

VIVOTEK INC.

Operating Procedures of Acquisition or Disposal of Assets

- July 16, 2004 - amendment passed by the interim shareholders meeting
- June 26, 2007 - amendment passed by the general shareholders meeting
- June 18, 2012 - amendment passed by the general shareholders meeting
- June 16, 2014 - amendment passed by the general shareholders meeting
- June 22, 2016 - amendment passed by the general shareholders meeting
- June 14, 2017 - amendment passed by the general shareholders meeting
- June 6, 2019 - amendment passed by the general shareholders meeting
- June 17, 2022 - amendment passed by the general shareholders meeting

- Article 1 Purpose  
The Procedure is established in order to protect the assets and implement information disclosure.
- Article 2 Legal basis  
The Disposition Procedure is established in accordance with the provisions of Article 36-1 of the Securities and Exchange Act.
- Article 3 The scope of assets:  
  1. 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 through mergers, demergers, acquisitions, or transfer of shares in accordance with the law.
  9. Other major assets.
- Article 4 Regulations governing the acquisition and disposal of assets  
For the acquisition or disposal of the Company's assets, the contractor shall submit the reasons for the proposed acquisition or disposal, the subject matter,

the counterparty to the transaction, the transfer price, the payment terms, the price reference, and the items to be announced in accordance with these procedures to the competent authority for a ruling, and shall follow the relevant regulations of the Company's internal control system and these procedures. The acquisition or disposal of the assets concerned shall be done by the requesting unit by submitting an application form or project signature, and after evaluation by the executing unit, it shall be submitted to the supervisor of authority and responsibility for approval.

The transfer and registration of interests should be completed immediately upon the acquisition of each asset.

After the assets are acquired, they should be registered, managed and used in accordance with the relevant regulations of the Company's asset management.

**Article 4-1**

The limits on the Company's and each subsidiary's investments in real estate and its right-to-use assets or marketable securities that are not intended for business use are determined as follows:

**1. Investment limit of the Company:**

(1) Investments in real property and right-to-use assets not intended for business use are limited to 20% of the Company's net worth.

(2) The total amount of investments in marketable securities shall not exceed 100% of the Company's net worth, and the total amount of investments in individual marketable securities shall not exceed 50% of the Company's net worth.

**2. Subsidiary Investment Limits:**

(1) Investments in real estate not intended for business use and its right-to-use assets are limited to 20% of the net worth of the company.

(2) The total amount of investment in marketable securities shall not exceed 100% of the Company's net worth, and the total amount of investment in individual marketable securities shall not exceed 50% of the Company's net worth.

The calculation of the above total investment in marketable securities is based on the original investment cost.

**Article 5**

Procedures for determining trading conditions

1. The Company shall determine the price and reference basis for the acquisition or disposal of assets in accordance with the following circumstances:

- (1) The acquisition or disposal of marketable securities or convertible corporate bonds traded in a centralized securities exchange or over-the-counter venue is determined by the prevailing equity or bonds price.
  - (2) The acquisition or disposal of marketable securities that are not traded on a centralized trading market or at a securities dealer's office shall be determined by considering the net value per share, profitability, future development potential and reference to the prevailing trading price.
  - (3) The acquisition or disposal of convertible bonds that are not traded in the centralized trading market or securities dealers' offices should be determined after considering the conversion price, market interest rate, coupon rate of the bonds, and the debtor's credit worthiness.
  - (4) The acquisition or disposal of assets other than those in the preceding three paragraphs shall be made by comparison, bargaining or tender, and the real property shall be agreed upon by reference to the announced present value, the assessed present value, and the actual transaction price of the neighboring real property, etc. If the criteria for announcement and declaration are met under these procedures, reference shall be made to the appraisal report of a professional appraiser.
2. The acquisition or disposal of the Company's assets shall be subject to the Company's approval authority if the amount of each transaction is less than 15% of the paid-in capital; if the amount exceeds 15% of the paid-in capital, it shall be subject to the approval of at least one-half of all the members of the Audit Committee and then approved by the Board of Directors.
  3. 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 half or

more of all audit committee members and for ratification by the Board of Directors with resolution; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.

(2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.

(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, 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 certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.

2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

(4) No more than 3 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 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

The calculation of the transaction amounts shall be made in accordance with Article 6, paragraph 2 herein.

4. When acquiring or disposing of securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price; and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant 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 that have an active market, or where otherwise stipulated by regulations of the

competent authority.

The calculation of the transaction amounts shall be made in accordance with Article 6, paragraph 2 herein.

5. Where this Corporation acquires or disposes of memberships or intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of the paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, this Corporation shall engage a certified public accountant 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 shall be made in accordance with Article 6, paragraph 2 herein.

6. Where this Corporation 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.

7. 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 in the aforementioned articles are adopted and the reasonableness of the transaction terms is appraised, 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 compliance with the provisions in the aforementioned articles. The calculation of the transaction amounts shall be made in accordance with Article 6, paragraph 2 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.

