

ThinTech Materials Technology Co., Ltd.

Procedures for Acquisition or Disposal of Assets

Article 1 : purpose

This procedure has been established for the purpose of safeguarding assets and realizing the disclosure of information.

Article 2 : Basis of Decree

These procedures were established in accordance with Article 6, Paragraph 1 of the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies” (hereinafter referred to as the “Regulations”) issued by the Financial Supervisory Commission (hereinafter referred to as the “FSC”).

Article 3 : Asset Range

- I. Marketable securities: Including stocks, bonds, corporate bonds, financial bonds, marketable securities of mutual funds, depository receipts, warrants, beneficiary securities, and asset-based securities.
- II. Real estate (including land, buildings, construction, and investment real estate) and equipment.
- III. Membership cards.
- IV. Intangible assets: Including patents, copyrights, trademarks, licenses and other intangible assets.
- V. Assets of right of use.
- VI. Derivative products.
- VII. Assets acquired or disposed of as a result of merger, demerger, acquisition, or transfer of shares in accordance with the law.
- VIII. Other significant assets.

Article 4 : Definition of Terms

- I. Right-of-Use Assets: Assets over which the lessee has the right to control the use of the subject assets during the lease term in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.
- II. Derivatives: Forward contracts, option contracts, futures contracts, leveraged margin contracts, swap contracts, combinations of the above contracts, or combination contracts or structured commodities embedded with derivatives whose values are derived from specific interest rates, financial instrument prices, commodity prices, exchange rates, price or rate indices, credit ratings or credit indices, or other variables. Forward contracts do not include insurance contracts, performance contracts, after-sale service contracts, long-term leasing contracts, and long-term purchase (sales) contracts.
- III. Assets acquired or disposed of as a result of merger, demerger, acquisition, or transfer of shares in accordance with laws: Assets acquired or disposed of as a result of merger, demerger, or acquisition in accordance with the Business Mergers and Acquisitions Act, the Financial Holding Company Act, the Financial Institutions Merger Act, or other laws, or the issuance of new shares to be transferred to the shares of another company in accordance with the provisions of Article 156-3 of the Company Law (hereinafter referred to as transfer of shares).
- IV. Related parties and subsidiaries: These should be recognized in accordance with the Criteria Governing the Preparation of Financial Reports by Securities Issuers.
- V. Professional appraiser: A real estate appraiser or any other person who is authorized by law to engage in the appraisal of real estate and equipment.
- VI. Date of occurrence: The earlier of the transaction contract date, payment date, entrustment transaction date, transfer date, board of directors' resolution date, or other dates sufficient to determine the counterparty and transaction amount. However, for investors who need to be approved by the competent authorities, the earlier of the above date or the date of receiving the approval from the competent authorities shall prevail.

- VII. Investments in Mainland China: Investments in Mainland China in accordance with the Regulations on Permission to Engage in Investment or Technical Cooperation in Mainland China of the Investment Commission of the Ministry of Economic Affairs of the ROC.
- VIII. Within one year: One year from the date of acquisition or disposal of assets or the date of transaction; the announced portion is exempted.
- IX. Latest financial statements: Financial statements that have been certified or reviewed by a certified public accountant before the date of the acquisition or disposal of assets.
- X. Taiwan Stock Exchange: Domestic stock exchange refers to the Taiwan Stock Exchange Corporation; foreign stock exchange refers to any organized stock exchange managed by the securities authority of the country.
- XI. Domestic securities dealer's business premises:
- XII. Domestic securities dealer's business premises refers to the place where securities dealers set up counters to conduct transactions in accordance with the Regulations Governing the Trading of Securities on Securities Dealers' Business Premises; foreign securities dealer's business premises refers to the business premises of a financial institution that is subject to the management of a foreign securities authority and is allowed to conduct securities business.

Article 5 : The Company and its subsidiaries may acquire, dispose of, or continue to hold any of the assets described in this Procedure in accordance with the regulations. However, the amount of investment in securities, non-operating real estate, equipment, right-of-use assets, and intangible assets held by the Company shall be subject to the Company's prescribed limits. If these limits are exceeded, the acquisition of such assets shall be approved by the Audit Committee and submitted to the Board of Directors for resolution.

- I. Investments in securities, non-operating real estate, equipment, assets under license, and intangible assets are limited to 50% of the Company's net worth.
- II. The total value of investments in securities not traded on the centralized trading market or over-the-counter (OTC) is limited to 40% of the Company's net worth, and investments in a single security are limited to 15% of the Company's net worth.
- III. The total value of investments in securities traded on the GreTai Securities Market or over-the-counter (OTC) is limited to 20% of the Company's net worth, and investments in individual securities are limited to 5% of the Company's net worth.
- IV. The total amount of non-operating real estate, equipment, right-of-use assets and intangible assets held by the Company is limited to 20% of the Company's net worth, and 10% of the Company's net worth for a single non-operating real estate, equipment, right-of-use assets and intangible assets.
- V. The Company and its subsidiaries are limited to 50% of the Company's net worth for long-term and short-term equity investments.

Article 6 : Specialist Qualifications and Responsibilities

- I. The professional appraiser and its appraisers, accountants, attorneys or securities underwriters from whom the Company obtains an appraisal report or a letter of advice from an accountant, attorney or securities underwriter shall comply with the following requirements:
 - (I) The Company has not been sentenced to imprisonment of one year or more for violation of the Securities and Exchange Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery, or for a business offense. However, if the execution is completed, the probation period is expired, or three years have elapsed after the pardon, this limitation shall not apply.
 - (II) The Company is not allowed to be a related party or have a substantial relationship with the Company.
 - (III) If the Company is required to obtain valuation reports from two or more professional appraisers, the different professional appraisers or appraisers shall not be related to each other or have any

substantial relationship with each other.

- II. When issuing valuation reports or opinions, the former shall comply with the self-regulatory rules of the respective trade associations to which they belong, as well as the following matters.
 - (I) Before accepting a case, the firm should carefully evaluate its own professional ability, practical experience and independence.
 - (II) When executing a case, appropriate procedures should be planned and implemented to formulate conclusions and issue reports or opinions based on them, and the procedures, information collected, and conclusions should be documented in detail in the case work papers.
 - (III) The data sources, parameters and information used should be evaluated individually for appropriateness and reasonableness to form the basis of the valuation report or opinion.
 - (IV) Matters to be declared should include the professionalism and independence of the relevant personnel, the appropriateness and reasonableness of the information used and compliance with relevant laws and regulations.

