

# **Holtek Semiconductor Inc**

## **Insider Trading Policy**

### **Article 1 General Principle and Purpose**

This Policy is established based on Holtek Ethics Management Code and the requirements of relevant laws and regulations and provides rules and guidelines to all employees, managers and members of the Board of Directors of the Company, and for any other persons by reason of occupational or controlling relationship with respect to the Company's Securities.

This Policy also provides the mechanism for processing and disclosing the Company's material information, to prevent the occurrence of insider trading.

### **Article 2 Applicability**

This Policy shall apply to any transactions in securities or futures, including common stock, and any other publicly traded securities issued by the Company, and to any securities or futures with the Company's securities as underlying securities, including but not limited to call (put) warrants, stock futures, and stock options (hereinafter all together called "Securities"). This Policy shall also apply to any transactions in securities or futures with the securities of the Company's subsidiaries, affiliates, customers, suppliers or vendors as underlying securities.

### **Article 3 Insider Trading is Prohibited**

#### **1. Prohibited Acts:**

If any person regulated by this Policy is aware of any Non-Public and Material Information (as defined below) of the Company, such person shall not purchase or sell Securities before public disclosure of such Non-Public and Material Information or within 18 hours after public disclosure of such Non-Public and Material Information, in such person's own name or in the name of another; and shall not disclose Non-Public and Material Information to others.

#### **2. Scope of Insiders:**

According to Paragraph 1 of Article 157-1 of Securities and Exchange Law, the following persons shall be defined as insiders who are prohibited from insider

trading:

- a. Directors, supervisors, and/or managers of a public company, and individual representatives as designated to exercise powers pursuant to Article 27, paragraph 1 of the Company Law.
- b. Shareholders holding more than ten percent of the total outstanding shares of the company.
- c. Any person who has learned the information by reason of occupational or controlling relationship.
- d. A person who, though no longer among those listed in one of the preceding three subparagraphs, has only lost such status within the last six months.
- e. Any person who has learned the information from any of the persons named in the preceding four sub-paragraphs.

3. “Non-Public and Material Information”:

“Non-public Information” is information that is known within the Company and that has not been publicly released.

“Material Information” is information either that could be expected to affect or influence the market price of the Company’s Securities or that reasonable investors would consider important in deciding to buy or sell the Securities. Material Information can be favorable or unfavorable, positive or negative. Whether any particular information would be considered material will depend on the specific circumstances existing at a particular point of time, including without limitation information disclosed at an investor conference held by the Company or information required to be reported to the government authority.

4. Blackout Notice to relevant employees:

The Company shall quarterly disclose the information related to the Company’s financial and operation results by operation of the law. The blackout period will start from a certain time prior to the date of the quarterly investor conference and end at the conclusion of the first business day following the date of the quarterly investor conference. During the blackout period, the relevant employees are not allowed to buy or sell the Securities on their own behalf or on behalf of others. The relevant employees who may access the Company’s business and financial information due to his/her roles and responsibilities will be designated and approved by the business/function heads.

The date of each quarterly investor conference held by the Company shall be determined by the Company's Finance Department. Prior to the commencement of such blackout period as prescribed above, the Company's Legal Department shall send the blackout period notice to the relevant employees by email.

#### **Article 4 Management of Non-Public and Material Information**

If any person covered by this Policy becomes aware of Non-Public and Material Information, such person shall exercise due care and fiduciary duty of a good administrator and act in good faith when performing their duties, and shall sign appropriate confidentiality agreements, as the case may be, and shall not disclose such information to others. No person shall inquire about or collect any Non-Public and Material Information that relates to the Company and does not relate to such person's individual duties, from a person with knowledge of such information. No person shall disclose to others any Non-Public and Material Information that relates to the Company and that such person becomes aware of for reasons other than the performance of such person's duties.

Any organization or person outside of the Company that is involved in any corporate action of the Company in relation 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 confidentiality agreement, and may not disclose to another party any Company-related Non-Public and Material Information thus acquired. If any person outside the Company divulges any Non-Public and Material Information of the Company, thereby causing damage to any property or interest of the Company, the Company shall pursue appropriate measures to hold the person divulging the information legally liable.

Any disclosure of this Company's Non-Public and Material Information, except as otherwise provided by laws or regulations, shall be made by the Company's designated spokesperson, or by a designated deputy spokesperson. Other than the Company's responsible person, designated spokesperson and deputy spokesperson, no one shall disclose any Non-Public and Material Information unless authorized to do so.

All employees are prohibited from discussing any Company-related information in any investment or stock-related internet chat rooms or message boards.

## **Article 5 Reporting and Discipline**

Any employee, manager or member of the Board of Directors who violates this Policy or any laws governing insider trading or tipping, or knows of any such violation by any other employee, manager or member of the Board of Directors, must report the violation immediately to the Legal Department of the Company.

Any employee who violates this Policy or relevant laws shall be subject to disciplinary actions in accordance with the Company's related procedure. The Company will determine whether any action should be taken, including but not limited to whether the Company should make public any Material Non-public Information, or whether the Company should report the violation to the appropriate government authority.

## **Article 6 Owner of the Policy**

If any matter or situation is not addressed by this Policy, the relevant laws and regulations shall govern. All inquiries regarding this Policy shall be addressed to the Legal Department.

## **Article 7 Approval and Amendment**

These Measures shall be implemented after being approved by the Board of Directors, and the same shall apply to amendments.