Procedures for Acquisition or Disposal of Assets
of
eMemory Technology Inc.
(the "Company")

Adopted by the Shareholders' Meeting on June 10, 2020

Article 1: Purposes

These Procedures are enacted for the Purposes of enhancing the management of assets and making full public disclosure, so that there are rules can be followed during the acquisition or disposal of the assets.

Unless otherwise provided in the laws and regulations, the acquisition or disposal of the assets by the Company shall be processed in accordance with these procedures.

Article 2: Definition

1. The term "Assets" as used herein includes the following:
   (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) Derivatives.
   (7) Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
   (8) Other major assets.
2. The term of "Derivatives" hereunder shall mean 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" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
3. The term of "Assets acquired or disposed through mergers, demergers, acquisitions or transfer of shares in accordance with law" hereunder means 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.
4. The term of "Related Party", "Subsidiary" hereunder shall be as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

5. The term of "Professional Appraiser" hereunder refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
6. The term of "Date of Occurrence" hereunder principally refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of Board of Directors resolutions, or any other date that can confirm the counterparty and monetary amount of the transaction (whichever date is earliest); provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
7. The term of "Mainland China area investment" hereunder refers to investments in the mainland China area which are conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area promulgated by the Ministry of Economic Affairs Investment Commission.

Article 3: Exclusion of Related Party

Professional appraisers and their officers, certified public accountants, attorneys and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions or underwriter's opinions shall be subject to the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange 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 3 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.
2. May not be a related party or de facto related party of the Company.
3. 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.

Article 4: The restrictions of total amount for acquiring the real property and the right-of-use assets or securities by the Company for non-operational purposes

1. The total amount for acquisition of real property and the right-of-use assets for non-operational purposes by the Company and each subsidiary shall not exceed 50% of each company's net value set forth in the latest financial statements certified or reviewed by a certified public accountant.
2. The acquisition of investments in financial assets other than quasi money market fund by the Company shall not exceed 50% of the company's net value set forth in the latest financial statements certified or reviewed by a certified public accountant; the

respective investment amount for the investment in financial assets other than quasi money market fund by the Company shall not exceed 30% of the company's net value set forth in the latest financial statements certified or reviewed by a certified public accountant.

3. The acquisition of investments in financial assets other than quasi money market fund by each subsidiary of the Company shall not exceed 100% of each company's paid-in capital. The respective investments in financial assets other than quasi money market fund by each subsidiary of the Company shall not exceed 50% of each company's paid-in capital.
4. The acquisition of an individual investment in financial assets other than quasi money market fund by the Company and each subsidiary shall be submitted to the Board of Directors' meeting for resolution. However, the investments made by the Company to the securities of subsidiaries are authorized to the Chairman for determination and execution subject to the accumulated invested amount is under NT$ 100 million (including NT$ 100 million) within the same fiscal year, and thereafter shall be submitted to the latest Board of Directors' meeting for ratification.

Article 5: The Appraisal and Operating Procedures for Acquisition or Disposal of Securities

1. The means of price determination and supporting reference materials
   When acquiring or disposing of securities, prior to the date of occurrence of the event, the Company shall obtain the latest financial reports of the issuing company which is certified or reviewed by a certified public accountant for reference in appraising the transaction price:
   (1) When the securities are acquired or disposed of through stock exchange market or over-the-counter, shall be determined by the then current market prices.
   (2) In acquiring or disposing of securities which are not traded on any stock exchange market or over-the-counter, its net value per share, profitability, potential of future growth, market rates, interest rates of bonds, credit ratings and its then current market price shall be evaluated.
2. Inquiring the Experts for Opinions
   In acquiring or disposing of securities which the dollar amount of the transaction is 20 % of the Company's paid-in capital or NT$300 million or more, the Company shall 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. If the certified public accountant needs to use the report of an export as evidence, the certified public accountant shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF). This requirement does not apply, however, to public quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).
   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 opinion of the certified public accountant.

