

Nichidenbo Corporation

Procedures for Acquisition or Disposal of Assets

Approved by Annual Shareholders' Meeting on May 22, 2026

Article 1: (Purpose of formulation)

To strengthen asset management and implement information disclosure, the acquisition or disposal of assets by the Company shall be handled in accordance with the provisions of these Procedures.

Article 2: (Legal basis)

These Procedures are formulated in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, the Securities and Exchange Act, and relevant regulations.

Article 3: (Definition of assets)

The term "assets" as used in these Procedures includes the following items:

1. Securities:
Including: Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, and investment property) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

Article 4: (Definitions)

1. The term "date of occurrence" as used herein refers in principle to the date of contract signing, date of payment, date of consignment trade, date of transfer, date of Board of Directors resolution, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier. However, for investments that require the approval of the competent authority, the earlier of the above-mentioned dates or the date of receipt of approval from the competent authority shall apply.
2. The term "professional appraiser" as used herein refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
3. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit

- rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term “forward contracts” as used herein does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
4. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter “transfer of shares”) under Article 156-3 of the Company Act.
 5. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
 6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
 7. Securities exchange: “Domestic securities exchange” refers to the Taiwan Stock Exchange Corporation; “foreign securities exchange” refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
 8. Over-the-counter (“OTC”) venue: “Domestic OTC venue” refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; “foreign OTC venue” refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.
 9. The term “most recent financial statements” as used herein refers to the financial statements audited and certified or reviewed by a certified public accountant (“CPA”) and disclosed in accordance with the law prior to the acquisition or disposal of assets by the Company.
 10. For the calculation of 10 percent of total assets under these Procedures, the total assets stated in the most recent parent company only financial statements or individual financial statements prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.
 11. In the case of the Company’s shares have no par value or a par value other than NT\$10, for the calculation of transaction amounts of 20 percent of paid-in capital under these Procedures, 10 percent of equity attributable to owners of the parent shall be substituted; for the calculation of transaction amounts of 5 percent of paid-in capital under these Procedures, 2.5 percent of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Procedures regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these

Procedures regarding transaction amounts relative to paid-in capital of NT\$50 billion, NT\$100 billion of equity attributable to owners of the parent shall be substituted.

Article 5: (Appraisal and operating procedures)

1. When the Company acquires or disposes of assets listed in these Procedures, the responsible department shall submit the reasons for the proposed acquisition or disposal, the underlying asset, the transaction counterparty, the transfer price, the payment terms, the basis for price reference, and other relevant matters, which shall be executed by the responsible unit in accordance with the authorized limits and levels of authority set forth in Article 6.
2. The procedures for determining transaction terms shall include the method of price determination, reference basis, levels of authorization, executing unit, public announcement and regulatory filing procedures, investment scope, and limits.
3. All operations related to the acquisition or disposal of assets shall be handled in accordance with the internal control system and other relevant regulations of the Company.

Article 6: (Procedures for determining transaction terms)

The procedures for determining the terms of the Company's acquisition or disposal of assets, including the price determination method, reference basis, and authorization levels, are as follows:

1. For the acquisition or disposal of long-term or short-term securities that are already traded on domestic or overseas centralized trading markets or at an OTC venue, the transaction price on the open market shall be the basis for price determination. A transaction with an amount of NT\$50 million or less shall be submitted to the General Manager for approval; a transaction with an amount over NT\$50 million but less than NT\$300 million shall be submitted to the Chairperson for approval; a transaction with an amount of NT\$300 million or more may only be executed after being approved by the Board of Directors.
2. For the acquisition or disposal of long-term or short-term securities investments that are not traded on a centralized trading market or at an OTC venue, the price shall be negotiated with consideration of their book value per share, profitability, and future development potential, and with reference to the prevailing transaction price at the time, or shall be negotiated with reference to the prevailing market interest rates, the bond's coupon rate, and the debtor's creditworthiness at the time, etc. A transaction with an amount of NT\$50 million or less shall be submitted to the General Manager for approval; a transaction with an amount over NT\$50 million but less than NT\$300 million shall be submitted to the Chairperson for approval; a transaction with an amount of NT\$300 million or more may only be executed after being approved by the Board of Directors.
3. For the acquisition or disposal of real property or right-of-use assets thereof, or equipment or right-of-use assets thereof, a transaction with an amount of NT\$50 million or less shall be submitted to the General Manager for approval; a transaction with an amount over NT\$50 million but less than NT\$300 million shall be submitted to the Chairperson for approval; a transaction with an amount of NT\$300 million or more may only be executed after being approved by the Board of Directors. The acquisition or

