**Taipei Exchange Foundation**

**Administrative Rules Governing the Host Co-Location Service**

**Chapter I General Provisions**

Article 1 Taipei Exchange Administrative Rules Governing the Host Co-Location Service (the Rules) are enacted to effectively manage the Host Co-Location Service.

Article 2 Terms in the Rules are defined as follows:

1. Competent authority: Refers to the Financial Supervisory Commission.
2. User: Refers to securities firms (headquarters) that apply for the Host Co-Location Service in accordance with the Rules, users who can directly access to obtain transaction information by signing the “Contract of Provision and Use of Transaction Information” with the Taipei Exchange (TPEx) and other entities agreed by TPEx.
3. Host Co-Location Service (the Service): Users may link to the host of securities transaction directly. TPEx or any person entrusted by TPEx provides server room spaces, including cabinets, power facilities, fire service equipment, air-conditioning environment, cables and security access control, etc., for users to store their hosts and network equipment.

**Chapter II Application, Fees and Change of Use**

Article 3 Applicant of the Service shall sign the Host Co-Location Service Agreement with TPEx and shall apply for Host Co-Location and the add-value services at the "Host Co-Location User Service System" of the Taiwan Stock Exchange Co., Ltd. (the TWSE) and provide the following information. Equipment can only be stationed after the information being approved and a notice of station being issued by TPEx:

1. Equipment list.
2. System and network connection diagram.
3. Firewall management rules.

Applicants not able to move in equipment within 60 days after the stationing date designated by TPEx, TPEx may terminate the agreement and cancel the application, unless otherwise there is a legitimate reason to apply for reservation.

The reservation period shall not exceed 60 days, and the application will be cancelled by TPEx if exceeding the limit.

Article 4 Applicant of the Service with one of the following situations, TPEx may reject the application.

1. Those who have been suspended the usage by TPEx due to violation of the Rules or the service agreement within two years, or, though beyond two years, those with the outstanding fees.
2. Those who have violated laws or regulations or the business rules of TPEx while using the Service, or have stolen, altered, or destroyed information or equipment, which damaged the rights and interests of TPEx or any third parties.

Article 5 Upon signing the Service Agreement, user shall apply for the connection of trading or market transmission equipment immediately and connect with the host of TPEx after passing the test.

Article 6 Fees of the Service are charged in accordance with the Host Co-Location Service Charge Standards of TPEx. In case of any changes, TPEx shall notify otherwise.

In case user fails to effect payment timely and is not able to pay within the overdue payment period, TPEx may suspend the Service or terminate the Service Agreement.

Article 7 User who has any of the following circumstances, he/she shall apply to TPEx for a change:

1. Change the representative person, contact person, address, contact number etc.
2. Change the cabinet location or increase/decrease number of cabinet and wiring lines.
3. Change the maintenance or administrative personnel.
4. Suspension, termination, transfer of business, merger, dissolution.
5. Other matters required to be reported by TPEx.

Article 8 In case users want to change the items of the Service, they should apply to TPEx prior to the changes, and before TPEx agrees and completes the construction work, they shall still pay various fees based on the original service items.

Article 9 Users apply for suspend the Service or terminate the Service Agreement shall give TPEx a pre-notice 30 days in advance.

Suspension of the Service by users’ application or by TPEx in accordance with its operation rules and agreement terms, all fees during the suspension period shall still be paid.

**Chapter III Use Restriction**

Article 10 Use of the Service is limited to the connections of securities and futures trading and receiving the market transmissions, and users may not use the Service for business other than securities and futures without the consent of TPEx.

Article 11 For securities firms with both trading and brokering businesses, the brokering business shall use the Service no later than the trading business. However, this shall not apply to fulfilling the quotation obligation of the trading business.

Article 12 When users terminate the basic services, the add-value services shall be terminated at the same time, except for the add-value service of cabinet reservation.

Article 13 The power of each cabinet used by the user shall not exceed the limit stipulated by TPEx. If it exceeds the limit, an additional cabinet shall be applied for.

In case of violating the provision of the preceding paragraph, TPEx may suspend the Service or terminate the agreement.