8. 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 paid-in capital, 10 percent or more of this Corporation's 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, this Corporation may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by over half of the members of the audit committee and adopted by the Board of Directors' meeting with a resolution:

- (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 counterpart
- (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.
- (4) The date and price at which the related party originally acquired the real property, the original transaction counterpart, and that transaction counterpart'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 the preceding paragraph.
- (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, this Corporation's Board of Directors may delegate the Board Chairman to decide such matters when the transaction is less than 20 percent or more of the paid-in capital 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 the proposal is submitted for approval by half or more of all the members of the audit committee pursuant to the provisions in Subparagraph

1 and submitted for ratification by the Board of Directors, the Board of Directors 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 of Directors' meeting. If approval of one-half or more of all the audit committee members is not obtained, the procedures may be implemented if approved by two-thirds or more of all the 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" in the aforementioned shall be counted as the actual number of persons currently holding those positions.

If the transaction in Paragraph 8 between the Company or a subsidiary not belonging to a domestic publicly listed company amounts to more than 10% of the public company's total assets, the Company shall submit the information listed in Paragraph 8 to the shareholders' meeting for adoption before signing the transaction contract and making the payment.

However, this does not apply to transactions between the Company and its parent, subsidiaries, or between its subsidiaries.

The calculation of the transaction amounts shall be done in accordance with Article 6, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items submitted to the shareholders' meeting, Board of Directors' meeting, the audit committee for adoption in accordance with the provisions in these Procedures are exempt from being counted toward the transaction amount.

9. When the Company acquires real estate or its right-to-use assets from a related party, the Company shall evaluate the reasonableness of the transaction costs in accordance with the methods prescribed by law, and shall request the accountant to review and express specific opinions except for one of the following cases:

(1) The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.

- (2) More than 5 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 this Corporation 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.
10. If the Company acquires real estate from a related party and the evaluation result of the method prescribed by law is lower than the transaction price, the Company shall follow the provisions of the second subparagraph of this paragraph. 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 "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 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) Where this Corporation acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated 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 to 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.

Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in the subparagraph in accordance with the provisions in the preceding subparagraph are uniformly lower than the transaction price, the following steps shall be taken:

- (1) A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where this Corporation uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, Paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the public company's equity stake in the other company.
- (2) Audit committee shall comply with Article 218 of the Company Act.
- (3) Actions taken pursuant to this Subparagraph shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

When setting aside a special reserve under the aforementioned provisions, this Corporation 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 competent authority has given its consent.

When this Corporation obtains real property or right-of-use assets thereof from a related party, it shall also comply with Subparagraph 2 if there is other evidence indicating that the acquisition was not an arms length transaction.

11. When the Company engages in financial derivatives products, it should follow the Company's "Procedures for Engaging in Financial Derivatives Products Trading" and should pay attention to risk management and audit matters in order to implement the internal control system of the derivatives. The General Manager shall supervise the management and regularly evaluate whether the performance of derivative transactions is in accordance with the established strategy and whether the risk is within the Company's tolerance range; if abnormalities are found, they shall be immediately reported to the Board of Directors.
12. Where this Corporation conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the Board of Directors to resolve on the matter, 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 audit committee to be approved by over half of the committee members and then submit to the Board of Directors for approval with resolution. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by this Corporation 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 this Corporation directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.  
The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in the preceding subparagraph when sending

shareholders notification 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.

When participating in a merger, demerger, acquisition, or transfer of shares, this Company may not arbitrarily alter the share exchange ratio or acquisition price unless under the circumstances in the laws and regulations, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

13. When participating in a merger, demerger, or acquisition, the Company shall convene a Board of Directors' meeting and shareholders' meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the competent authority is notified in advance of extraordinary circumstances and grants consent.
14. 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 market shall prepare a full written record of the following information and retain it for 5 years for reference:
  - (1) Basic information of the participants: 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 market shall, within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the competent authority for record purposes.

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 market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two subparagraphs.

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.

The contract for participation by this Corporation 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 stock previously bought back by any company that is extinguished in a merger or that is demerged.

- (3) The amount of treasury stock 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.

After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends to further 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

Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, this Corporation shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Paragraphs 13, Paragraph 14, Subparagraphs 4 and 6.

15. Units responsible for implementation:

The execution unit for long-term and short-term investments in securities, debentures of financial institutions and derivative instruments is the finance unit, the execution unit for real estate is the general affairs unit, and the execution unit for other fixed assets is the purchasing unit. Other assets that are not marketable securities investments, real estate and other fixed assets (such as membership cards and intangible assets such as patents, copyrights, trademarks and franchises) are evaluated by the demand unit before they can be used.