disposal of real property shall be negotiated with reference to the publicly announced current value, assessed value, and actual transaction prices of neighboring real property. If the transaction amount reaches the threshold stipulated in Article 9, an appraisal shall be conducted by a professional appraiser. The acquisition or disposal of other fixed assets shall be conducted by choosing one of the following methods: price comparison, price negotiation, or open tendering.

4. For the acquisition or disposal of memberships, a transaction with an amount of NT\$2 million or less shall be submitted to the General Manager for approval; a transaction with an amount over NT\$2 million up to NT\$20 million shall be submitted to the Chairperson for approval; a transaction with an amount over NT\$20 million may only be executed after being approved by the Board of Directors.
5. For the acquisition or disposal of intangible assets or right-of-use assets thereof, a transaction with an amount of NT\$50 million or less shall be submitted to the General Manager for approval; a transaction with an amount over NT\$50 million but less than NT\$300 million shall be submitted to the Chairperson for approval; a transaction with an amount of NT\$300 million or more may only be executed after being approved by the Board of Directors. Acquisition or disposal of long-term or short-term securities, real property or right-of-use assets thereof, and other fixed assets shall be calculated on a transaction-by-transaction basis.

Article 7: (Executing unit)

The executing unit of the Company for long-term and short-term securities investment is the finance unit; the executing units for real property and other fixed assets are the user departments and relevant responsible units.

Article 8: (Public announcement and regulatory filing procedures)

1. Standards for public announcement and regulatory filing:

Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and file the relevant information on the designated website of the Financial Supervisory Commission (hereinafter referred to as the "FSC") in the appropriate format as prescribed by regulations within two days counting inclusively from the date of occurrence of the event:

- (1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent of the Company's paid-in capital, 10 percent of the Company's total assets, or NT\$300 million or more. Provided, however, that this shall not apply to the trading of domestic government bonds, bonds under repurchase and resale agreements, or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (2) Merger, demerger, acquisition, or transfer of shares.
- (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the Procedures adopted.

- (4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - i. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - ii. For a public company whose paid-in capital is NT\$10 billion or more but less than NT\$50 billion, the transaction amount reaches NT\$1 billion or more.
 - iii. For a public company whose paid-in capital is NT\$50 billion, the transaction amount reaches 5 percent or more of paid-in capital.
 - (5) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.
 - (6) In the case of a public company with paid-in capital reaching NT\$50 billion or more, transactions in government bonds, ordinary corporate bonds, and general bank debentures without equity characteristics (excluding subordinated debt) traded on securities exchanges or OTC venues, which do not fall under any of the circumstances listed in the provision of Subparagraph 7, and where furthermore the transaction counterparty is not a related party, and the transaction amount reaches 5 percent or more of paid-in capital.
 - (7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of the Company's paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - i. Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
 - ii. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
2. Items required to be announced and filed:

The Company shall, under the following circumstances, make a public announcement of the acquisition or disposal of assets if the transaction amount reaches the standards set forth in Paragraph 1:

- (1) The amount of each individual transaction.
- (2) The cumulative transaction amount of acquisitions or disposals of the same nature with the same transaction counterparty within the preceding year.
- (3) The cumulative amount of acquisitions or disposals (acquisitions and disposals shall be cumulated separately) of real property or right-of-use assets for the same development project within the preceding year.
- (4) The cumulative amount of acquisitions or disposals (acquisitions and disposals shall

be cumulated separately) of the same securities within the preceding year.

The term “within the preceding year” as used in these Procedures refers to the year preceding the date of occurrence of the current transaction. Items already announced need not be counted toward the transaction amounts.

