

## CLEVO CO.

### Operational procedures for Acquisition and Disposal of Assets

#### Article 1 Purpose and legal basis:

- (I) The Procedure is specially formulated for the purpose of information disclosure, investment protection, and strengthening the management of the acquisition and disposal of assets of the Company (including subsidiaries).
- (II) These procedures are handled according to the provisions of Section 1 of Article 36 of the Securities and Exchange Act and Regulations Governing the Acquisition and Disposal of Assets by Public Companies promulgated by the Financial Supervisory Commission of the Executive Office (hereinafter referred to as the competent authority). However, if there are other provisions in other decrees, such provisions shall prevail.

#### Article 2 Scope of assets:

Assets referred to in this procedure refer to the following assets:

- (I) Investments such as stocks, bonds, corporate bonds, financial bonds, marketable securities of recognition funds, depository receipts, subscription (sale) warrants, beneficiary securities and asset-based securities.
- (II) Real estate (including land, houses and buildings, investment real estate, inventory of construction industry) and equipment.
- (III) Membership card.
- (IV) Intangible assets such as patent rights, copyrights, trademark rights and franchise rights.
- (V) Right-of-use assets.
- (VI) Creditor's rights of financial institutions (including receivables, discounts on foreign exchange, loans and receivable on demand).
- (VII) Derivatives.
- (VIII) Assets acquired or disposed of by legal merger, division, acquisition, or transfer of shares.
- (IX) Other important assets.

#### Article 3 Definition of terms:

- (I) The term "date of actual occurrence" used in these procedures refers to the date of the signing of the transaction, date of payment, date of entrusting the transaction, date of transfer, date of resolution of the Board of Directors, or the other dates on which the subject of the transaction and the amount of the transaction are determined with sufficient funds (whichever is the former). However, if the investor is subject to the approval of the competent authority, the former of the above date or the date of receipt of the approval of the competent authority shall prevail.
- (II) The term "professional valuator" in these procedures refers to a real estate valuator or other professional who is legally engaged in the valuation business of real estate and other fixed assets.
- (III) Related persons and subsidiaries shall be identified according to the preparation for standards of financial report of securities issuers.
- (IV) The term "within one year" used in these treatment procedures shall be based on the date on which the assets are acquired or disposed of, and shall be counted back for one year. The part that has been announced shall be exempted from calculation.
- (V) The term "financial statements of the latest period" used in these treatment procedures refers to the financial statements of the Company that have been made available to the public according to law and audited or reviewed by an accountant before the Company acquires or disposes of the assets.
- (VI) The term "related person" in these treatment procedures refers to the person specified in Bulletin No. 6 of the Financial Accounting Standards issued by the Foundation for Accounting Research and Development.
- (VII) Investment in the Chinese mainland refers to investment in the Chinese mainland of the

Investment Review Committee of the Ministry of Economy according to the provisions of the Licensing Measures for Investment or Technical Cooperation in Chinese Mainland.

Article 4 Assessment and operation procedures for acquisition or disposal of assets:

- (I) Negotiable securities investment assessment and operational procedures:
  - 1. The negotiable securities acquired or disposed of by the Company shall be handled by the agency according to Article 5 of the Procedure. After the relevant benefits and risks of purpose or use of the transaction are assessed, the application shall be made according to the Company's measures for delegation of authorization, and the transaction shall be made after approval.
  - 2. The purchase and sales of negotiable securities shall be assessed and accounted for by the accounting unit immediately and reasonably according to generally accepted accounting principles.
  - 3. Various negotiable security certificates shall be handled according to the relevant provisions of the "Cashier Management Regulations" under the Company's accounting system, and stored in places where fire protection or protective measures are sound. If they are managed by a dedicated person, the depository shall record the changes in the depository data in detail, including:
    - (1) Name of securities.
    - (2) Quantity of securities.
    - (3) Other matters to be recorded according to the provisions of the Company.
- (II) Assessment and operation procedures for investment in real estate and other fixed assets:
  - 1. The handling unit shall make a capital expenditure plan in advance, and after feasibility analysis on the purpose or use of purchase and sales and the expected benefits, it shall send it to the financial unit to prepare the capital expenditure budget and execute and control according to the content of the plan.
  - 2. The handling unit shall propose to sign off according to the Company's measures for delegation of authorization. If the requirements of the regulations are met, an objective, fair, and independent professional real estate valuation agency shall be employed for valuation and issue a appraisal report according to the provisions.
  - 3. When acquiring or disposing of the assets, the handling unit shall register, manage, and use the fixed assets according to the relevant provisions of the "Property Management Regulations" under the Company's accounting system. Those who reach the standard of public announcement shall be handled according to the provisions.
- (III) Internal auditors of the Company shall regularly check and evaluate the execution of relevant operations, and regularly check the certificates of important assets. If a violation of the relevant provisions is found to be serious, they shall notify the Audit Committee in writing immediately.