16. With respect to, the Company's acquisition or disposal of assets that is subject to the approval of over half of all the audit committee members and approval of the Board of Directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the Audit Committee.

This Corporation shall give due consideration to the opinions of the independent directors when submitting the Procedures to the Board of Directors for discussion. Any matter to which an independent director expresses an objection or reservation shall be included in the records. If approval of one-half or more of all the audit committee members is not obtained, the procedures may be implemented if approved by two-thirds or more of all the 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" in the aforementioned paragraph shall be counted as the actual number of persons currently holding those positions.

#### Article 6

##### Public announcement and regulatory filing procedures

Under any of the following circumstances, when acquiring or disposing of assets, the Company shall publicly announce and report the relevant information on the competent authority's designated website in the appropriate format as prescribed by the regulations within 2 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 or more of the paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to 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.
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 by the company.
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:
  - (1) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
  - (2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
5. Where land is acquired under an arrangement wherein others are engaged to build on the company's own land, others are engaged 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 is less than NT\$500 million.
6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of the paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
  - (1) Trading of domestic government bonds.
  - (2) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or

right-of-use assets thereof within the same development project within the preceding year.

4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the competent authority by the 10th day of each month.

Where the Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.

Where any of the following circumstances occurs with respect to a transaction that has already been publicly announced and reported in accordance with this article, a public report of relevant information shall be made on the information reporting website designated by the competent authority within 2 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.

When this Corporation at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

Article 6-1

The Company's subsidiaries shall comply with the following regulations:



1. Subsidiaries shall establish "Procedures for the Acquisition or Disposal of Assets" in accordance with the relevant provisions of the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" and, after the approval by the Board of Directors, submit them to the shareholders' meeting for approval; the same applies when the procedures are amended. Where the Company establishes an audit committee, these Procedures shall be adopted or amended with the approval by one-half or more of all the audit committee members and submitted to the Board of Directors for a resolution.
2. When a subsidiary acquires or disposes of assets, it should also follow the provisions of this procedure. The Company's auditing unit shall include the acquisition or disposal of assets by its subsidiaries in the scope of internal audits, perform audits on a regular or irregular basis, and review its own inspection reports.
3. If the acquisition and disposal of assets by a subsidiary that is not itself a public company in Taiwan reached the standard for public announcement and regulatory filing stipulated in the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, the information required to be publicly announced and reported shall be handled by the parent company.
4. The paid-in capital or total assets of the parent company shall be the standard applicable to a subsidiary in determining whether, relative to 20% of the paid-in capital or 10% of the total assets, it reaches a threshold requiring public announcement and regulatory filing.

#### Article 7

##### Others

The related party and subsidiary referred to in these Procedures: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

For the calculation of 10 percent of total assets under these Disposition Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

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

**Article 8 Penalties**

If a director or manager of the Company violates the "Regulations Governing the Acquisition or Disposal of Assets by Public Companies" issued by the competent authority or the provisions of these Procedures, and causes significant damage to the Company, he or she shall be dismissed or otherwise punished, depending on the severity of the case.

Any person who violates the provisions of this handling procedure by acquiring and disposing of assets shall be periodically reported for examination in accordance with the Company's personnel management regulations and shall be punished according to the severity of the case.

**Article 9 Implementations and Amendments**

These Procedures are approved by over half of the members of the audit committee, recognized by the Board of Directors' meeting, and submitted to the Shareholders' meeting for approval. The same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to the audit committee.

The Company shall take into consideration the opinions of the independent directors when submitting the Disposition Procedures to the Board of Directors for discussion. Any matter to which an independent director expresses an objection or reservation shall be included in the records.

If approval of one-half or more of all the audit committee members is not obtained, the procedures may be implemented if approved by two-thirds or more of all the 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" in the aforementioned paragraph shall be counted as the actual number of persons currently holding those positions.

**Article 10** This Procedure was established at the Board of Directors' meeting on June 29, 2004 and was presented to the shareholders at the interim meeting on July 16, 2004.

The first amendment was made at the Board of Directors' meeting on April 10, 2007, and was presented to the shareholders' meeting on June 26, 2007.

The second amendment was made at the Board of Directors' meeting on March 20, 2012, and was presented to the shareholders' meeting on June 18, 2012.

The third amendment was made at the Board of Directors' meeting on March 27, 2014, and was presented to the shareholders' meeting on June 16, 2014.

The fourth amendment was made at the Board of Directors' meeting on March 21, 2016, and was presented to the shareholders' meeting on June 22, 2016.

The fifth amendment was made at the Board of Directors' meeting on March 17, 2017, and was presented to the shareholders' meeting on June 14, 2017.

The sixth amendment was made at the Board of Directors' meeting on February 22, 2019, and was presented to the shareholders' meeting on June 6, 2019.

The seventh amendment was made at the Board of Directors' meeting on February 23, 2022, and was presented to the shareholders' meeting on June 17, 2022.