

Realtek Semiconductor Corp.
Regulation of Insider Trading
(Translation)

Date:2020.07.31

Article 1

The regulation provides directors, officers and all employees of the Company, as well as anyone who knows the Company's information based on occupation or control relationship, as a guideline for buying and selling the Company's securities.

The regulation also regulates the material inside information processing and disclosure mechanism to prevent insider trading.

Article 2

The regulation shall apply to the trading of the Company's securities or futures with the Company's securities as the underlying contract subject, including common stocks, other equity securities, and securities or futures contracts which could be traded in public markets with the Company's securities as underlying subject.

This regulation shall also apply to the trading of securities of the Company's subsidiaries, affiliates, customers and suppliers, or futures with the above Company's securities as underlying contract subject.

The securities and futures contracts mentioned in the preceding two paragraphs are collectively referred to as securities in the following.

Article 3

Persons regulated by the regulation while being aware of the Company's material information shall not buy or sell the Company's securities on their own or in the name of others before or within 18 hours after the information is disclosed, nor may they disclose undisclosed material information to others.

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

1. directors and/or officers of the Company, and/or a natural person designated to exercise powers as representative pursuant to Article 27, paragraph 1 of the Company Act.
2. shareholders holding more than ten percent of the shares of the Company.
3. any person who has learned the information by reason of occupational or controlling relationship.
4. 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.
5. any person who has learned the information from any of the persons named in the preceding four subparagraphs.

Material information shall mean information relating to the finances or businesses of the Company, or the supply and demand of such securities on the market, or tender offer of such securities, the specific content of which will have a material impact on the price of the securities, or will have a material impact on the investment decision of a reasonably prudent investor.

Article 4

No director, officer, or employee with knowledge of material inside information of the Company may divulge the information to others.

No director, supervisor, officer, or employee of the Company may inquire about or collect any nonpublic 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 nonpublic material inside information of the Company of which they become aware for reasons other than the performance of their duties.

Article 5

Organizations or personnel other than the Company shall not disclose material information of the Company that they are aware of due to their participation in the Company's mergers and acquisitions, important memoranda, strategic alliances, other cooperation plans or the signing of important contracts. In the event of damage to the Company's property or interests due to violation of regulations, the Company may pursue their legal liabilities through appropriate measures.

Article 6

The disclosure of material information of the Company shall, in principle, be done by the spokesperson or acting spokesperson of the Company, unless otherwise provided by laws or regulations.

The speech content of the Company's spokesperson and acting spokesperson shall be limited to the scope authorized by the Company, and except for the Company's responsible person, spokesperson and acting spokesperson, the Company's personnel shall not disclose material inside information without authorization.

Article 7

Any director, officer or employee of the Company who violates the provisions of the regulation or related laws and regulations, and is verified to be true, shall be subject to disciplinary actions of the Company.

Article 8

If any issue that is not covered by the regulation, the relevant laws and regulations shall govern.

Article 9

The regulation is implemented after being approved by the board of directors, and the same applies while amended.