



HD Renewable Energy Co., LTD.

Operating Procedures

For Preventing Insider Trading

Article 1 : Purpose of this Operating Procedure

This Operating Procedure is adopted to establish well-defined mechanisms of the company for handling and disclosing internal material information, by which to prevent improper disclosure of information and to ensure the consistency and accuracy of information released by the company to the public, and intensifies to prevent insider trading.

Article 2 : Governing Laws and Regulations

The company shall implement the practices with respect to the prevention of insider trading in accordance with applicable laws and order, the rules and regulations of the Taiwan Stock Exchange Corporation, and these operation procedures.

Article 3 : Scope of Application

1. This Operational Procedure shall apply to all directors, managerial officers, and employee of the company.
2. The company shall have any other person who acquires knowledge of the company's internal material information due to that person's capacity or position, occupation, or controlling relationship be bound by and observe the applicable provisions of this Operational Procedure.

Article 4 : Scope of Internal Material Information

For the purpose of this Operating Procedure, the term "Internal Material Information" refers to the information as provided in the ROC Securities and Exchange Act, other applicable laws, orders, and relevant rules and regulations of the Taiwan Stock Exchange Corporation.

Article 5 : Special Task Force for Handling Internal Material Information

1. The Operating Procedures is adopted and amended by audit department.
2. Special Task Force for establishing and maintaining data operations:
 - (1) The company's accounting department should establish and maintain information files on insiders and shareholders holding more than 10% of the shares.
 - (2) The human resources department is responsible for the establishment and maintenance of employee information.
3. The responsibilities of the Company's accounting department are as follows:
 - (1) Be responsible for receiving and processing any inquiries with respect to the

operations for handling internal material information as well as this Operating Procedure, and for review and providing suggestions in connection therewith.

(2) Be responsible for accepting reports on leaks of "information that significantly affects stock prices" and formulating countermeasures.

Article 6 : Prohibition of Insider Trading

1. Upon actually knowing of any information that will have material impact on the price of the securities of the issuing company, after its public disclosure of such information or within 18 hours after its public disclosure, the abovementioned persons shall not purchase or sell, in the person's own name or in the name of another, shares of the company that are listed on an exchange or an over-the-counter market, or any other equity-type securities of this company.
2. For Material information involving the company's finances and business, the time point for its establishment is the date of the fact, the date of agreement, the date of signing, the date of payment, the date of entrustment, the date of transaction, the date of transfer, the date of board resolution or other sufficiently determined date, with the date The former shall prevail.
3. Any material impact on the ability of the issuing company to pay principal or interest relating to the finance or business of this company will be announced on Market Observation Post System. Any impact information about the supply and demand on the market will be announced by one of following manners:
 - (1) The company enters such information into the Market Observation Post System.
 - (2) The Taiwan Stock Exchange Corporation and the Taipei Exchange public announces the information on the Market Information System website.
 - (3) Coverage of the information by two or more daily national newspapers on non-local news pages, national television news, or electronic newspapers issued by any the aforesaid media.

Article 7 : Operating Procedures for Confidentiality

1. Confidentiality Firewall Operations–Personnel
 - (1) The company's directors, supervisor, managerial officers and employees shall exercise the duty of care and fiduciary of a good administrator and act in good faith when performing their duties.
 - (2) No director, Supervisor, Managerial officer or employee having knowledge of any internal material information of the company may divulge such information to others. Neither to buy or sell the shares or other securities within the period of the internal material information is non-public or after the period of they be announced under laws or regulations.
 - (3) No director, supervisor, managerial officer or employee of the company may seek to obtain or collect any internal material information of the company from a person have

knowledge of such information and such information is not within the scope of their office functions. They also may not divulge to others any non-public internal material information of the company coming to their knowledge not as a result of performing their duties.

2. Confidentiality Firewall Operations–Management of Documents and Information

(1) When transmitted the company's internal material information in writing, such documents shall be maintained in proper protection. When transmitted by e-mail or other electronic means, such document shall be protected with proper encryption, digital signature or other security technologies.