Article 7 : Procedures for Acquisition or Disposal of Real Estate, Equipment or Assets with Right of Use

I. Evaluation and Operating Procedures

The Company acquires or disposes of real estate, equipment, or assets with the right to use them in accordance with the fixed asset cycle procedures and investment cycle procedures of the internal control system, except as otherwise provided in this chapter.

II. Procedures for Determining Trading Conditions and Authorization Limits

- (I) Units in charge of acquiring or disposing of real estate and its right to use assets shall draw up transaction terms and prices with reference to the announced current value, appraised value, and actual transaction prices of neighboring real estate, and prepare an analysis report to be provided to the management as a reference for evaluating the transaction price; the amount of such transaction shall be submitted to the President for approval for amounts less than NT\$5,000,000, and the Chairman of the Board of Directors for approval for amounts above NT\$5,000,000 but not exceeding NT\$50,000,000, and then to the Board of Directors for a resolution. If the amount exceeds NT\$50 million, it shall be submitted to the Audit Committee for approval and then to the Board of Directors for resolution.
- (II) The unit in charge of acquiring or disposing of equipment and its right to use assets shall select one of the following methods: inquiry, comparison, negotiation, or bidding, and shall draw up a transaction price by making reference to the prices of previous transactions of the same or similar assets in the Company's or related industries; and submit the transaction price to the president for approval for an amount less than NT\$5,000,000, and to the chairman of the board of directors for approval for an amount of NT\$5,000,000 but not exceeding NT\$50,000,000; and submit the transaction price for approval to the chairman of the board of directors for an amount of NT\$6,500,000 or less; and submit the transaction price for approval to the chairman of the board of directors for an amount of NT\$5,000,000 or more. For any amount exceeding NT\$50 million, it shall be submitted to the Audit Committee for approval and then to the Board of Directors for resolution.
- (III) In the event that the Company acquires or disposes of assets that should be approved by the Board of Directors in accordance with the prescribed procedures or other legal requirements, if a director expresses dissent and there is a record of the director's dissent or a written statement of the director's dissent, the Company shall send the director's dissenting opinion to the Audit Committee for its approval. In addition, if the Company has established independent directors, the opinions of the independent directors shall be fully considered when the acquisition or disposal of assets is submitted to the board of directors for discussion in accordance with the preceding paragraph, and any dissenting opinions or reservations expressed by the independent directors shall be recorded in the minutes of the board of directors' meeting.

III. Execution Unit

When the Company acquires or disposes of real property, equipment, or assets with the right of use, it shall submit an appraisal report in accordance with the preceding authority, and the department in charge of the acquisition, administration, and finance shall be responsible for the execution of the appraisal report.

IV. Appraisal report of real property, equipment or assets with right of use

The Company shall obtain a valuation report from a professional appraiser prior to the date of occurrence of the event for the acquisition or disposal of real property, equipment, or the right to use assets, except for transactions with domestic government agencies, commissioned construction on its own land, commissioned construction on rented land, or the acquisition or disposal of equipment or the right to use assets for business use, where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more and in compliance with the following requirements:

- (I) In the event that a limited or specific price is required to be used as a reference for the transaction price for special reasons, the transaction shall be approved by the Audit Committee before being submitted to the Board of Directors for a resolution, and the same shall apply to any subsequent changes in the terms and conditions of the transaction.
- (II) Where the transaction amount reaches NT\$1 billion or more, two or more professional appraisers shall be engaged to appraise the transaction.
- (III) In the event that the valuation results of the professional appraisers fall under one of the following circumstances, except that the valuation results of the acquisition of assets are higher than the transaction amount or the valuation results of the disposal of assets are lower than the transaction amount, the Company shall engage a certified public accountant to express a specific opinion on the reasons for the discrepancy and the appropriateness of the transaction price:
 - 1. The difference between the valuation result and the transaction amount is 20% or more of the transaction amount.
 - 2. Where the difference between the valuation results of two or more professional appraisers is 10% or more of the transaction amount.
- (IV) No more than three months shall elapse between the date of the professional valuer's report and the date of contract formation. However, if the current value of the same period of announcement is applicable and not more than six months have elapsed, an opinion may be issued by the original professional appraiser.
- (V) If the Company acquires or disposes of assets through court auction, the appraisal report or the accountant's opinion may be replaced by a certificate issued by the court.

Article 8 : Procedures for Acquisition or Disposal of Investments in Securities

I. Evaluation and Procedures

Except as otherwise provided in this chapter, the purchase and sale of the Company's securities shall be handled in accordance with the investment cycle procedures of the Company's internal control system.

II. Procedures for Determining Trading Conditions and Authorization

- (I) For trading of securities not conducted on a centralized trading market or in a securities dealer's office, the latest financial statements of the subject company that have been certified or reviewed by a certified public accountant shall be obtained prior to the date of the occurrence of the event as a reference for evaluating the price of the transaction, and shall be approved by the Audit Committee and submitted to the Board of Directors for a resolution prior to execution.
- (II) Trading of securities on the centralized trading market or in the offices of securities dealers shall be determined by the unit in charge based on market conditions, and shall be approved by the Chairman of the Board of Directors if the transaction amount is less than NT\$50 million (inclusive), and approved by the Board of Directors if the transaction amount is more than NT\$50 million.
- (III) If the Company acquires or disposes of assets that should be approved by the Board of Directors

in accordance with the prescribed procedures or other legal requirements, and if a director expresses dissent and has a record of the dissent or a written statement, the Company shall send the director's dissenting opinion to the Audit Committee. In addition, if the Company has established independent directors, the Company shall take into full consideration the opinions of the independent directors and include in the minutes of the meeting their concurring or dissenting opinions and the reasons thereof when submitting the acquisition or disposal of assets to the Board of Directors for discussion in accordance with the regulations.