Article 5 Procedures for determining the conditions for exchange of acquisition or disposal of assets:

I. Price determination methods and reference basis

- (I) The method and reference basis for determining the price of investment of negotiable securities:
  - 1. For negotiable securities not traded in a centralized securities exchange market, an over-the-counter trading center or a securities firm's business premises, the handling unit shall submit the reference or calculation basis of the sales price and the trading conditions to the General Manager and Chairman of the Board of Directors for approval before handling.
  - 2. Negotiable securities traded in a centralized securities exchange market, an over-the-counter trading center, or a securities firm's business premises shall be determined according to the stock price or bond price at that time.
- (II) The methods and reference basis for determining the investment price of real estate

and other fixed assets:

The handling unit shall submit the reference basis for price determination and the mode of transaction to the General Manager and Chairman of the Board of Directors for approval before the transaction. If it meets the requirements of Article 8 of these procedures, the appraisal report of the professional appraiser shall be obtained.

II. Authorization level:

- (I) The short-term investment shall be executed according to the measures for delegation of the Company's authority upon assessment by the execution unit. If the amount of investment exceeds NT\$300 million (including), the Board of Directors must agree before execution, unless it is related to financial scheduling (such as transaction of domestic government bonds, and bonds and monetary funds whose buying and selling has buy-back and sell-back conditions).
- (II) If the limit of acquisition or disposal of long-term investment exceeds NT\$300 million (including), the Board of Directors must agree before execution. If the limit is below NT\$300 million, it shall be approved by the Chairman before it is submitted to the next board meeting for recognition.
- (III) When a contract of purchase and sales is entered into with the counterpart of the transaction, in order to meet the business needs and improve time efficiency, it shall be submitted to the next board meeting for recognition after it is approved by the Chairman of the Board of Directors, the contract is signed and the transaction is made.
- (IV) The acquisition or disposal of assets shall be handled according to the provisions of the Company Act or other decrees, and subject to the resolution, recognition, or reporting to the Board of Shareholders.

Article 6 Executing unit:

The executing unit of investment in relevant negotiable securities is a financial unit, and the executing unit of real estate and other fixed assets is the use departments and relevant power and responsibility units.

Article 7 Scope and amount of investment:

- (I) The Company's investment scope and amount:

The amount of assets in the scope of investment of the Company is as follows:

1. Real estate that is not for business use shall not exceed 20% of the paid-in capital. However, the real estate originally acquired for business use is not included in the above amount if it is listed as idle assets because of the change of business environment.
2. The total amount of investment in negotiable securities (excluding monetary funds) shall not exceed the net value of the Company in the latest financial statements certified by CPAs, but the investment in individual negotiable securities shall not exceed 40% of the net value of the Company in the latest period of financial statements certified by CPAs.

For the scope of individual investment in negotiable securities, if it is a long-term equity investor, the amount of individual investment in negotiable securities shall not be limited by Clause 2 of the preceding paragraph. The amount of individual investment in negotiable securities shall not exceed the net value of the Company in the latest period of financial statements, but this does not apply to those specially examined and approved by the Board of Directors.

- (II) The investment scope and amount of subsidiaries of the Company:

The amount of assets referred to in these procedures in the investment scope of subsidiaries of the Company:

1. The amount of real estate not for business use shall not exceed 20% of the paid-in capital.
2. The total amount of investment in negotiable securities (excluding monetary funds)

shall not exceed 40% of the net value of the Company in the latest financial statements certified by CPAs, but the investment in individual negotiable securities shall not exceed 20% of the net value of the Company in the latest period of financial statements certified by CPAs.

