Company's undisclosed material inside information files.

Article 9 Confidentiality obligations of external organizations and persons

Institutions or individuals outside the Company who participate in the Company's 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 shall not disclose any significant internal information of the Company they become aware of to others.

Chapter 3. PROCEDURES FOR HANDLING DISCLOSURE OF MATERIAL INSIDE INFORMATION

Article 10 Principles, Evaluation, and Appraisal Procedures for the Disclosure of Material Inside Information

Principles

When the Company releases significant information, it must be handled in accordance with relevant laws, orders, and the Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities stipulated by Taiwan Stock Exchange, as well as related Q&A collections and these Procedures, to ensure the timeliness, accuracy, and completeness of the information.

Evaluation and Appraisal Procedures

Significant decisions or events that comply with the Taiwan Stock Exchange's Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities must be promptly reported by the responsible unit using the "Application for Material Information Disclosure" and the "Material Information Evaluation Checklist." After approval by the unit supervisor, these documents should be reviewed by the Company's dedicated unit for handling material information and its supervisor, then sent to the Company's spokesperson for final approval and release within the legally prescribed time frame.

Where materiality judgment is involved, the following criteria should be met:

- I. The event affects 3% or more of the Company's total assets in the most recent financial statements.
- II. The event affects 3% or more of the Company's revenue in the most recent fiscal year.
- III. Litigation, non-litigation, administrative penalties, administrative disputes, provisional attachment, provisional injunctions, or enforcement actions involving the Company that meet the aforementioned standards (i)~(ii), or that may have a significant impact on the Company's finances, business operations, management stability, shareholder rights, or stock price.
- IV. The signing, modification, termination, or rescission of important memoranda, strategic alliances, or other business cooperation plans, non-competition commitments, or significant contracts that meet the aforementioned criteria (i)~(ii).
- V. Reduction in production, suspension of operations, leasing or pledging of plants or assets, information security incidents, etc., that meet the aforementioned standards (i)~(ii).
- VI. Whether it is necessary to release material information due to the handling methods and

impact of similar cases involving the Company or other companies.

- VII. Other matters that have a significant impact on shareholders' equity or stock prices, or if the Company deems it necessary to disclose material information.

Article 11 Implementation of the spokesperson system

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 a confirmed sequential order. When necessary, the Company's authorized personnel may directly address the issue.

The Company's spokesperson or deputy spokesperson shall communicate to external parties only information within the scope authorized by the Company. Additionally, except for the Company's responsible person, spokesperson, and deputy spokesperson, no company personnel are allowed to disclose material inside information externally without authorization.

Article 12 Record of disclosure of material inside information

The "Application for Material Information Disclosure" and the "Material Information Evaluation Checklist" can be submitted electronically or in writing for review and approval. The aforementioned evaluation records, approval documents, and related materials should be retained for a minimum of five years.

The Company shall keep the following records for the dissemination of material information:

- I. Evaluation content.
- II. Signatures or seals, dates, and times of the personnel responsible for evaluation, review, and approval.
- III. Content of the disclosed material information and the applicable legal basis.
- IV. Other related information.

Article 13 Response to false media coverage

When the content of media reports does not align with the information disclosed by the Company, the Company should promptly clarify the discrepancy through the Market Observation Post System and consider requesting a correction from the media.

Chapter 4. HANDLING OF UNUSUAL EVENTS

Article 14 Reporting of unusual events

Directors, managers, and employees of the Company should report any incidents of internal material information leakage promptly to the stock affairs agency and the Internal Audit Department.

Upon receiving the aforementioned report, the stock affairs unit should formulate a response strategy. If necessary, they may also convene internal audit and other relevant departments to discuss the handling. The outcomes of actions taken should be documented for future reference, and the Internal Audit Department should also conduct an audit as per their responsibilities.

Article 15 Handling non-compliance

The Company shall relevant personnel responsible and take appropriate legal measures in the following circumstances:

- I. Personnel of the Company disclosing material inside information without authorization to any external party, or otherwise violating these Procedures or any other applicable law or regulation.
- II. The Company's spokesperson or deputy spokesperson making public statements that exceed the Company's authorized scope or violate these procedures or other legal regulations.

If any person outside the Company leaks material inside information, causing damage to the Company's property or interests, the Company shall pursue legal responsibility through relevant channels.

Chapter 5. INTERNAL CONTROL OPERATIONS, EDUCATION, AND PROMOTION



Article 16 Internal controls

These operating procedures are incorporated into the Company's internal control system. Internal auditors shall periodically review compliance with these procedures and prepare audit reports to ensure the effective implementation of internal procedures for handling material information.

Article 17 Education and promotion

Provide education and training on operational procedures and relevant legal requirements to directors, managers, and employees on an irregular basis.

Provide necessary education and promotion to new directors, managers, and employees.

Chapter 6. SUPPLEMENTARY PROVISIONS

Article 18

These Procedures hereof come into force after being ratified by the Board of Directors, and the same shall apply to any revisions.