III. Execution Unit

When the Company invests in securities, it shall submit an approval in accordance with the authority of the preceding paragraph, and the Finance Department shall be responsible for the implementation.

IV. Obtaining Expert Opinions

(I) When the Company acquires or disposes of securities, the Company shall obtain the most recent financial statements of the target company that have been audited, certified, or reviewed by a certified public accountant prior to the date of occurrence of the event to serve as a reference for evaluating the transaction price, and if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300,000,000 or more, the Company shall obtain an opinion from a certified public accountant prior to the date of occurrence of the event as to the reasonableness of the transaction price. However, unless the securities are publicly quoted in an active market or the Financial Supervisory Commission (hereinafter referred to as "FSC") stipulates otherwise. The exceptions referred to in the foregoing proviso refer to the following: obtaining an expert's opinion :

1. The acquisition of marketable securities by cash contribution in accordance with laws and regulations, and the rights recognized by the acquisition of marketable securities are equivalent to the proportion of the capital contribution.
2. Participating in the subscription of marketable securities issued by the target company in accordance with relevant laws and regulations for cash capital increase.
3. Participating in the subscription of securities issued through cash capital increase by a direct or indirect 100% investee company, or participating in the subscription of securities issued through cash capital increase by a 100% owned subsidiary.
4. Listed, over-the-counter, and emerging market securities traded on the stock exchange or in the securities dealer's office.
5. Domestic bonds, bonds with repurchase and resale agreements.
6. Publicly traded funds.
7. Acquisition or disposal of listed (over-the-counter) company shares in accordance with the Taiwan Stock Exchange Corporation's or the ROC Over-the-Counter Securities Trading Center's listed (over-the-counter) securities bidding or auction procedures.
8. Participating in a domestic public offering of cash capital increase or subscribing for corporate bonds (including financial bonds) in the ROC, and the securities acquired are not private placement securities.
9. Anyone who subscribes for domestic private equity funds prior to the establishment of the fund in accordance with Article 11, Paragraph 1 of the Securities Investment Trust and Advisory Act, or who subscribes for or buys back domestic private equity funds with an investment strategy specified in the trust deed that is the same as that of public equity funds,

except for credit trading in securities and related commodity parts of unhedged securities held by the investor.

10. Other circumstances as stipulated by the FSC.

(II) If the Company acquires or disposes of assets through a court auction, a certificate issued by the court shall be used in lieu of an appraisal report or an accountant's opinion.

Article 9 : Procedures for handling related party transactions

- I. In addition to the procedures for the acquisition or disposal of assets by the Company and its related parties in accordance with Article 7, the Company shall comply with the following provisions for the resolution procedures and evaluation of the reasonableness of the terms of the transaction, and if the transaction amount reaches 10% or more of the Company's total assets, the Company shall obtain an appraisal report or a certified public accountant's opinion from a professional appraiser in accordance with the provisions of Article 7 or Article 8. The calculation of the transaction amount shall be in accordance with Article 14, Paragraph 1, Section 5. In addition, when determining whether a counterparty is a related party, in addition to the legal form of the counterparty, consideration should also be given to the actual relationship.

II. Evaluation and Procedures

In the event that the Company acquires or disposes of real property or its right to use assets from or to a related party, or acquires or disposes of assets other than real property or its right to use assets with a related party, and the amount of the transaction reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, the Company shall submit the following information to a third party for review, except for the acquisition or disposal of domestic public debt, bonds subject to repurchase and resale agreements, and the subscription or repurchase of money market funds issued by a domestic securities investment trust. Except for the purchase and sale of domestic bonds with repurchase and resale conditions, or the purchase and resale of money market funds issued by a domestic securities investment trust, the following information should be approved by the Audit Committee and submitted to the Board of Directors for resolution before entering into a transaction contract and making any payment:

- (I) The purpose, necessity, and expected benefits of the acquisition or disposal of the assets.
- (II) The reasons for selecting a related party as the counterparty.
- (III) Information related to the acquisition of real property or assets with the right to use such real property from a related party, and an assessment of the reasonableness of the intended transaction terms in accordance with paragraphs (I) and (IV) of Section 3 of this Article.
- (IV) The original acquisition date and price by the related party, the counter-parties to the transaction, and the relationship between the Company and the related party.
- (V) A statement of projected cash flows for each month of the coming year commencing from the month in which the transaction is expected to take place, and an evaluation of the necessity of the transaction and the reasonableness of the use of funds.
- (VI) Valuation report or accountant's opinion issued by a professional appraiser obtained in accordance with the preceding paragraph.
- (VII) Restrictions on the transaction and other important agreements.

The calculation of the transaction amount shall be in accordance with Article 14, Paragraph 1, Section 5.

The Board of Directors may authorize the Chairman of the Board of Directors to first resolve the following transactions with the Company's parent company or subsidiaries within an amount of NT\$50 million (inclusive), and then submit the transaction to the most recent Board of Directors for subsequent ratification:

- 1. Acquisition or disposal of equipment or its right to use for business purposes.
- 2. Acquisition or disposal of real estate license assets for business use.

If an independent director has been established in accordance with the regulations, the opinion of each independent director shall be fully considered when submitting a report to the board of directors for discussion in accordance with paragraph 1, and any dissenting or qualified opinion of an independent director shall be set forth in the minutes of the board of directors' meeting.

If an audit committee has been established in accordance with the regulations, matters that should be recognized by the audit committee in accordance with paragraph 1 shall first be approved by at least one-half of all members of the audit committee and submitted to the board of directors for a resolution, and the provisions of Article 17-4 and 17-5 shall be applied as applicable.

In the event that the Company or its subsidiaries that are not domestic public companies enter into a transaction in the first paragraph and the transaction amount reaches 10% or more of the total assets of the public company, the Company shall submit the information listed in the first paragraph to the shareholders' meeting for approval before signing the transaction contract and making payment. However, this shall not apply to transactions between a public company and its parent company, its subsidiaries, or its subsidiaries.