For the scope of individual investment in negotiable securities, if it is a long-term equity investor, the amount of individual investment in negotiable securities shall not be limited by Clause 2 of the preceding paragraph. The amount of individual investment in negotiable securities shall not exceed the net value of the Company in the latest period of financial statements.

Article 8 Experts shall give their opinions:

- I. In addition to acquiring or disposing of equipment for business use or their right-of-use assets by making transactions with domestic government agencies, commissioning to build on its own land or commissioning to build on leased land, acquiring or disposing of equipment for business use or their right-of-use assets and the amount of the transaction has reached 20% of the Company's paid-up capital or NT\$300 million, the appraisal report issued by the professional appraiser shall be obtained before the fact occurs and the following provisions shall be complied with:
  - (I) When a fixed price, a specific price, or a special price is to be used as a reference basis for the transaction price for special reasons, the transaction shall first be approved by the Board of Directors by resolution. The future changes in transaction conditions shall also be handled in the same way.
  - (II) If the amount of the transaction is more than NT\$1 billion, two or more professional appraisers shall be invited for appraisal.
  - (III) Unless the appraised values are higher than the transaction price for the asset acquired or lower than the transaction price for the asset disposed, certified public accountants should be asked to issue concrete opinions on the reason for the difference and the appropriateness of the transaction price, in any of the following circumstances with the professional appraiser's appraisal results:
    1. The difference between the valuation result and the amount of the transaction is more than 20% of the amount of the transaction.
    2. The difference between the valuation results of two or more professional appraisers is more than 10% of the amount of the transaction.
  - (IV) The difference between the date of issuance of the report and the date of signing of the contract by the professional appraiser shall not exceed three months. However, if the present value of the same period of announcement is applicable and the difference has not exceeded six months, the original professional appraiser shall give opinions.
- II. If the Company acquires or disposes of negotiable securities, it shall take the latest period of financial statements of the Company with the subject matter which has been checked by the accountant before the fact occurs as a reference for evaluating the transaction price. If the amount of the transaction reaches 20% of the Company's paid-in capital or more than NT\$300 million, it shall consult the accountant before the fact occurs to express its views on the rationality of the transaction price. However, this does not apply if the negotiable securities have an open quotation in a flexible market or the competent authority has other provisions.
- III. Except for the transactions with domestic government agencies, if the transaction value of the Company's acquisition or disposal of intangible assets, or corresponding right-of-use assets or memberships reaches at least 20% of the Company's paid-in capital or NT\$300 million, it is necessary to request certified public accountants to issue opinions on the reasonableness of the transaction price before the date of occurrence of the fact.
- IV. The calculation of the amount of the transactions mentioned in the first three paragraphs shall be made according to the provisions of Paragraph 2 of Article 15, and

the said one-year period shall be based on the date on which the transaction is actually made, and shall be counted back for one year. The part for which the appraisal report issued by a professional appraiser or accountant's opinion has been obtained according to the provisions of these standards shall be exempted from calculation.

- V. Where the Company acquires or disposes of assets through the auction procedures of the court, the certificate issued by the court may replace the appraisal report or the CPA's opinions.
- VI. The professional appraiser and his/her personnel, CPAs, lawyers, or securities underwriters who issued the appraisal report or opinion obtained by the Company shall comply with the following provisions:
  - (I) Never convicted and sentenced for at least one year in prison due to violation of the Securities & Exchange Act, Company Act, Banking Act, Insurance Act, Financial Holding Company Act or Business Entity Accounting Act, or due to frauds, breach of trust, misappropriation, forgery or criminal behaviours in business. However, this does not apply for the circumstance where three years have passed after the sentence execution, completion of the operational period for a suspended sentence or three years after the pardon.
  - (II) Not a related party or a de facto related party with the transaction party
  - (III) If the Company should obtain appraisal reports from two or more professional appraiser, different professional appraisers or appraisal personnel may not be related parties or de facto related parties to each other.