(2) Files and documents containing the company's internal material information shall be kept in safe place

3. Confidentiality Operation for Outside Organizations and staffs

Any organization or person outside of the company that is involved in any corporation action of the company relating to a merger and acquisition, major memorandum of understanding, strategic alliance or other business partnership plan, or the execution of a material contract shall be required to sign a non-disclosure agreement, and may not divulge the company's internal material information thus acquired to others.

Article 8 : Procedures for Disclosure

1. Implementation of Spokesperson System

(1) Any disclosure of the company's internal material information shall, unless otherwise provided by laws or regulations, be made by the company's spokesperson, or, as the case may be, by any person duly acting as a deputy spokesperson following an established sequential order for acting in such capacity; when necessary, the disclosure may be made directly by chairman, president of this company.

(2) The company's spokesperson or deputy spokesperson shall communicate to outside parties only information within the scope authorized by the company, and no personnel of the company other than those serving as the company's chairman, president, spokesperson, or deputy spokesperson may disclose any internal material information of the company to outside parties without authorization.

2. Records of Disclosure of Material Inside Information

(1) The company shall keep records of the following in respect of any disclosure of information to outside parties:

1. Who disclosed the information, on what date, and at what time.
2. How the information was disclosed.
3. What information was disclosed.
4. What written material was delivered.
5. Any other relevant details.

(2)The disclosure of internal material information should include the following principles:

1. Information disclosure should be accurate, complete and timely.
2. The disclosure of information should have a basis.
3. Information should be disclosed fairly.

3.Response to false releases by media agency

If any media agency releases information that in any respect is inconsistent with material information disclosed by the company, the company shall, having regard to the nature of the information, make a clarification announcement on the Market Observation Post System and also request the media agency to correct the information.

Article 9 : Procedure for Unusual Events

1.Reporting to Unusual Events

(1)Any director, supervisor, managerial officer or employee of the company shall report to the special task force of internal material information and the Audit Department of the company as soon as possible if becoming aware of any unauthorized disclosure of the company's internal material information.

(2)Upon receipt of a report under the preceding paragraph, the accounting department shall formulate corresponding measures to be taken, and when necessary may invite members from the relevant departments to meet for discussion of such measures, and shall document the results of the measures so taken for future reference. The Audit Department shall also perform such audits as their duties may require.

2.Disciplinary Measures

(1)The company shall pursue disciplinary action and take appropriate legal measures against any personnel to whom either of the following applies:

- 1.Any personnel of the company without authorization discloses internal material information to any outside party or otherwise violates this Operating Procedure or any other applicable laws or regulations.
- 2.If any person outside the company divulges any internal material information of the company and thereby causes damage to any property or interest of the company, the company shall pursue appropriate measures to hold legally liable the person divulging such information.

Article 10 : Internal Control System & Training Education

1.Internal Control System

(1)The Operating Procedure shall be incorporated into the company's internal control system. The Audit Department shall keep themselves regularly informed of the compliance status with regard to this Operating Procedure and shall prepare audit reports accordingly, so as to enforce the implementation of operating procedures for handling internal material information.

- (2) Information files on insiders and shareholders holding more than 10% of the shares should be updated regularly.
- (3) Before material information that affects the stock price is made public, pay attention to whether insiders and shareholders holding more than 10% of the shares have any insider trading.
- (4) The company's undisclosed internal important information files and documents should be strengthened in terms of storage and confidentiality measures, and should not be leaked without the consent of major management.

2. Training Education

- (1) Accounting department shall deliver this Operating Procedure in written or other manners to directors, supervisors, managerial officers, employee more than 10% of the shares for training education at least once per year.
- (2) The company shall also provide training education to new directors, supervisors, managerial officers, employee or more than 10% of the shares in a timely manner

Article 11 : Supplementary Provision

The Operating Procedure shall be implemented upon approval by the board of directors; any amendment thereto shall be subject to the same procedure.