III. Evaluation of reasonableness of transaction costs

(I) The reasonableness of transaction costs for the Company's acquisition of real estate or its right-to-use assets from related parties shall be evaluated in accordance with the following method:

1. The transaction price of the related party plus necessary capital interest and the buyer's share of the cost in accordance with the law. The cost of necessary capital interest is calculated based on the weighted-average interest rate of the loans made by the Company in the year the assets are acquired, provided that the interest rate shall not be higher than the maximum interest rate for non-financial borrowings announced by the Ministry of Finance.

2. If a related party has borrowed from a financial institution using the subject property as collateral, the financial institution shall assess the total value of the loan from the financial institution to the subject property, provided that the cumulative value of the actual loan from the financial institution to the subject property shall be at least 70% of the assessed total value of the loan, and that the period of the loan shall be more than one year. However, this does not apply if the financial institution and the party to the transaction are related parties.

(II) In the case of a combined purchase or lease of land and buildings of the same subject matter, the transaction costs may be assessed separately for the land and buildings in accordance with any of the methods listed in the preceding paragraph.

(III) When the Company acquires real estate or assets with the right to use them from a related party, the Company shall evaluate the cost of the real estate or assets with the right to use them in accordance with paragraphs (I) and (II) of Article 3 hereof, and shall consult with a certified public accountant to review the cost of the real estate or assets with the right to use them and to express a specific opinion thereon.

(IV) In the event that the Company acquires real property or its right to use assets from a related party and the appraisal results are lower than the transaction price in accordance with the provisions of paragraphs (I) and (II) of this Article 3, the Company shall comply with the provisions of paragraph (V) of this Article 3. However, this shall not be the case if objective evidence is presented and a specific reasonableness opinion is obtained from a professional real estate appraiser and a certified public accountant due to the following circumstances:

1. Where a related party acquires land or leased land for construction, the related party must prove that one of the following conditions is met:

(1) The land is assessed in accordance with the method stipulated in the preceding three paragraphs, and the reasonable profit from construction is added to the related party's

construction cost, and the total amount exceeds the actual transaction price. Reasonable construction profit shall be the lower of the average gross operating profit margin of the related party's construction division for the last three years or the most recent gross profit margin for the construction industry published by the Ministry of Finance.

(2) Other floors of the same subject premises or other cases of unrelated party transactions in the neighboring area within one year, which are similar in size and the terms of the transaction are comparable after evaluating the price difference between reasonable floors or areas in accordance with the customary practice of real estate trading or leasing.

(3) Other cases of leasing by unrelated parties of other floors of the same subject premises within one year, where the terms of the transaction are comparable as assessed by a reasonable floor-to-floor price differential in accordance with customary real estate leasing practices.

2. If the Company proves that the transaction terms of the real estate purchased from a related party or the real estate right to use assets acquired through leasing are comparable to those of other unrelated party transactions within one year in the neighboring area and the area is similar to that of other unrelated party transactions within one year, the Company shall notify the related party of the transaction terms. The aforementioned neighboring transactions are based on the principle that they are on the same or adjacent streets and are less than 500 meters away from the subject of the transaction, or that their announced present value is similar; the aforementioned similarity in area is based on the principle that the area of other unrelated transactions is not less than 50% of the area of the subject of the transaction; and the aforementioned one-year period is based on the date of the acquisition of real estate or the right to use the real estate or its right to use the real estate or its right to use the real estate or its right to use the real estate or its right to use the real estate. The aforementioned one-year period is based on the date of the acquisition of the real estate or its right of use.

(V) If the Company acquires real estate or assets with the right to use such real estate from a related party, and the results of the appraisal conducted in accordance with the provisions of paragraphs (I) and (II) of Section 3 of this Article are lower than the transaction price, the Company shall do the following. In addition, if the Company and public companies using the equity method of accounting for their investments in the Company make special reserve appropriations under the following provisions, the special reserve may be used only after a loss on decline in value has been recognized on the assets acquired or leased at a high price, or the assets have been disposed of, or the lease has been terminated, or the assets have been appropriately compensated for, or the assets have been restored to their original condition, or there is other evidence to confirm that there is no unreasonableness in the circumstances, and after obtaining the approval of the Financial Supervisory Commission (FSC).

1. The Company shall set aside a special reserve in accordance with Article 41-1 of the Securities and Exchange Act for the difference between the transaction price and the appraised cost of real estate or assets with the right to use such real estate, which shall not be distributed or transferred to capital for stock dividends. If an equity-method investor in the Company is a publicly traded company, a special reserve should also be set aside in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act in proportion to the investor's percentage of ownership of the Company's shares.

2. The audit committee shall act in accordance with Article 218 of the Company Act. If an audit committee has been established in accordance with the provisions of the Act, the preceding paragraph of this subsection shall apply to the independent board members of the audit committee.

3. The circumstances of the transactions mentioned in points 1 and 2 above shall be reported to the shareholders' meeting and the details of the transactions shall be disclosed in the annual

report and the public offering circular.

(VI) If the Company acquires real property or assets with the right to use them from a related party under any of the following circumstances, the Company shall comply with the provisions of the evaluation and operating procedures set forth in Items 1 and 2 of this Article, and shall not be subject to the provisions of Paragraphs 3(I), (II), and (III) of this Article relating to the reasonableness of the cost of the transaction:

(1) The related party acquired the real estate or its right-to-use assets by inheritance or gift.

(2) The related party has acquired the real estate or its right-to-use assets more than five years after the transaction date.

(3) Acquisition of real estate by signing a joint construction contract with a related party, or commissioning a related party to construct real estate on its own land or on rented land.

(4) Acquisition of real estate for operating purposes with the parent company or subsidiaries.

(VII) If the Company acquires real property or assets with the right to use such real property from a related party and there is other evidence that the transaction is not in the ordinary course of business, the Company shall also comply with the provisions of paragraph 3(V) of this Article.

Article 10 : Procedures for Acquisition or Disposal of Intangible Assets or Rights of Use Assets or Membership Certificates

I. Evaluation and Operating Procedures

The Company acquires or disposes of intangible assets, assets with the right to use them, or memberships in accordance with the fixed asset recycling procedures of the Company's internal control system.