In the issuance of appraisal report or opinion, the aforesaid personnel should act according to the self-disciplinary regulations set forth by the trade associations they belong to and the following requirements:

- (I) Before accepting a case, one shall carefully evaluate his/her professional ability, practical experience, and independence.
- (II) It is necessary to properly plan and carry out the appropriate procedures when implementing the case, in order to form conclusions and issue reports or opinions accordingly. The procedures performed, the data collected and the conclusions should be recorded in detail on the working papers.
- (III) It is necessary to assess, item by item, the appropriateness and reasonableness of data sources, parameters and information in use as the basis for appraisal reports or opinions.
- (IV) Declarations should attest to the professionalism and independence of relevant personnel, the appropriateness and the reasonableness of the information used, and the compliance with relevant laws.

Article 9 Except for the purchase and sale of domestic government bonds or bonds with buyback/sellback terms, the subscription or redemption of money market funds issued by domestic securities investment trust companies, if the Company acquires from or dispose to a related party real estate or corresponding right-of-use assets or acquires from or disposes to a related party assets other than real estate or corresponding right-of-use assets at a transaction value reaching at least 20% of the Company's paid-in capital, 10% of total assets or NT\$300 million, the following data should be submitted for the approval by at least half of all the Audit Committee members and the resolution by the Board of Directors before the transaction contract can be signed and the payment can be made.

- I. The purpose, necessity, and expected benefits of acquiring or disposing of assets.
- II. Reasons for choosing the person concerned as a trading object.
- III. Relevant information about acquiring real estate or its right-of-use assets from the person concerned and evaluating the rationality of the predefined transaction conditions according to the provisions.
- IV. The date and price of the original acquisition, trading counterpart, its relationship with The Company and its person concerned, etc.

- V. The cash receipt and expenditure forecast for each month of the next year from the month expected contract signing, the necessity of accessing the transaction and the rationality of the use of funds.
- VI. appraisal report or opinions of accountants issued by professional appraisers obtained according to the provisions of the preceding article.
- VII. Restrictions on this transaction and other important agreements.

The calculation of the transaction value in the preceding paragraphs should adhere to the requirements specified in Paragraph 2 of Article 15. The term "within one year" refers to the year preceding the date of occurrence of the current transaction. The amount submitted to the shareholders' meeting, approved by the Board of Directors and ratified by the Audit Committee according to these procedures need not be counted for.

The Board of Directors shall authorize the Chairman of the Board of Directors to make a decision within a certain amount before submitting it to the Board of Directors for approval at the latest date according to the provisions of Clause 2 of Article 5, if the Company and its parent company or subsidiary directly or indirectly owning 100% of the issued shares or total capital make the following transactions:

- II. Acquire or dispose of equipment used for business purposes or their right-of-use assets.
- III. Acquire or dispose of right-of-use assets of real estate used for business purposes.

When an independent director has been set according to the laws and regulations, and the Operational procedures for Acquisition and Disposal of Assets have been submitted to the Board of Directors for discussion according to the provisions of Paragraph 1, the opinions of the independent director shall be fully taken into account. If the independent director has objections or reservations, they shall be stated in the proceedings of the Board of Directors.

When an audit committee has been established according to the laws and regulations, it shall be agreed upon by more than one-half of all the members of the audit committee according to the provisions of Paragraph 1 and submitted to the Board of Directors for a resolution.

If the preceding paragraph has not been agreed upon by more than one-half of all the members of the Board of Auditors, the consent of more than two-thirds of the directors is required, and the resolution of the Board of Auditors shall be stated in the proceedings of the Board of Directors.

All members of the Audit Committee referred to in Paragraph 3 and all directors referred to in the preceding paragraph shall be calculated by the actual incumbent.

If the Company or its subsidiary which is not a domestic public company is engaged in a transaction described in the first paragraph and the transaction value reaches at least 10% of the Company's total asset, the Company should submit the data listed in the first paragraph for approval from the shareholders' meeting before contract signing and payments. However, this does not apply to the transaction between the Company and its parent, subsidiary or between subsidiaries.

Article 10 In addition to the decision-making procedures and assessment of the reasonableness of the transaction terms according to requirements, it is necessary to obtain the appraisal report from a professional appraiser or the opinion from a certified public accountant as required by Articles 8 and 9 for the acquisition from or disposal of assets to a related party if the transaction value is at 10% or higher of the Company's total assets.

