

AXIOMTEK CO., LTD.

Self-Regulatory Rules on Disclosure of Merger and Acquisition Information

Chapter 1 General Principles

Article 1 (Statutory basis)

These Rules are adopted by the Company in accordance with Article 55 of the Corporate Governance Best-Practice Principles for TSEC/TPEX Listed Companies and Article 45 of Corporate Governance best practice principles of the Company, for the purpose of establishing a sound information disclosure system with respect to corporate mergers, demergers, acquisitions, and transfer of shares from others (hereinafter collectively as "merger and acquisition"), promoting the transparency and fairness of information disclosure, thereby safeguarding the rights and interest of shareholders.

Article 2 (Applicability of laws, regulations, and these Rules to merger and acquisition activities)

When carrying out merger and acquisition activities, the Company shall disclose the information and observe the procedures required by applicable laws and regulations and these Rules.

Article 3 (Applicability)

For the purpose of these Rules, the term "an institution or individual involved in a merger and acquisition project of the Company" includes, with respect to a merger and acquisition project under discussion between the Company and another company, their respective directors, supervisors, managerial officers, financial and business administrators, and any other employees, and further includes their respective consultants engaged, other outside organizations and individuals, such as consultants, certified public accountants, attorneys, and professional organizations, engaged by such consultant to evaluate the subject of the merger and acquisition project or to provide a professional opinion; and any other individuals having knowledge of the relevant information.

Chapter II Information Disclosure

Article 4 (Principles of information disclosure)

When carrying out a merger and acquisition activity, the Company shall disclose information in the spirit of the following principles:

1. Fair treatment.
2. Prudence and responsibility.
3. No misrepresentation or concealment.

4. Information transparency.

Article 5 (Confidentiality obligation)

The Company shall enter into a confidentiality agreement with an outside institution or individual falling within the meaning given by Article 3 or any other individual having knowledge of the relevant information, and require any individual from within the Company who falls within the meaning given by Article 3 to provide a written confidentiality undertaking and to keep in strict confidence all relevant information coming to his or her knowledge. In addition, the Company shall preserve all meeting notes and sign-in books relevant to the merger and acquisition activity and make them available for future auditing or verification.

An institution or individual involved in a merger and acquisition project of the Company, prior to the public release of the news about the merger and acquisition activity, may neither disclose to outside parties any information relating the merger and acquisition activity, nor buy or sell stock or other equity securities of any company related to the merger and acquisition activity, either in its own name or in the name of another.

For the purpose of safeguarding the rights and interest of shareholders, where it is suspected that information pertaining to a merger and acquisition project of the Company has been leaked out prior to the public release of news regarding the project, the Company shall take appropriate measures and designate one or more internal auditors or other appropriate individuals to hold an inquiry, and, when necessary, to report to the supervisors.

Article 6 (Prudence and responsibility)

Any institution or individual involved in a merger and acquisition project of the Company shall exercise prudence in matters relating to the actual or potential merger and acquisition project, and, except as otherwise stated in laws, regulations, or these Rules, when an outside party inquiries about the issue, may not divulge any information about the merger and acquisition activity; all matters related to the merger and acquisition activity shall be the sole responsibility of the statutory representative, spokesperson, or deputy spokesperson of the Company, so as to avoid misleading shareholders and public investors into wrong expectation or resulting in price fluctuation of the stock of any company concerned.

Article 7 (Implementation of the spokesperson system)

Any public disclosure or clarification of information relating to a merger and acquisition activity shall be the responsibility of the Company's statutory representative, spokesperson, or deputy spokesperson, and the information thus given shall be within the scope authorized by the Company; such a person, when an outside party inquiries about the issue, may not make unauthorized disclosure of the consultant hired, potential subject, possible terms and conditions, or any other matters with respect to the merger and acquisition, and shall further do as required in Articles 6 and 8 herein.

Article 8 (Manner of response to outside rumors or inquiries)

Where there are inquiries or rumors from outsiders indicating the Company is involved in a merger and acquisition activity, the Company shall respond as follows:

1. Information on the merger and acquisition activity may not be disclosed to the public unless and until approved by resolution of the boards of directors of the companies involved. In response to inquiries or rumors from outsiders, the Company shall state "no comment."
2. If there is no merger and acquisition project going on between the Company and any other company, the Company shall issue a denial and explain that the information contained in rumors or inquiries from outsiders is at variance with the facts.
3. If the Company has discussed a merger and acquisition activity with another company, but the merger and acquisition project has been terminated due to unfeasibility, the Company shall provide adequate clarification to that effect in response to rumors or inquiries from outsiders.