II. Procedures for Determining Transaction Conditions and Authorization Amounts

(I) The acquisition or disposal of intangible assets, assets with the right to use them, or membership certificates shall be determined by reference to expert appraisal reports or fair market prices to determine the transaction terms and transaction prices, and an analysis report shall be prepared, and shall be submitted to the President for approval for amounts less than NT\$2 million, and to the Chairman of the Board of Directors for approval for amounts greater than NT\$2 million and up to NT\$10 million. For those exceeding NT\$10 million, it shall also be approved by the Audit Committee and submitted to the Board of Directors for resolution.

(II) Where the Company acquires or disposes of assets that should be approved by the Board of Directors in accordance with the procedures set forth or other legal requirements, if a director expresses dissent and there is a record or written statement of such dissent, the Company shall send the director's dissenting opinion to the Audit Committee. In addition, if the Company has established independent directors, the Company shall take into full consideration the opinions of the independent directors and include in the minutes of the meeting their concurring or dissenting opinions and the reasons thereof when submitting the acquisition or disposal of assets to the Board of Directors for discussion in accordance with the regulations.

III. Execution Unit

When the Company acquires or disposes of an intangible asset or its right to use an asset or a membership card, the Company shall submit a request for approval in accordance with the foregoing authorization, and the department of use and the financial or purchasing unit shall be responsible for the execution of the request.

IV. Expert Appraisal Opinion Report on Intangible Assets or Their Use Right Assets or Memberships

(I) Where the transaction amount of the Company's acquisition or disposal of intangible assets reaches NT\$20 million or more, the Company shall request an expert to issue an appraisal report.

(II) Where the transaction amount of the Company's acquisition or disposal of an intangible asset, its right to use an asset, or a membership card reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall engage a certified public accountant to express an opinion on the reasonableness of the transaction price prior to the date of the occurrence of the

event, except in the case of a transaction with a domestic government agency.

Article 11 : Procedures for Acquiring or Disposing of Financial Institutions' Credits

In principle, the Company does not engage in transactions to acquire or dispose of financial assets or liabilities of financial institutions. If the Company wishes to acquire or dispose of financial assets or liabilities of financial institutions in the future, the Company's evaluation and operating procedures will be approved by the Audit Committee and submitted to the Board of Directors for a resolution before the Company decides to engage in such transactions.

Article 12 : Procedures for Acquiring or Disposing of Derivative Commodities

I. Trading Principles and Approaches

(I) Types of transactions

The Company engages in derivative financial instrument transactions only in the form of forward exchange, futures, currency swaps, interest rate swaps, and other hedging transactions to meet operational needs.

(II) Operating (Hedging) Strategy

The Company engages in derivative financial instruments for the purpose of hedging. The financial instruments selected should be mainly for hedging the risks arising from the Company's business operations, and the positions held must be in line with the Company's actual needs, and the principle of rolling over the Company's internal positions should be applied in order to minimize the Company's overall risks and reduce operating costs.

(III) Division of Authority and Responsibility

(1) Trading Staff

- A. The trading staff is responsible for the formulation of strategies for the Company's financial instrument trading.
- B. The trading staff shall regularly calculate positions, collect market information, conduct trend judgment and risk assessment, and formulate operational strategies that are approved by the authorization authority as the basis for trading.
- C. Execute trades in accordance with the authorized authority and established strategies.
- D. When there is a significant change in the financial market and the trader determines that the established strategy is no longer applicable, the trader shall submit an evaluation report at any time to re-draft the strategy, which shall be approved by the General Manager and used as the basis for trading.

(2) Accounting Staff

- A. Perform transaction confirmations.
- B. Audit whether the transactions are carried out in accordance with the authorized authority and the established strategy.
- C. Conduct monthly evaluations and provide periodic evaluation reports, which are submitted to the general manager for approval.
- D. Accounting and bookkeeping.
- E. Reporting and announcements in accordance with FSC regulations.

(3) Delivery personnel: To perform delivery tasks.

(4) Derivatives Approval Authority

- A. Single transaction amount
 - a. General Manager: less than US\$1 million (inclusive).
 - b. Chairman of the Board of Directors: USD 1,000,000 or more.
- B. Total daily transaction amount:
 - a. General Manager: less than US\$5 million (inclusive).
 - b. Chairman of the Board of Directors: more than US\$5 million.
- C. In the event that the Company acquires or disposes of assets that should be approved by the Board of Directors in accordance with the procedures set forth in the Procedures or other legal requirements, and if a director expresses his or her dissent and a record or

written statement is available, the Company shall send the director's dissenting opinion to the Audit Committee. In addition, if the Company has established independent directors, the Company shall take into full consideration the opinions of the independent directors and include in the minutes of the meeting their concurring or dissenting opinions and the reasons thereof when submitting the acquisition or disposal of assets to the Board of Directors for discussion in accordance with the regulations.

(5) Auditors

Auditors are responsible for conducting monthly audits of compliance with operating procedures for derivative transactions and preparing an audit report to be submitted to the Chairman of the Board of Directors. The audit report shall be delivered to the Audit Committee for review by the end of the following month, and may be delivered in person, by mail, or by e-mail.

(IV) Performance assessment

- (1) The basis of performance evaluation is the exchange rate cost on the Company's books and the profit or loss generated from engaging in derivative financial transactions.
- (2) In order to fully understand and express the valuation risk of the transactions, the Company adopts the monthly valuation method to evaluate the profit and loss.
- (3) The accounting staff shall provide the General Manager with the evaluation of the financial instrument positions held, market trends and market analysis for management reference and instruction.

(V) Determination of total contract amount and loss cap

1.Total amount of contracts

The total amount of forward exchange and currency swap contracts should be limited to the Company's monthly estimated net position in short-term and long-term foreign currency transactions. The total amount of interest rate swap contracts should be limited to the Company's total long-term liabilities. The total amount of futures contracts should be limited to the corresponding total amount of the Company's inventories.

2.Loss Limit

- (1) For hedging transactions to hedge risks, the aggregate of the gain or loss on the market value of cash held plus the gain or loss on the hedging contract shall not exceed 15% of the cost of cash.

II. Risk Management Measures

(I) Credit risk management

Since the market is subject to changes in various factors, which may result in operational risks of derivative financial instruments, the risk management is based on the following principles:

Counterparty: Domestic and foreign famous financial institutions.

Commodity: The commodity provided by famous domestic and foreign financial institutions is the limit.