The calculation of the amount of the transaction referred to in the preceding paragraph shall be made according to the provisions of Paragraph 2 of Article 15.

When judging whether the trading object is a person concerned, we shall not only pay attention to legal form, but also consider the substantive relationship.

Article 11 When making transactions of derivative commodities, the Company shall follow the "Operating Procedure for Trading Derivatives", and pay attention to risk management and auditing, so as to ensure investment and strengthen management.

Article 12 When the Company handles mergers, divisions, acquisitions, or transfer of shares, before the

resolution of the board meeting, accountants, lawyers, or securities underwriters shall be entrusted to give opinions on the rationality of the share exchange ratio, the purchase price or cash or other properties distributed to shareholders, which shall be submitted to the Board of Directors for discussion and approval. However, if a public company merges its subsidiaries directly or indirectly holding 100% of the issued shares or the total capital, or the merger is between its subsidiaries directly or indirectly holding 100% of the issued shares or the total capital, it may avoid obtaining the reasonable opinions of the experts before acquisition.

For the important agreed contents and related matters of merger, division or acquisition, public documents to shareholders shall be made before the board meeting, and submitted to shareholders together with the expert opinions in the preceding paragraph and the notice of the board meeting, for reference of whether to agree to the merger, division or acquisition. However, this does not apply when the board meeting does not have to be held to decide the merger, division, or acquisition matters according to other laws.

If the board meeting of either party cannot be held due to the lack of attendance, voting rights or other legal restrictions, or the resolution or proposal is rejected by the Board of Directors, the Company participating in the merger, division, or acquisition shall immediately disclose the reasons for the occurrence, subsequent processing operations, and the expected date of holding of the board meeting to the public. Unless otherwise specified by other laws or special factors are reported to the competent authority for approval in advance, the board meeting and shareholders' meeting shall be held on the same day to decide on matters relating to merger, division, or acquisition.

Unless otherwise specified by other laws or special factors are reported to the competent authority for approval in advance, a company participating in the transfer of shares shall hold the board meeting on the same day.

A company participating in merger, division, acquisition, or transfer of shares which is listed or whose shares are traded in the business premises of securities brokerages shall keep the following information in complete written records for five years for checking.

- I. Basic information of personnel: including titles, names and ID card numbers (passport numbers for foreigners) of all people participating in the plan of merger, division, acquisition, or transfer of shares or the implementation of the plan before the disclosure of information.
- II. Dates of important matters: including the date of signing the letter of intent or memorandum, entrusting financial or legal adviser, signing contract, board meeting, etc.
- III. Important documents and proceedings: including plans for merger, division, acquisition, or transfer of shares, letters of intention or memorandum, important contract, board proceedings, etc.

Within two days from the date of the adoption of the resolution of the board meeting, a company participating in merger, division, acquisition, or transfer of shares which is listed or whose shares are traded in the business premises of securities brokerages shall report the information in Clauses 1 and 2 of the preceding paragraph to the competent authority according to the prescribed format in the Internet Information System for reference.

A company participating in merger, division, acquisition, or transfer of shares which is not listed or whose shares are not traded in the business premises of securities brokerages shall sign an agreement with a company which is listed or whose shares are traded in the business premises of securities brokerages, which shall be handled according to the provisions of Paragraphs 5 and 6.

**Article 13** If the Company participates in merger, division, acquisition, or transfer of shares, the share exchange ratio or acquisition price shall not be arbitrarily changed except in the following circumstances, and any change shall be specified in the contract of merger, division, acquisition, or transfer of shares:

- I. Handle cash capital increase, issue and convert corporate bonds, allocate shares free of charge, or issue warranted corporate bonds, warranted special bonds, stock option

- certificates and other negotiable securities with the nature of equity.
- II. Disposing of important assets of branch offices and other behaviors affecting the Company's financial business.
  - III. Major disasters, major technological changes, and other matters affecting the rights and interests of shareholders or securities prices of the Company.
  - IV. Adjustment of treasury shares bought by any party of the Company participating in the merger, division, acquisition, or transfer of shares according to the law.
  - V. The increase or decrease of the number of subjects participating in merger, division, acquisition, or transfer of shares.
  - VI. Other conditions changed in the contract which have been disclosed to the public.