3. When acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports, and the opinions of CPAs, attorneys, and securities underwriters at the Company, where they shall be retained for at least five years, unless otherwise provided by other laws.
4. When an item required by regulations to be publicly announced has an error or omission at the time of public announcement and is required to be corrected, all items shall be again publicly announced and filed in their entirety within two days counting inclusively from the date of knowledge.
5. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and filed in accordance with the regulations, a public report of relevant information shall be made on the information reporting website designated by the FSC within two days counting inclusively from the date of occurrence of the event:
 - (1) Change, termination, or rescission of a contract signed in regard to the original transaction.
 - (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - (3) Change to the originally publicly announced and reported information.
6. Content to be publicly announced: Public announcements and regulatory filings shall be made on the FSC’s designated website in accordance with the relevant provisions of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and based on the nature of the transaction and the prescribed format.

Article 9: (Procedures for valuation of assets)

When the Company acquires or disposes of assets, it shall, based on the type of assets, engage objective, fair, and independent experts to issue reports in accordance with the following provisions:

1. In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company’s paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:
 - (1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. The appraisal report shall also separately assess the results for the normal price and for the limited price, specified price, or

special price, and shall list one by one the conditions for the limited, specified, or special price and whether such conditions are currently met, as well as the reasons for and reasonableness of the discrepancy with the normal price, and clearly state whether such limited price, specified price, or special price is sufficient to serve as a reference for the transaction price.

- (2) Where the discrepancy between the appraiser's appraisal result and the transaction amount is 20 percent or more, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price. The discrepancy between the appraisal result and the transaction amount referred to herein shall be based on the transaction amount.
- (3) Where the transaction amount reaches NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained; if the discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount, unless the appraisal results for the acquired assets are all higher than the transaction amount, or the appraisal results for the disposed assets are all lower than the transaction amount, a CPA shall be engaged to provide a specific opinion on the reasons for the discrepancy and the appropriateness of the transaction price.
- (4) No more than three months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser.
- (5) For the appraisal reports or opinions from CPAs, attorneys, or securities underwriters obtained by the Company, such professional appraisers and their appraisal personnel, CPAs, attorneys, or securities underwriters shall meet the following requirements:
 - i. May not have previously received a final and unappealable sentence to imprisonment for one year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if three years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
 - ii. May not be a related party or de facto related party of any party to the transaction.
 - iii. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When the aforementioned personnel issue an appraisal report or opinion, they shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:

- i. Prior to undertaking an engagement, they shall prudently assess their own professional capabilities, practical experience, and independence.
 - ii. When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
 - iii. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
 - iv. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.
2. When acquiring or disposing of securities, the Company shall obtain the most recent financial statements of the target company audited or reviewed by a CPA prior to the date of occurrence of the event as a reference for appraising the transaction price, and if the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, a CPA shall be engaged prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price.

This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by the FSC:

- (1) Acquisition of securities through cash contribution upon incorporation by promoters or incorporation by subscription in accordance with the law, where the rights represented by the acquired securities are proportionate to the ratio of the contribution.
- (2) Participation in the subscription of securities issued at par value by the target company in connection with a cash capital increase conducted in accordance with relevant laws and regulations.
- (3) Participation in the subscription of securities issued for a cash capital increase by a company in which it has a direct or indirect 100 percent investment, or mutual participation in the subscription of securities issued for a cash capital increase between wholly-owned subsidiaries.
- (4) Securities listed on TWSE or TPEX and securities traded on the emerging market.
- (5) Domestic government bonds or bonds under repurchase or resale agreements.
- (6) Publicly offered funds.
- (7) Stocks of listed companies acquired or disposed of under the TWSE or TPEs bidding rules or auction rules.
- (8) Participation in the subscription of cash capital increases of domestic public companies or the subscription of corporate bonds (including financial bonds)

domestically, provided that the securities acquired are not private placement securities.

