



PharmaEngine, Inc.

Operational Procedures for Handling Material Inside Information

Article 1: Purposes of these Operational Procedures

These Operational Procedures are specially adopted to establish sound mechanisms for the handling and disclosure of material inside information by the Company, in order to prevent improper information disclosures and to ensure 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 Operational Procedure

The Company shall implement its handling and disclosure of material inside information in accordance with applicable laws and regulations, the rules and regulations of the Taiwan Stock Exchange Corporation or the GreTai Securities Market, and these Operational Procedure.

The Company shall promptly disclose significant decisions or significant events resolved by the Company that comply with the Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with TPEX Listed Securities, or upon further assessment of their significance, when such decisions or events have a significant impact on the Company's finances, operations, shareholder equity, or securities prices, in accordance with the relevant laws and regulations. The responsible units shall submit relevant information regarding the release of significant information to the Company for review and verification on the date when the facts occur. After review and verification by the Company's dedicated unit for significant information, the information shall be submitted to the Company's spokesperson for further review. The significant information shall then be released after approval by the CEO and chairperson of the Board and within the deadline as stipulated by regulations.

Article 3: Applicability

These Operational Procedures shall apply to all directors, managers, and employees of this Company.

The Company shall ensure that any other person who acquires knowledge of this Corporation's material inside information due to their position, profession, or relationship of control shall comply with the applicable provisions of these Operational Procedures.

Article 4: Scope of Coverage of Material Inside Information

For the purposes of these Operational Procedures, the term “material inside information” refers to information that, with reference to the Securities and Exchange Act, other applicable laws and regulations, and the applicable rules and regulations of the Taiwan Stock Exchange Corporation or the Taipei Exchange, is defined as material inside information by the responsible unit in charge of handling of such information and is further approved by a resolution of the Board of Directors.

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

This Company establishes a responsible unit in charge of handling material inside information to be the Company’s spokesperson and deputy spokesperson. The responsible unit shall be approved by the board of directors. The unit shall have the following functions and authorities:

1. Responsibility for formulating the drafts of these Operational Procedures and any amendments to them.
2. Responsibility for receiving inquiries in connection with the methods of handling material inside information, and for consultation, review, and recommendations relating to these Operational Procedures.
3. Responsibility for receiving reports on unauthorized disclosures of material inside information and formulation of corresponding measures.
4. Responsibility for designing a system for preserving all documents, files, electronic records, and other materials related to these Operational Procedures.
5. Other activities related to these Operational Procedures.

Article 6: Confidentiality firewall operations - Personnel

Directors, managers, and employees of the Company shall conduct their duties with the duty of care and loyalty of a good administrator, as well as the principle of honesty and good faith. They may be required to sign confidentiality agreements.

Directors, managers, and employees who are aware of material inside information of the Company shall not disclose such information to others.

Directors, managers, and employees of the Company are prohibited from inquiring or collecting material undisclosed inside information unrelated

to their duties from individuals who have knowledge of such information within the Company. They are also prohibited from disclosing to others any material undisclosed inside information of the Company that they become aware of for reasons other than the performance of their duties.

Article 7: Confidentiality firewall operations - Documents and information

Adequate protection shall be provided when files and documents containing material inside information of the Company are transmitted in writing. When transmitted via email or other electronic means, appropriate security technology such as encryption or electronic signatures must be employed.

Files and documents containing this Corporation's material inside information shall be backed up and stored in a secure location. Unless otherwise specified by laws or regulations, such files and documents shall be retained for a minimum of five years.

Article 8: Operation of confidentiality firewalls

To ensure the establishment of the firewalls specified in the preceding two paragraphs, the Company takes the following measures:

1. Adopt adequate control measures for the firewalls and perform periodic testing.
2. Enhance the storage and confidentiality measures for files and documents containing material undisclosed inside information of the Company.

Article 9: Confidentiality obligations of external organizations and persons

External organizations or individuals involved in the Company's mergers and acquisitions, important memoranda, strategic alliances, other business collaboration projects, or the signing of significant contracts shall be required to sign a confidentiality agreement and shall not disclose any material inside information of the Company that they become aware of to others.

Article 10: Principles of disclosure of material inside information

The Company shall adhere to the following principles when disclosing material inside information to the public:

1. The disclosure of information shall be accurate, complete, and timely.
2. The disclosure of information shall be based on appropriate grounds.
3. Information shall be disclosed fairly.

Article 11: Implementation of the spokesperson system

The disclosure of material inside information of the Company, unless otherwise specified by law or regulations, shall be handled by the Company's spokesperson or deputy spokesperson acting in such capacity in confirmed sequential order. When necessary, it may be directly handled by the person in charge of the Company.

The statements made by the Company's spokesperson and deputy spokesperson shall be limited to the scope authorized by the Company. The Company's personnel other than its responsible person, spokesperson, and deputy spokesperson may not disclose material inside information to the public without authorization.

Article 12: Record of disclosure of material inside information

The Company shall retain the following records for external information disclosure:

1. The personnel, date, and time of information disclosure.
2. The method of information disclosure.
3. The content of the disclosed information.
4. The content of the delivered written information.
5. Other relevant information.

Article 13: Response to false media coverage

If a media agency releases information that is in any respect inconsistent with material information disclosed by the Company, the Company shall promptly issue a clarification on the Market Observation Post System (MOPS) and request the media agency to correct the information.

Article 14: Reporting of unusual events

Any director, managerial officer, or employee of this Company that becomes aware of any unauthorized disclosure of this Company's material inside information shall report to the responsible unit and the internal audit department of this Company as soon as practicable. Upon receipt of a report made pursuant to the preceding paragraph, the responsible unit shall formulate corresponding measures. When necessary, it may invite members from the internal audit 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 auditors shall also perform such audits as their duties may require.

Article 15: Disciplinary measures



The Company shall take measures to discover those responsible and take appropriate legal action against any personnel under either of the following circumstances:

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

If any person outside the Company divulges any material inside 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.

Article 16: Internal controls

These Operational Procedures shall be incorporated into the Company's internal control system. The internal auditors shall keep themselves regularly informed of the status of compliance with these Operational Procedures and shall prepare related audit reports, so as to ensure full implementation of the procedures for handling material inside information.

Article 17: Education and promotion

At least once per year, the Company shall conduct education and promotion for all directors, supervisors, managerial officers, and employees with respect to these Operational Procedures and related laws and regulations.

New directors, managers, and employees shall be provided with timely education and promotion.

Article 18

These Operational Procedures, and any amendments to them, shall be implemented upon approval by the Board of Directors.

The Operational Procedures was adopted on September 30, 2011.

The first amendment was made on October 27, 2022.