Article 14 Where the Company participates in a merger, division, acquisition, or transfer of shares, the contract shall specify the rights and obligations of company participating in the merger, division, acquisition, or transfer of shares, and the following matters:

- I. Treatment of breach of contract.
- II. Treatment principles of negotiable securities with an equity nature issued or treasury shares bought back from a company that has been eliminated or divided due to merger.
- III. Treatment principles of the number of treasury shares to be bought back by a participating company according to the law after the base date on which the share exchange rate is calculated.
- IV. The way to deal with the change of participants or their number.
- V. Expected progress of implementation of the plan and expected completion schedule.
- VI. The expected date of board meetings to be held according to law and other relevant treatment procedures when the plan is not completed within the time limit.

Article 15 Announcement and declaration procedures

If the Company acquires or disposes of assets in the following circumstances, it shall declare the relevant information on the website designated by the competent authority within two days from the date of the occurrence of the facts according to the nature and prescribed format.

- I. The Company acquires or disposes of real estate or their right-of-use assets from or to the person concerned, or acquires or disposes of other assets or their right-of-use assets other than real estate from or to the person concerned, and the amount of the transaction reaches 20% of the Company's paid-in capital, 10% of total assets or more than NTD300 million, except for purchasing and selling domestic government bonds or bonds with buy-back or sell-back conditions, and purchasing or buying back money market funds issued by domestic securities investment trusts.
- II. Merger, division, acquisition, or transfer of shares.
- III. Losses incurred in derivative commodity transactions have reached the provision of the treatment procedures or the maximum individual contract losses.
- IV. The Company acquires or disposes of equipment used for business purposes or their right-of-use assets, the trading counterpart is not the person concerned, and the amount of the transaction reaches one of the following provisions.
  - (I) For a public company, the paid-in capital is less than NT\$10 billion, and the amount of the transaction is more than NT\$500 million.
  - (II) For a public company, the paid-in capital is more than NT\$10 billion, and the amount of the transaction is more than NT\$1 billion.
- V. A public company acquires or disposes of the real estate for construction or its right-of-use assets, the trading counterpart is not the person concerned, and the amount of the transaction is more than NTD500 million. Among them, the paid-in capital is more than NTD10 billion. The Company disposes of the self-built and competed real estate, the trading counterpart is not the person concerned, and the amount of the transaction is more than NTD1 billion.



- VI. Real estate is acquired by means of commissioning to build on its own land, commissioning to build on leased land, co-building and sharing houses, co-building and sharing money or co-building and selling separately. The trading counterpart is not the person concerned, and the Company expects to invest more than NTD500 million in the transaction.
- VII. Except for asset transactions, disposal of creditors' rights by financial institutions, or investment in the Chinese mainland besides those items in the first six paragraphs, the amount of the transaction is more than 20% of the Company's paid-in capital or more than NT\$300 million. But the following circumstances are not included:
  - (I) Purchase and sale of domestic government bonds or foreign government bonds with credit ratings no inferior to our country's sovereign rating.
  - (II) Purchase and sale of marketable securities on a securities exchange or at a business premise of a securities firm; subscription of foreign government bonds or ordinary corporate bonds and financial indentures (excluding subordinated bonds) without equity components in a primary market; or purchase or redemption of securities investment trust funds or futures trust funds; or subscription or redemption of exchange traded notes (ETNs) as a professor investor; or subscription of marketable securities by a securities firm who serves as an underwriter of an issuer on the Emerging Stock Market according to the requirement by Taipei Exchange.
  - (III) Purchase and sell bonds with buy-back or sell-back conditions, and purchase or buy back money market funds issued by domestic securities investment trusts.

The amount of the transaction referred to in the preceding paragraph shall be calculated in the following manner:

- (I) The amount of each transaction.
- (II) The accumulative amount of the transactions with the same counterpart within one year for subject matter of the same nature acquired or disposed of.
- (III) The accumulative amount of real estate or its right-of-use assets acquired or disposed of (accumulated separately for acquiring or disposing of) in the same development plan within one year.
- (IV) The amount of negotiable securities acquired or disposed of (accumulated separately for acquiring or disposing of) within one year.