Transaction amount: The unhedged transaction amount of the same counterparty is limited to no more than 20% of the total amount of authorization, except for those approved by the general manager.

(II) Market Risk Management

Derivatives may incur variable losses due to future market price fluctuations. Therefore, after the establishment of a position, the profit and loss status should be tracked continuously, and losses exceeding the preset stop-loss point should be reported to the president immediately and to the chairman or the board of directors.

(III) Liquidity Risk Management

To ensure market liquidity, financial products are selected with high liquidity

(i.e., readily available to be rolled over in the market), and the financial institution entrusted with the transaction must have sufficient information and the ability to trade in any market at any time.

(IV) Cash flow risk management

In order to ensure the stability of the Company's working capital turnover, the Company's source of funds for derivatives trading is limited to its own funds, and the operating amount should take into account the cash flow forecasts for the next three months.

(V) Operational Risk Management

1. The Company shall follow the authorized quota, operational procedures, and internal audits to avoid operational risks.

2. Derivatives trading staff and confirming and settlement staff shall not work with each other.

3. The risk measurement, supervision and control personnel shall be divided into different departments from the personnel in the preceding paragraph, and shall report to the board of directors or to senior executives who are not responsible for making decisions on trading or positions.

4. Positions held in derivative transactions shall be evaluated at least once a week, except for hedging transactions for business purposes, which shall be evaluated at least twice a month, and the evaluation report shall be submitted to the general manager or a senior executive designated by the general manager.

(VI) Commodity Risk Management

Internal trading staff should have complete and accurate professional knowledge of financial instruments and require the bank to fully disclose the risks in order to avoid misuse of financial instrument risks.

(VII) Legal Risk Management

Documents signed with financial institutions should be reviewed by specialists in foreign exchange and legal affairs or legal consultants before they are formally signed in order to avoid legal risks.

III. Internal Audit System

The internal auditors shall regularly understand the appropriateness of the internal controls over derivative transactions, and shall conduct monthly audits of the trading department's compliance with the procedures for handling derivative transactions, analyze the trading cycle, and prepare an audit report; and shall notify the Audit Committee and the independent directors in writing of any material irregularities found.

IV. Periodic Evaluation Methods

(I) The Board of Directors shall authorize senior executives to regularly monitor and evaluate whether derivative transactions are conducted in accordance with the Company's trading procedures and whether the risks assumed are within the permissible scope of commitment. If there are any abnormalities in the market price evaluation report (such as the holding position exceeding the loss limit), the Company shall immediately report to the Board of Directors and take appropriate measures.

(II) Positions held in derivative transactions shall be evaluated at least once a week, except for hedging transactions for business purposes, which shall be evaluated at least twice a month, and the evaluation report shall be submitted to the president or his designated senior executive.

V. Principles for the Board of Directors' Supervision and Management of Derivative Transactions

(I) The Board of Directors shall designate senior executives to supervise and control the risk of derivative transactions at all times, based on the following principles:

1. Regularly evaluate whether the risk management measures currently utilized are appropriate and in accordance with the "Guidelines for the Acquisition or Disposal of

Assets by Public Companies” and the Procedures for the Handling of Assets by Public Companies established by the FSC.

2. Monitor transactions and profit and loss, and take necessary countermeasures when abnormalities are detected and report them immediately to the Board of Directors. If the Company has independent directors, the Board of Directors shall have independent directors attend and express their opinions.

- (II) Regularly evaluating whether the performance of derivatives trading is in line with the established business strategies and whether the risks assumed are within the Company's tolerance level.
- (III) When the Company engages in derivative transactions, the Company shall report to the most recent Board of Directors' meeting if the Company has authorized the relevant personnel to engage in derivative transactions in accordance with the established procedures for such transactions.
- (IV) When the Company engages in derivative transactions, the Company shall establish a record book in which the types and amounts of derivative transactions, the dates of approval by the board of directors, and the matters that should be carefully evaluated in accordance with paragraphs 4(b), 5(a), and 5(b) of this Article shall be recorded in the record book for examination.

Article 13 : Processing of merger, demerger, acquisition or transfer of shares.

I. Evaluation and Procedures

- (I) The Company shall engage lawyers, attorneys, and underwriters to discuss the estimated timetable for the legal procedures for mergers, demergers, acquisitions, or transfers of shares, and shall organize an ad hoc group to carry out the procedures in accordance with the legal procedures. Before the board of directors' meeting is convened to resolve on the matter, the Company shall appoint a certified public accountant, a lawyer or a securities underwriter to express an opinion on the reasonableness of the share exchange ratio, the acquisition price or the cash or other property to be allotted to the shareholders, and report the opinion to the audit committee for approval before submitting the matter to the board of directors for a resolution. However, a public company that merges a subsidiary in which it directly or indirectly owns 100% of the outstanding shares or capital stock, or a subsidiary in which it directly or indirectly owns 100% of the outstanding shares or capital stock, is exempted from obtaining an opinion on the reasonableness of the opinion issued by the previous expert.
- (II) The Company shall prepare a public document addressed to the shareholders before the shareholders' meeting on the details of the merger, demerger or acquisition and related matters, and deliver it to the shareholders together with the expert's opinion referred to in paragraph 1 (I) of this Article and the notice of the shareholders' meeting for reference as to whether or not to agree to the merger, demerger or acquisition. However, this shall not apply to cases where the convening of a shareholders' meeting to resolve the merger, demerger or acquisition is exempted in accordance with other laws and regulations. In addition, if a shareholders' meeting of either party to a merger, demerger, or acquisition cannot be convened, or a resolution cannot be passed, or a resolution is rejected at a shareholders' meeting due to insufficient attendance, insufficient voting rights, or other legal restrictions, the company participating in the merger, demerger, or acquisition shall immediately disclose the reasons for the occurrence, the subsequent handling of the matter, and the expected date of the shareholders' meeting.

II. Other Matters Requiring Attention

A company participating in a merger, demerger, or acquisition shall convene a board of directors' meeting and a shareholders' meeting on the same day to resolve matters related to the merger, demerger, or acquisition, unless otherwise provided for by other laws or when there are special factors that have been reported in advance to the FSC for approval.