- (9) Subscription to a domestic private fund prior to the establishment of the fund in accordance with Paragraph 1, Article 11 of the Securities Investment Trust and Consulting Act, or subscription to or redemption of a domestic private fund, where the trust agreement already specifies that the investment strategy is identical to the investment scope of a public fund, with the exception of securities margin trading and outstanding positions in held securities-related products.
3. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.
4. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of the Company's paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.

The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with Paragraph 2, Article 8 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained in accordance with these Procedures need not be counted toward the transaction amount.

Article 10: (Engaging in Derivatives Transactions)

1. Trading principles and policies

(1) Type of transaction

The term "derivatives" as used herein refers to a transaction contract whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, or other variable, such as a forward contract, options contract, or swap contract, or a hybrid contract formed by a combination of the aforementioned products.

The term "forward contract(s)" as used herein does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts. The Company shall not engage in any derivatives trading other than those mentioned above.

(2) Management and hedging strategy

The Company engages in derivatives trading, with risk hedging as the guiding principle. Counterparties are selected from banks that have regular business dealings with the Company to avoid credit risk. Financial personnel shall periodically report foreign exchange positions held to the decision-making supervisors as a reference for management and decision-making. Transaction details shall be compiled and summarized in sequence on a monthly basis, and their operational performance shall be evaluated.

- (3) Division of authority and responsibility
- i. Finance unit: Responsible for the formulation and execution of strategies related to derivatives trading, as well as the periodic evaluation and reporting of positions held; the Board of Directors shall authorize senior management personnel to be responsible for the measurement, supervision, and control of related risks.
 - ii. Accounting unit: Monitor the Company's overall foreign exchange positions and periodically settle realized and unrealized foreign exchange gains and losses, to provide the finance unit with information for hedging operations.
- (4) Performance evaluation
- The finance unit shall regularly perform market-to-market valuations and review operational performance, and shall periodically report to the authorized supervisor to review and improve the hedging strategies adopted.
- (5) Total contract amount of derivatives that may be traded, and the maximum loss limit on total trading and for individual contracts
- i. Total contract amount:
 - (i) Non-trading purposes: The total amount of the Company's overall hedging contracts shall be capped at the net foreign exchange position of assets and liabilities for hedging.
 - (ii) Trading purposes: Limited to no more than US\$1 million (including equivalent currencies).
 - ii. Maximum loss limit on total trading and for individual contracts:
 - (i) Non-trading purposes: For losses arising from hedging instrument transactions, the maximum amount of total trading and individual contract losses shall be limited to 10 percent of the Group's total liabilities.
 - (ii) Trading purposes: Realized or unrealized losses arising from non-hedging instrument transactions shall not exceed NT\$10 million. Realized and unrealized losses arising from an individual contract for derivatives trading shall not exceed NT\$8 million.
- (6) Authorization levels and operating procedures
- i. The finance unit shall select financial institutions with favorable terms and, after submitting to and obtaining approval from the authorized supervisor, enter into transaction limit agreements with such institutions and engage in derivatives trading within said limits. The levels of authorization are as follows:
 - (i) Non-trading purposes:
 - A. Chairperson: Single transaction amount exceeding the equivalent of US\$50 million.
 - B. General Manager: Single transaction amount exceeding the equivalent of US\$30 million up to US\$50 million.
 - C. Head of business department of a financial unit: Single transaction

amount of the equivalent of US\$30 million or less.

With respect to the aforementioned authorized limits, the Chairperson is authorized to make adjustments in response to changes in the business environment, and shall subsequently submit such adjustments to the Board of Directors for ratification.

- (ii) Trading purposes: All transaction amounts shall be submitted to the Chairperson for approval.
 - ii. Engaging in derivatives trading shall be subject to the approval of the responsible supervisor and operated within the authorized limits. Upon completion of the transaction and verification by the confirmation personnel, the settlement personnel shall be notified immediately. Subsequently, the settlement personnel shall handle settlement matters after obtaining approval from the head of the finance unit, and the details of the derivatives trading shall be reported to the next meeting of the Board of Directors thereafter.
 - iii. When the Company engages in derivatives trading, it shall establish a logbook to record in detail for future reference the types and amounts of derivatives transactions, the date of approval by the Board of Directors, and matters that must be prudently evaluated in accordance with relevant laws and regulations.
2. Risk management measures.

