

Eternal Materials Co., Ltd.

Regulations Governing Handling of Material Inside Information and Prevention of Insider Trading

Article 1. Purpose

These Regulations are formulated to establish sound mechanisms for the handling and disclosure of material inside information by the Company, prevent inappropriate information disclosure, and ensure the consistency and accuracy of information published by the Company.

Article 2. Legal basis

The Company shall handle and disclose material inside information in accordance with applicable laws and regulations, the regulations of the Taiwan Stock Exchange, and these Regulations.

Article 3. Applicable Parties

These Regulations shall apply to all Directors, supervisors, managers, and employees of the Company.

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

However, Article 5 also applies to the following persons:

1. Natural persons delegated to perform duties in accordance with Article 27, Paragraph 1 of the Company Act.
2. Shareholders holding more than 10% of the Company's shares.
3. Those who obtain inside information due to their occupations or control relationship.
4. Those who have lost their Director, supervisor, manager, and statuses listed in the preceding three subparagraphs within six months. V. Those who obtain inside information from the persons listed in the preceding four subparagraphs.

Article 4. Scope of Material Inside Information

The scope of material inside information referred in these Regulations is as follows:

1. Material information defined in Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities.
2. Matters to be announced or reported under the regulations authorized by Article 36-1 of the Securities and Exchange Act.
3. Matters stipulated in Article 7 of the Securities and Exchange Act Enforcement Rules.
4. Material information defined in the Regulations Governing the Scope of Material Information and the Means of its Public Disclosure Under Article 157-1, Paragraphs 4 of the Securities and Exchange Act:

Article 5. Restrictions on Securities Trading

Upon acknowledgment of any information that will impose a material impact on the stock of the Company, after the information is confirmed, and prior to its public disclosure or within 18 hours after its public disclosure, applicable parties in Article 3 shall not purchase or sell, in the person's name or in the name of others, shares of the Company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the Company.

For information that will impose a material impact on the ability of the Company to pay principal or interest, the regulation in the preceding paragraph shall also apply to corporate bonds that are listed on an exchange or an over-the-counter market.

Article 6. Department Responsible for Handling Material Inside Information

The Company's department responsible for handling material inside information is the Finance Department, which has the following duties:

1. Formulation and amendment of these Regulations.
2. Acceptance of inquiries and reviews in connection with the Procedures for Handling of Material Inside Information and these Regulations, and provision of recommendations.
3. Acceptance of reports on leakage of material inside information and formulation of countermeasures.
4. Establishment of a system for preserving all documents, files, electronic records related to these Regulations.
5. Other businesses related to the Regulations.

Article 7. Confidentiality Firewall – 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.

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

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

Article 8. Confidentiality Firewall – Materials

Proper protection of confidentiality shall be given to 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 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.

Article 9. Operation of Confidentiality Firewalls

The Company shall ensure the establishment of the firewalls specified in the preceding two paragraphs, and adopt the following measures:

1. Adopt appropriate control measures for the firewalls and perform regular tests.
2. Enhance measures for custody and maintaining the secrecy of files and documents containing non-public material inside information of the Company.

Article 10. Confidentiality of External Organizations or Persons

Any organization or person outside of the Company that is involved 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 sign a confidentiality agreement and may not disclose to other parties any material inside information of the Company.

Article 11. Principles of Disclosure of Material Inside Information

The Company shall comply with the following principles for 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 fairly disclosed.

Article 12. Implementation of the Spokesperson System

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 a confirmed sequential order. When necessary, the disclosure may be made directly by the person in charge of the Company. The Company's spokesperson or deputy spokesperson shall communicate to external parties only information within the scope authorized by the Company. Other than the Company's responsible person, spokesperson, or deputy spokesperson, the Company's employees shall not disclose any material inside information to external parties without authorization.

Article 13. Record of Disclosure of Material Inside Information

The Company shall keep record of the following matters for any information disclosure:

1. The person who discloses the information, the date and time.
2. Information disclosure method.
3. Information disclosed.
4. Written information delivered.
5. Other relevant information.

Article 14. Response to False Media Coverage

In case a media coverage is inconsistent with the 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 15. Reporting of Unusual Events

Any Director, supervisor, manager, or employee of the Company that becomes aware of any unauthorized disclosure of the Company's material inside information shall report to the responsible unit and the internal audit department of the Company as soon as practicable.

Upon receipt of a report made pursuant to the preceding paragraph, the responsible unit shall formulate corresponding 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 16. Disciplinary Measures

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

1. Personnel of the Company disclose material inside information without authorization to any external party, or otherwise violate these Regulations or any other applicable laws or regulations.
2. A spokesperson or deputy spokesperson of the Company communicates to any external party any information beyond the scope authorized by the Company, or otherwise violates these Regulations or any other applicable laws or regulations.
3. If any person outside the Company divulges any material inside information of the Company thereby causing damage to any of its property or interest, the Company shall pursue appropriate measures to hold the person divulging the information legally liable.

Article 17. Internal Controls

These Regulations 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 Regulations and shall prepare related audit reports to ensure full implementation of the procedures for handling material inside information.

Article 18. Educational Campaigns

At least once per year, the Company shall conduct educational campaigns to enhance the awareness of all Directors, supervisors, managers, and employees with respect to these Regulations and related laws and regulations.

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

Article 19. These Regulations and any amendments thereto shall be implemented upon approval by the Board of Directors.