- (I) A company participating in a transfer of shares shall convene a board of directors' meeting on

the same day, unless otherwise provided for by other laws or special factors are reported in advance to the FSC for approval.

Companies participating in a merger, demerger, acquisition, or transfer of shares that are listed or whose shares are traded on the stock exchange shall keep a complete written record of the following information for five years for verification:

1. Basic information of personnel: including the title, name, and ID number (or passport number in the case of a foreigner) of all persons involved in the merger, demerger, acquisition, or transfer of shares plan or in the execution of the plan prior to the disclosure of the news.
2. Dates of important events: including the date of signing of letter of intent or memorandum of understanding, appointment of financial or legal advisor, execution of deed and board of directors' meeting.
3. Important documents and minutes: Including merger, demerger, acquisition or share transfer plans, letters of intent or memorandums of understanding, important contracts and minutes of board meetings. Companies participating in a merger, demerger, acquisition, or transfer of shares that are listed or whose shares are traded on the stock exchange shall, within two days from the date of the board of directors' resolution, report the information in paragraphs 1 and 2 of the preceding paragraph in the prescribed format to the FSC via the Internet information system for recordation.

In the event that a company involved in a merger, demerger, acquisition, or transfer of shares is not a listed company or a company whose shares are traded on a brokerage firm, the listed company or the company whose shares are traded on a brokerage firm shall enter into an agreement with the company and comply with the provisions of paragraphs 3 and 4

(II) Prior Confidentiality Undertaking:

All persons participating in or aware of the Company's merger, demerger, acquisition or share transfer plan shall issue a written confidentiality undertaking not to disclose the contents of the plan to the public until the information is made public, and not to trade, on their own account or in the name of another person, in the shares of stock of all companies and other marketable securities of an equity nature in connection with the merger, demerger, acquisition or share transfer case.

(III) Principles for determining and changing the share exchange ratio or acquisition price:

A company participating in a merger, demerger, acquisition, or transfer of shares shall appoint a certified public accountant, attorney, or securities underwriter to render an opinion on the reasonableness of the share exchange ratio, the purchase price, or the allotment of cash or other property to the shareholders prior to the meeting of the board of directors of the two companies, and shall report such opinion to the shareholders at the shareholders' meeting. In principle, the share exchange ratio or the purchase price may not be changed arbitrarily, unless the conditions under which such changes may be made have been stipulated in the contract and have been publicly disclosed. The conditions under which the share exchange ratio or acquisition price may be changed are as follows:

1. Cash capital increase, issuance of convertible bonds, gratis share allotment, issuance of bonds with warrants, preferred shares with warrants, warrants, and other marketable securities of equity nature.
2. Disposal of major assets and other acts affecting the Company's financial operations.
3. The occurrence of a major disaster or technological change that affects the Company's shareholders' rights and interests or the price of the Company's securities.
4. Adjustment of the buyback of treasury stock by one of the parties involved in a merger, demerger, acquisition, or transfer of shares in accordance with the law.
5. Any increase or decrease in the number of parties involved in the merger, demerger, acquisition, or transfer of shares.

6. Other conditions that can be changed have been stipulated in the contract and have been disclosed to the public.
- (IV) Contents to be contained in the contract: In addition to the provisions of Article 317-1 of the Company Act and Article 22 of the Business Mergers and Acquisitions Act, the contract for a merger, demerger, acquisition, or transfer of shares of a company shall set forth the following matters.
1. The treatment of breach of contract.
 2. Principles for the treatment of equity securities issued or treasury shares bought back by the company that is extinguished or divided as a result of the merger.
 3. The number of treasury shares that may be legally bought back by a participating company after the base date for calculating the conversion ratio and the principles for handling such shares.
 4. The handling of any increase or decrease in the number of participating entities or companies.
 5. The expected progress of the implementation of the plan and the expected completion date.
 6. The scheduled date of the shareholders' meeting to be held in accordance with the law in the event that the plan is not completed by the due date, and other related procedures.
- (V) Changes in the number of companies participating in a merger, demerger, acquisition or transfer of shares: If any of the companies participating in a merger, demerger, acquisition or transfer of shares intends to enter into a merger, demerger, acquisition or transfer of shares with another company after the information has been disclosed to the public, the participating company may waive the need to convene a shareholders' meeting to reopen a resolution, except for a reduction in the number of participating companies, and if a shareholders' meeting has already resolved and authorized the board of directors to change the authority of the participating company, the original merger, demerger, acquisition or transfer of shares may not be reopened at a shareholders' meeting. In the case of a merger, demerger, acquisition, or transfer of shares, the procedures or legal acts that have been completed shall be repeated by all the participating companies.
- (VI) The Company shall enter into an agreement with any company participating in a merger, demerger, acquisition or transfer of shares that is not a publicly traded company and shall comply with the provisions of paragraph 2(I) of this Article regarding the date of the board of directors' meeting, paragraph(II) regarding the promise to maintain confidentiality in advance, and paragraph (V) regarding the increase in the number of companies participating in a merger, demerger, acquisition or transfer of shares.

Article 14 : Procedures for Public Disclosure of Information

I. Notifiable Items and Notifiable Reporting Criteria

- (I) Acquisition or disposal of real property or its right to use assets from or to a related party, or acquisition or disposal of assets other than real property or its right to use assets from or to a related party, where the transaction amount reaches 20% of the Company's paid-in capital, 10% of its total assets, or NT\$300 million or more. However, trading of domestic bonds, bonds with repurchase and resale conditions, and subscription or repurchase of money market funds issued by domestic securities investment trusts are not subject to this limitation.