When the Company engages in derivatives trading, the scope of its risk management and the risk management measures to be adopted are as follows:

- (1) Credit risk management: Transaction counterparties are limited to banks that have business dealings with the Company, can provide professional information, and are able to perform their obligations in accordance with the agreed terms upon maturity.
- (2) Market price risk management: The risk of market price fluctuations caused by changes in interest rates, exchange rates, or other factors shall be controlled at all times.
- (3) Liquidity risk management: To ensure liquidity, the trading banks must have sufficient equipment, information, and trading capabilities, and be able to conduct transactions in any market.
- (4) Cash flow risk management: Trading personnel shall regularly monitor the Company's foreign currency cash flows to ensure that there is sufficient cash for payment at the time of settlement.
- (5) Operational risk management: Authorized limits and operating procedures must be strictly complied with to avoid operational risks.
- (6) Legal risk management: Any document signed with a bank must be reviewed by the responsible unit before it can be formally signed in order to avoid legal risks.
- (7) Personnel engaging in derivatives trading and personnel engaging in operations

such as confirmation and settlement shall not concurrently hold each other's positions.

- (8) Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.
- (9) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month, and evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.

3. Supervision and Management

- (1) Where the Company engaging in derivatives trading, the Board of Directors shall faithfully supervise and manage such trading in accordance with the following principles:
 - i. Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
 - ii. Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.
- (2) Senior management personnel authorized by the Board of Directors shall manage derivatives trading in accordance with the following principles:
 - i. Periodically evaluate whether the risk management measures currently in use are appropriate and ensure that they are handled in accordance with relevant laws and regulations and these Procedures.
 - ii. Supervise trading and profit-loss circumstances, and when irregular circumstances are found, necessary responsive measures shall be taken and a report shall be immediately made to the Board of Directors. Where the Company has appointed independent directors, at least one independent director shall be present at the Board of Directors meeting and express an opinion.
- (3) Where the Company engages in derivatives trading and authorizes relevant personnel to handle such trading in accordance with the provisions of these Procedures, it shall report to the soonest meeting of the Board of Directors thereafter.

4. Public announcement and regulatory filing.

- (1) After a derivatives transaction is completed and confirmed by confirmation personnel, it shall be handled in accordance with relevant regulations. The status of derivatives trading engaged in by the Company and its subsidiaries that are not domestic public companies as of the end of the preceding month shall be entered into the information reporting website designated by the FSC in the prescribed format by the 10th day of each month.
- (2) Where unrealized losses from derivatives trading account for 3 percent or more of net worth, a public announcement and regulatory filing shall be made before the beginning of trading hours on the next business day following the date of occurrence

or the date of media coverage.

- (3) Where losses from derivatives trading reach the maximum loss limit on total trading or for individual contracts as specified in Item 2, Subparagraph 5, Paragraph 1, a public announcement and regulatory filing of relevant information shall be made on the FSC's designated website within two days counting inclusively from the date of occurrence.

5. Internal audit

Internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading unit adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the Audit Committee shall be notified in writing.

Article 11: When conducting a merger, demerger, acquisition, or transfer of shares, prior to convening the Board of Directors meeting to resolve on the matter, the Company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries issued shares or authorized capital.

Important contractual content and relevant matters of the merger, demerger, or acquisition shall be prepared as a public report to shareholders prior to the shareholders meeting, and shall be delivered to shareholders together with the expert opinion referred to in the preceding paragraph and the notice of the shareholders meeting, for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a Shareholders' Meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the Shareholders' Meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the Shareholders' Meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next Shareholders' Meeting.

Article 12: When the Company participates in a merger, demerger, or acquisition, it shall convene a Board of Directors meeting and a Shareholders' Meeting on the same day to resolve matters relevant to the merger, demerger, or acquisition, unless otherwise provided by other laws or where there are special factors for which prior consent has been reported and obtained from the FSC.

A company participating in a transfer of shares shall convene a Board of Directors meeting on the day of the transaction, unless otherwise provided by other laws or where there are special factors for which prior consent has been reported and obtained from the FSC.