Article 14 Users of the Service shall not have any of the following matters:

1. Disclose classified national information, endanger national security, harm the law and order of the society, and against public order or good morals in the communication contents.
2. Provide products or services violating various laws and regulations.
3. Infringe the copyright of others.
4. Jeopardize the communication or steal, tamper with, or destroy information of others.
5. Spread computer viruses or programs that may interfere with normal functioning of the computer equipment.
6. Impact the system operation of TPEx.
7. Sub-lease, lend, or provide the cabinet space to a third party for any use, except for the joint use of the same cabinet in accordance with Article 15.
8. Other activities in violation of laws and regulations, or business rules of TPEx.

Where there is a violation of the preceding provisions, TPEx may suspend the service or terminate the agreement.

Article 15 Users who are not an information company may apply for joint use of the cabinet with their affiliates. However, the limit on the number of joint users of each cabinet shall be determined by TPEx.

Article 16 Cabinets of different users shall not apply for connecting each other. However, adjacent cabinets of those who are affiliated companies, except for information companies, may apply for connection.

Article 17 In order to safeguard the market trading security or in accordance with the instructions of the competent authority, TPEx may suspend or terminate part or all of the Service, and users shall cooperate rather than object or claim for compensation.

**Chapter IV Establishment of Rules of Use**

Article 18 When conducting brokering business, securities firms shall, prior to using the Service, formulate their own rules of use, incorporate the rules into their internal control and internal audit systems and follow the rules of use.

The rules for use in the preceding paragraph shall not be formulated for the interests of specific persons, and attention shall be paid to their rationality.

When using the Service, securities firms conducting brokering business shall not violate the regulations related to securities firms entrusted trading and information security operations.

Article 19 The rules of use in the preceding article shall include following items:

1. Specify the eligibilities for investors to use the Service. The eligibilities may take into account business scale, customer structure and customer contribution of the securities firms, and so on.
2. Notify the eligible investors to apply for or use the Service and keep relevant records.
3. Regularly review the list of eligible users every half a year and keep it for record.
4. Securities firms shall proactively provide the Host Co-Location service to all eligible investors, except for those who have explicitly indicated that they are unwilling to use the Service. Evidence of their unwilling to use shall be kept for future reference.

Article 20 In case of securities firms violating any items in the preceding two articles when conducting brokering business, TPEx may suspend the Service and ask for improvement within a certain period of time; if the improvement is not made duly, TPEx may terminate the agreement.

Where the Service is suspended under the provision of the preceding paragraph, the securities firms may only request TPEx to resume the Service after the relevant deficiencies have been reviewed and improved.

**Chapter V Access Management of Users and Equipment**

Article 21 Users entering and exiting the server room of Host Co-Location Service of TPEx shall comply with the following rules:

1. Administration and maintenance personnel of the users entering into the server room of the Service shall apply to and obtain the approval from TPEx in advance.
2. For equipment entering and exiting the server room of the Service, users shall apply in the “Host Co-Location User Service System” of TWSE and shall coordinate with the inventory.
3. Persons entering and exiting the Host Co-Location server room are limited to those listed in the “TWSE Host Co-Location Administration and Maintenance Personnel Authorization Form”. Others are not allowed to enter the server room without the consent of TPEx.
4. The administration and maintenance personnel of users entering and exiting the host co-located server room are limited to the required traffic route toward their cabinets and equipment and the public area.
5. Users shall cooperate to regularly conduct inventories of the host and web equipment in the cabinet.

For those violating the preceding rules, TPEx may prohibit them from entering or require them to leave the host co-located server room immediately.

Article 22 Users’ software and hardware equipment placed in the host co-located server room shall have complete information security protection measures which are implemented in accordance with the provisions of "Establishing Information Security Check Mechanism for Securities Firms" and "Standards Rules for Internal Control Systems of Securities Firms".

For those violating the preceding rules, TPEx may suspend the Service or terminate the agreement.

Article 23 The users’ administration and maintenance personnel shall abide by the TWSE operation manual and other relevant regulations when using every items of the Service.

For those violating the preceding rules, TPEx may suspend the Service or terminate the agreement.

**Chapter VI Supplementary Provisions**

Article 24 Matters not provided under these Rules shall be governed by other applicable laws and regulations, or relevant rules, circulars or announcements of TPEx.

Article 25 The Rules shall be announced and implemented upon the approval of the competent authorities, and so are the amendments.