Article 9 (Requisite conditions for voluntary disclosure of merger and acquisition activity)

On the condition that all of the following conditions are satisfied the Company may, in order to safeguard the rights and interest of shareholders, make voluntary disclosure to the public of an in-progress merger and acquisition activity upon which the board of directors has not adopted any resolution, but careful consideration must be given to the necessity of such information disclosure, the accuracy of the information disclosed, and the resultant legal responsibility:

1. All parties to a corporate merger and acquisition activity have reached an agreement-in-principle and entered into an agreement related to the merger and acquisition activity.
2. There is evidence indicating the ability to consummate the merger and acquisition activity, and it is determined that the event is significant and public disclosure is thus necessary.
3. Mass media reports or outside rumors are roughly consistent with the facts.

Article 10 (Information disclosure platform)

The Company shall publish, in accordance with applicable information disclosure requirements, information on a merger and acquisition activity through an Internet-based information reporting system designated by the competent authority, and from time to time shall update the information to reflect any change to the merger and acquisition activity with respect to subject, progress, or any other relevant information.

Article 11 (Information disclosure in merger and acquisition through public tender offer)

When disclosing merger and acquisition information, the Company shall also disclose the following particulars of any director with a personal stake in the merger and acquisition transaction:

1. Names of the director.
2. Essential contents of the stakes of the director or the juristic person it represents, including, without limitation, forms of any actual or contemplated investment in other companies participating in the merger and acquisition, shareholding, transaction price, whether to participate in the operation of the merged company and other conditions of investment etc.
3. Reasons for recusal or non-recusal by the director when the board of directors makes the resolution.
4. Circumstances concerning the recusal when the board of directors makes the resolution.

5. Reasons for consent or dissent to the board resolution of the merger or acquisition.

The Company shall report the contents listed in the preceding paragraph to the shareholders meeting except for those that do not need to convene a shareholders meeting in accordance with Business Mergers and Acquisitions Act.

When carrying out a merger and acquisition activity with another company through a public tender offer, the Company shall publish information in accordance with the Regulations Governing Tender Offers for Purchase of the Securities of a Public Company and the provisions of Article 2 herein relating to disclosure of relevant information. The Company may not release information on any equity interest under its control unless and until such publication of information has been made, so as to avoid unusual fluctuation in the price of the stock of the Company concerned.

Article 12 (Related information disclosure in merger and acquisition)

When the Company discloses merger and acquisition information, in addition to the provisions of Business Mergers and Acquisitions Act or relevant laws and regulations, the following matters shall be disclosed:

1. Subsequent processing methods for merger and acquisition, including the time and method of payment of the merger and acquisition consideration etc.
2. Types of consideration for merger and acquisition and sources of funds.
3. An independent expert's opinion on the rationality of the share swap ratio and allotment of shareholders' cash or other assets.
4. Plans after the completion of the merger and acquisition, including:
 - a. Willingness to continue operating the company's business and plan content.
 - b. Whether there has been dissolution, delisting (counter), major changes in organization, capital, business plans, finance and production, or any other major events that affect the Company's shareholders' equity.
5. Other major matters related to merger and acquisition.

The matters that shall be disclosed in the rationality opinion in Items 3 of the preceding paragraph shall be handled in accordance with the provisions of paragraph 2 of Article 13 of Regulations Governing Information to be Published in Public Tender Offer Prospectuses.

Chapter III Supplementary Provisions

Article 13 (Violations)

In any of the following circumstances, the Company shall take action or appropriate legal measures against the violator concerned:

1. The statutory representative, spokesperson, or deputy spokesperson provides to outside parties any information beyond the scope authorized by the Company or otherwise violates these Rules or any other applicable requirements.
2. A relevant individual from within the Company makes an unauthorized release of information on a merger and acquisition activity to outside parties or otherwise violates these Rules or any other applicable requirements.
3. An institution or individual involved in a merger and acquisition project of the Company violates these

Rules or any other applicable requirements.

Article 14 (Internal Controls)

To further the purpose of implementing self-regulation on information disclosure, these Rules shall be incorporated by reference into all relevant control activities in the Company's internal control system.

Article 15 (Education Agenda)

The Company conducts educational and awareness-raising activities for its directors, managerial officers, and employees regarding these Rules and applicable laws and regulations at minimum on a yearly basis. Educational and awareness-raising activities shall also be provided in a timely manner for newly appointed directors, managerial officers, and employees.

Article 16

These Rules shall take effect after having been submitted to and adopted by the board of directors. Subsequent amendments thereto shall be effected in the same manner.

Article 17

This Rules was set at the date of September 24, 2020.