When the Company participates in a merger, demerger, acquisition, or transfer of shares, it shall prepare a complete written record of the following information and retain it for five years for inspection:

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC venue shall, within two days counting inclusively from the date of passage of a resolution by the Board of Directors, announce and report the information set out in Subparagraphs 1 and 2 of the preceding paragraph on the FSC's designated website in accordance with regulations. Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC venue, the Company shall sign an agreement with such company and comply with relevant regulations.

Article 12-1: Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

Article 12-2: When participating in a merger, demerger, acquisition, or transfer of shares, the Company may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets, that affects the Company's financial operations.
3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price of the Company.

4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 12-3: The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury shares previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury shares participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated Shareholders' Meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article 12-4: After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

Article 12-5: Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Articles 12, 12-1, and 12-4.

Article 13: When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and the Board of Directors:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the related party as a transaction counterparty.
3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the regulations.
4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Article 13-1.
7. Restrictive covenants and other important stipulations associated with the transaction.

With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Board of Directors may pursuant to Article 5 delegate the Chairperson to decide such matters within NT\$200 million and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:

1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
2. Acquisition or disposal of real property right-of-use assets held for business use.

When submitted to the Board of Directors for discussion, the opinions of each independent director shall be fully considered. If an independent director has an opposing opinion or a reserved opinion, it shall be stated in the minutes of the Board of Directors meeting.

Where a matter is submitted to the Board of Directors for discussion and resolution pursuant to Paragraph 1, it shall first be approved by one-half or more of all members of the Audit Committee before being submitted to the Board of Directors for a resolution. If the approval of one-half or more of all members of the Audit Committee is not obtained, the matter may be implemented upon the approval of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting. The terms "all audit committee members" and "all directors" as used in these Procedures shall be counted as the actual number of persons currently holding those positions.

If the Company or a subsidiary thereof that is not a domestic public company has a transaction set out in Paragraph 1 and the transaction amount reaches 10 percent or more of the Company's total assets, the materials in all the subparagraphs of Paragraph 1 shall be submitted to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries.

The calculation of the transaction amounts referred to in Paragraph 1 and the preceding paragraph shall be made in accordance with Paragraph 2, Article 8 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the

current transaction. Items that have been approved by the shareholders meeting, Audit Committee, and Board of Directors in accordance with these Procedures need not be counted toward the transaction amount.

Article 13-1: When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised in accordance with the regulations, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in accordance with the regulations.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Paragraph 2, Article 8 herein.

When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

Article 14: When acquiring real property or right-of-use assets thereof from a related party, the Company shall evaluate the reasonableness of the transaction costs by the following means:

1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. The cost of "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been one year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties. Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

The Company shall, when acquiring real property or right-of-use assets thereof from a related party, appraise the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs, and engage a CPA to check the appraisal and render a specific opinion.

Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 13, and the preceding three paragraphs do not apply:

1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
2. More than five years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the

Company's own land or on rented land.

4. The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

Article 15: Where the Company acquires real property or right-of-use assets thereof from a related party and the appraisal results are uniformly lower than the transaction price, the following steps shall be taken:

1. A special reserve shall be set aside in accordance with regulations against the difference between the real property or right-of-use asset transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in the Company, then the special reserve called for under the regulations shall be set aside pro rata in a proportion consistent with the share of the public company's equity stake in the Company.
2. The independent directors of the Audit Committee shall act in accordance with Article 218 of the Company Act.
3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a Shareholders' Meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

Where the Company has set aside a special reserve under the preceding paragraph, it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

When the Company acquire real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arms length transaction. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The term "reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent three years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land,

where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.