- (II) Merger, demerger, acquisition, or transfer of shares.
- (III) Engaging in derivative transactions and incurring losses up to the maximum amount of losses on all or individual contracts as stipulated in the Procedures for Handling Derivative Transactions.
- (IV) Acquisition or disposal of equipment for business use or assets with the right to use such equipment, where the counterparty is not a related party and the transaction amount reaches NT\$500 million or more.
- (V) Acquisition of real estate by means of self-development, leasehold development, joint construction and subdivision, joint construction and division, joint construction and subdivision, and joint construction and sale, where the counterparty is not a related party, and the transaction amount that the Company expects to invest in the project is less than NT\$500 million or more.
- (VI) Asset transactions other than those described in the preceding five paragraphs, the disposition of debts by financial institutions, or investments in Mainland China, where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more. However, the following circumstances are not subject to this limitation
 - 1.Trading domestic public debt.
 - 2.Trading of bonds subject to buyback or sellback conditions, or subscription or buyback of money market funds issued by domestic securities investment trusts.
- (VII) The calculation of the preceding transaction amount is as follows.
 - 1.The amount of each transaction.
 - 2.The cumulative amount of acquisition or disposal of the same subject matter with the same counterparty within one year.
 - 3.The cumulative amount of acquisition or disposal (acquisition and disposal separately) of real estate or its right to use assets of the same development project within one year.
 - 4.The cumulative amount of acquisition or disposal (acquisition and disposal, respectively) of the same marketable securities within one year.
- (VIII) The Company's stock has no par value or the par value per share is not NT\$10:
 - 1.The 10% of total assets requirement in this Procedure shall be calculated based on the amount of total assets in the most recent individual or separate financial report required by the Criteria Governing the Preparation of Financial Reports by Securities Issuers.
 - 2.Where the Company's stock has no par value or the par value per share is not NT\$10, the amount of the transaction amount stipulated in this Procedure with respect to 20% of the paid-in capital shall be calculated based on 10% of the equity attributable to the owners of the parent company; the amount of the transaction amount stipulated in this Procedure with respect to the paid-in capital amounting to NT\$10 billion shall be calculated based on NT\$20 billion of the equity attributable to the owners of the parent company.

II. Time Limit for Making Announcements and Filing Declarations

If the Company acquires or disposes of assets that have items subject to announcement in Paragraph 1 of this Article and the transaction amount reaches the standards subject to announcement and declaration in this Article, the Company shall make an announcement and declaration within two days from the date of occurrence of the fact.

III. Procedures for announcement and declaration

- (I) The Company shall post relevant information on the designated website of the FSC for announcement and reporting.
- (II) The Company shall input the information on the derivatives transactions of the Company and its non-domestic subsidiaries as of the end of the preceding month into the information reporting website designated by the FSC on a monthly basis in the prescribed format before the 10th day

of each month.

- (III) If there are any errors or omissions in the items to be announced by the Company in accordance with the regulations that should be corrected at the time of announcement, the Company shall re-announce and report all the items within two days from the date of its knowledge of such errors or omissions.
- (IV) When the Company acquires or disposes of assets, the Company shall keep the relevant contracts, minutes, docket, valuation reports, and opinions of accountants, attorneys, or securities underwriters in the Company for at least five years, unless otherwise provided by other laws.
- (V) If any of the following circumstances applies to a transaction declared by the Company in accordance with the provisions of the preceding Article, the Company shall, within two days from the date of occurrence of the fact, make a public announcement and declaration of the relevant information on the designated website of the Association:
 - 1. There is a change, termination, or dissolution of the contract related to the original transaction.
 - 2. The merger, demerger, acquisition or transfer of shares has not been completed according to the schedule set forth in the contract.
 - 3. There are changes in the contents of the original announcement and declaration.

IV. Announcement Format

The format of the relevant announcement and matters to be recorded in the valuation report shall be in accordance with the prescribed format.

Article 15 : The Company's subsidiaries shall comply with the following provisions:

- I. Subsidiaries shall also establish and implement “Procedures for Acquisition or Disposal of Assets” in accordance with the relevant provisions of the “Guidelines Governing the Acquisition or Disposal of Assets by Public Companies”, and submit them to the shareholders' meeting after they have been approved by the board of directors of the subsidiaries, and the same applies to any amendments thereto.
- II. The acquisition or disposal of assets by subsidiaries shall be handled in accordance with the Company's regulations.
- III. If a subsidiary that is not a publicly traded company acquires or disposes of assets that meets the standards for public announcement and declaration set forth in the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies,” the parent company shall handle public announcement and declaration matters on behalf of the subsidiary.
- IV. In the announcement and reporting standard of the subsidiary, the term “reaching 20% of the Company's paid-in capital” is based on the Parent Company's paid-in capital.

Article 16 : Penalties

Employees of the Company who violate the provisions of the Procedures by acquiring and disposing of assets shall be subject to periodic reports and evaluations in accordance with the Company's Personnel Management Regulations and Employee Handbook, and shall be penalized in accordance with the severity of the case.

Article 17 : Implementation and Revision

- I. The Company shall establish procedures for the acquisition or disposal of assets in accordance with the regulations, which shall be approved by the Audit Committee, submitted to the Board of Directors for approval, and submitted to the shareholders' meeting for approval, and the same applies to amendments. In the event that a director expresses dissenting views, and such dissenting views are documented or stated in writing, the Company shall submit the dissenting views of the director to the Audit Committee.

- II. Where independent directors have been established in accordance with the regulations, the opinions of the independent directors shall be fully considered when the procedures for the acquisition or disposal of assets are submitted to the board of directors for discussion in accordance with the preceding paragraph, and any objections or reservations expressed by the independent directors shall be recorded in the minutes of the board of directors' meeting.
- III. Where an audit committee has been established in accordance with the regulations, the establishment or amendment of procedures for the acquisition or disposal of assets shall be approved by at least one-half of all members of the audit committee and submitted to the board of directors for resolution.
- IV. If the preceding paragraph is not approved by at least one-half of all Audit Committee members, it may be implemented with the approval of at least two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board of directors' meeting.
- V. All members of the Audit Committee referred to in paragraph 3 and all directors referred to in the preceding paragraph shall be counted as if they were actually in office.

Article 18 : Date of establishment of this procedure: June 23, 2009

First amendment: June 28, 2011

Second Amendment: June 26, 2012

Third amendment: June 20, 2013

Fourth amendment: June 24, 2014

Fifth amendment: June 28, 2016

Sixth Amendment: June 14, 2017

Seventh amendment: June 11, 2018

Eighth amendment: June 13, 2019

Ninth Amendment: June 11, 2020

Tenth amendment: June 15, 2022

Eleventh Amendment: June 19, 2025