The said one-year period shall be based on the date on which the transaction is actually made, and shall be counted back for one year. The part that has been announced according to the provisions of these treatment procedures shall be exempted from calculation.

The Company shall announce and declare all items within one day from the date of knowledge if the items to be announced by the Company according to the regulations need to be corrected due to errors or omissions upon announcement.

When acquiring or disposing of assets, the Company shall keep the relevant contracts, proceedings, records, appraisal reports, and opinions of accountants, lawyers, or securities underwriters in the Company for at least five years, unless otherwise stipulated by law.

#### Article 16 The time limit for announcement and declaration:

In case of any of the following circumstances, after the transaction is announced and declared by the Company according to the provisions of the preceding article, the relevant information shall be announced and declared on the website designated by our meeting within two days from the date of the occurrence of the facts:

- I. There are alterations, terminations, or cancellations of the relevant contracts concluded in the original transaction.
- II. Merger, division, acquisition, or transfer of shares has not been completed according to the formulated schedule of the contract.

III. The contents of the original announcement and declaration have been changed.

Article 17 Provisions on the acquisition or disposal of subsidiary assets:

- I. The acquisition or disposal of assets by subsidiaries shall also be handled according to the provisions of the parent company.
- II. If a subsidiary is not a domestic public company and its assets acquired or disposed of are up to the declared declaration standard, the parent company shall handle the declaring matters.
- III. The provision about "the amount of paid-in capital" or "total assets" in the announcement and declaration standards for subsidiaries refers to the amount of paid-in capital or total assets of the parent company.
- IV. If a foreign company's shares have no par value or the par value of each share is not NTD10, the amount of the transaction which shall reach 20% of the paid-in capital of the Company in Article 8, Article 9, Article 15 and Article 17 shall be 10% of the shareholders' equity of the parent company. The paid-in capital which shall reach NTD10 billion in these standards shall be the owner's equity in the parent company of NTD20 billion.
- V. A subsidiary shall submit information about acquiring or disposing of the relevant assets in writing to the parent company for announcement and declaration according to the provisions. In case of a violation of the provisions of these operation procedures, the relevant personnel of the subsidiary shall be punished according to the violation.

Article 18 The acquisitions or disposals of assets shall adhere to these procedures. If any violation of the provisions of these procedures is found, the relevant personnel shall be punished according to the violation.

Article 19 These procedures shall be formulated or revised with the consent of more than one-half of all members of the Board of Auditors and submitted to the Board of Directors for resolution. If the preceding paragraph has not been agreed upon by more than one-half of all the members of the Board of Auditors, the consent of more than two-thirds of the directors is required, and the resolution of the Board of Auditors shall be stated in the proceedings of the Board of Directors.

All members of the Audit Committee and all directors referred to in the preceding paragraph shall be calculated by the actual incumbents.

After approval by the Board of Directors, they shall be submitted to the Board of Shareholders for approval, and the revision shall be the same.

When an independent director has been set up according to the laws and regulations, the Operational procedures for Acquisition and Disposal of Assets shall be submitted to the Board of Directors for discussion according to the provisions of the preceding paragraph. The opinions of the independent director shall be fully taken into account. If the independent director has objections or reservations, they shall be stated in the proceedings of the Board of Directors.

Article 20 These treatment procedures were formulated on March 11, 1992.

1st amendments hereto were made on July 18, 1995.

2nd amendments hereto were made on March 10, 1996.

3rd amendments hereto were made on March 10, 1997.

4th amendments hereto were made on March 11, 1998.

5th amendments hereto were made on November 29, 1999.

6th amendments hereto were made on December 12, 2000.

7th amendments hereto were made on March 12, 2002.

8th amendments hereto were made on June 12, 2003.

9th amendments hereto were made on June 11, 2008.

10th amendments hereto were made on June 19, 2009.  
11th amendments hereto were made on June 17, 2011.  
12th amendments hereto were made on June 15, 2011.  
13th amendments hereto were made on June 12, 2011.  
14th amendments hereto were made on June 15, 2017.  
15th amendments hereto were made on June 15, 2018.  
16th amendments hereto were made on June 18, 2019.  
17th amendments hereto were made on June 19, 2020.  
18th amendments was made on June 15, 2022.