2. The Company provides evidence that the terms of the transaction for the acquisition of real property, or obtaining real property right-of-use assets through leasing, from a related party are similar to the terms of other transactions involving neighboring parcels of land of a similar size by non-related parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

Article 16: (Subsidiary control procedures and public announcement and regulatory filing matters)

1. Subsidiaries shall establish procedures for the acquisition or disposal of assets in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, and shall also comply with the provisions of such procedures when executing such transactions. If a subsidiary does not intend to engage in derivatives trading, it may, after obtaining the approval of the board of directors, be exempted from adopting procedures governing derivatives trading. If it subsequently wishes to engage in derivatives trading, it will still be required first to comply with the provisions of Articles 10 and 19 before doing so.
2. In the standards for public announcements and regulatory filings by a subsidiary, the phrase “provisions regarding the Company’s paid-in capital or total assets” as used herein shall be based on the paid-in capital or total assets of the parent company.
3. When a subsidiary acquires or disposes of assets and is required to make a public announcement and regulatory filing in accordance with these Procedures, the Company shall input the content of such subsidiary’s announcement into the Internet-based information reporting system.
4. The term “subsidiary” as used in these Procedures refers to the following companies directly or indirectly controlled by the Company, whether located domestically or overseas:
 - (1) Investee companies in which the Company directly holds more than 50 percent of the issued voting shares.
 - (2) Each investee company in which the Company indirectly holds more than 50 percent of the issued voting shares through its subsidiaries, and so forth.
 - (3) Each investee company in which the Company directly and indirectly through its subsidiaries holds more than 50 percent of the issued voting shares, and so forth.

Article 17: (Investment scope and limits)

Other than acquiring assets for business use, the Company and its subsidiaries may also invest in and purchase real property and its right-of-use assets not for business use, or

securities. The limits on such amounts are respectively as follows:

1. The total amount of real property and its right-of-use assets acquired by the Company for non-business use shall not exceed 30 percent of the Company's net worth; the total amount of real property and its right-of-use assets acquired by each of the Company's subsidiaries for non-business use shall not exceed 20 percent of the Company's net worth.
2. The total amount of securities held by the Company shall not exceed 300 percent of the Company's net worth; the total amount of securities held by each subsidiary of the Company shall not exceed 100 percent of the Company's net worth.
3. The limit on the Company's investment in any individual security shall not exceed 300 percent of the Company's net worth; the limit on each of the Company's subsidiaries' investment in any individual security shall not exceed 100 percent of the Company's net worth.

The calculation of the aforementioned securities shall be based on the original acquisition cost.

Article 18: All operations related to the acquisition or disposal of assets shall be handled in accordance with the relevant provisions of the Company's internal control system. If any material violation is discovered, the relevant personnel shall be disciplined according to the circumstances of the violation. Any matters not provided for in these Procedures shall be handled in accordance with relevant laws and regulations and the relevant rules of the Company.

Article 19: (Effectiveness and amendment)

These Procedures shall be approved by the Audit Committee, passed by the Board of Directors, and submitted to the Shareholders' Meeting for approval before taking effect. If any director expresses an objection and such objection is recorded or made in a written statement, the Company shall submit the objection to the shareholders meeting for discussion; the same shall apply to any amendments.

When submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board meeting.

When a matter is submitted to the Audit Committee for discussion pursuant to Paragraph 1, it shall be approved by one-half or more of all Audit Committee members. If the approval of one-half or more of all Audit Committee members is not obtained, the matter may be implemented upon the approval of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

The terms "all Audit Committee members" and "all directors" as used in these Procedures shall be counted as the actual number of persons currently holding those positions.

Any matters not provided for in these Procedures shall be handled in accordance with relevant laws and regulations and the relevant rules of the Company.

Article 20: These Procedures were adopted on May 20, 2003.

The 1st amendment was made on June 14, 2006.

The 2nd amendment was made on June 13, 2007.

The 3rd amendment was made on June 13, 2008.

The 4th amendment was made on June 18, 2010.

The 5th amendment was made on June 21, 2012.

The 6th amendment was made on June 19, 2013.

The 7th amendment was made on June 23, 2014.

The 8th amendment was made on June 11, 2015.

The 9th amendment was made on June 17, 2016.

The 10th amendment was made on June 14, 2017.

The 11th amendment was made on June 20, 2018.

The 12th amendment was made on June 20, 2019.

The 13th amendment was made on July 22, 2021.

The 14th amendment was made on June 15, 2022.

The 15th amendment was made on June 15, 2023.

The 16th amendment was made on May 22, 2026.