3. The Units responsible for Implementation
   Finance Department of the Company shall be the execution unit for the implementation of acquiring or disposing the securities.
4. Transaction Process
   The transaction process for acquiring or disposing of securities shall follow the provisions of the operation regarding Investment Cycle of the Internal Control System.
5. The management of securities shall take a reference to the "Procedures for Investment Management" of the Company.

Article 6: The Appraisal and Operating Procedures for Acquisition or Disposal of Real Property, Equipment or the right-of-use assets

1. The means of price determination and supporting reference materials
   In acquiring or disposing of real property, equipment or the right-of-use assets, the unit who makes use of that shall submit an application, and the unit who is in charge of assets management, the unit who is in charge of procurement shall take a reference to the government assessed value, appraised value, the actual transaction price of real property located in neighborhood, the recent transaction price of the identical property etc., and make it by one of the means of comparing the price, negotiating the price or call for tenders.
2. Inquiring the Experts for Appraisal Report
   In acquiring or disposing of real property, equipment or the right-of-use assets where the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or above, unless transacting with a domestic government agency, contracting others to build on its own land, or contracting others to build on rented land, or acquiring or disposing of equipment or the right-of-use assets held for business use, an appraisal report should be obtained prior to the date that the transaction occurred from a Professional Appraiser and the transaction shall 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, and the same procedure shall be followed if there is any change to the terms and conditions of the transaction in the future.
   (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 perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation and

render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

I. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.

II. The discrepancy between the appraisal results of two or more professional appraisers is 10% 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.

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 opinion of the certified public accountant.

3. The degree of authority delegated, the levels to which authority is delegated, and the Units responsible for Implementation

   The acquisition or disposal of real property, equipment or the right-of-use assets shall be executed by the department who makes use of such assets and the unit being in charge of assets management, and submitted to the authorized officer for approval.

4. Transaction Process

   The transaction process for acquiring or disposing of real property, equipment or right-of-use assets shall follow the provisions of the operation regarding real property, factory building or equipment cycle of the Internal Control System.

Article 7: Related Party Transactions

1. In terms of the acquisition or disposal of the assets between the Company and related party except the related resolution procedure and evaluation regarding the reasonableness of the transaction price etc. shall be made pursuant to Article 5, Article 6, Article 8 and provisions hereunder, where the transaction amount is 10% or more of the total assets of the Company, appraisals from professional appraisers or opinions from certified public accountant shall be also obtained pursuant to Article 5, Article 6 and Article 8.

   The amount set forth in the preceding paragraph shall be calculated pursuant to Article 8-1.

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

2. When the Company acquires or disposes of real property or the right-of-use assets from or to a related party, or when it acquires or disposes of assets or the right-of-us assets other than real property from or to a related party and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT$300 million or more, except in trading of domestic government bonds, 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 information is submitted to the audit committee for approval, as well as being approved by 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 trading counterparty.
(3) With respect to the acquisition of real property or the right-of-use assets from a related party, information regarding appraisal of the reasonableness of the proposed transaction terms in accordance with the provisions under paragraph 3 to paragraph 6 in this Article 7.
(4) The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading 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 opinion of the certified public accountant which shall be obtained in compliance with this Article.
(7) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with paragraph 2 of Article 11, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. The amounts that have been submitted to the audit committee for approval and approved by the Board of Directors are exempted to be counted toward the transaction amount.

With respect to the transactions set forth below between the Company and its parent or subsidiaries, or between the subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or authorized capital, the Company's Board of Directors may delegate the Chairman to decide such matters subject to a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors' meeting:

(1) The acquisition or disposal of equipment or the right-of-use assets thereof held for business use.
(2) The acquisition or disposal of real property right-of-use assets held for business use.

When a matter is submitted for discussion by the Board of Directors pursuant to preceding paragraph, 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.

3. When the Company acquires real property or the right-of-use assets from the related party, it shall evaluate the reasonableness of the transaction costs by following means

(where the 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 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 term of "Necessary interest on funding" hereunder 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 of 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% or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.

4. The Company that acquires real property or the right-of-use assets from a related party and appraises the cost of the real property or the right-of-use assets in accordance with the provisions set forth in the preceding paragraph, shall also engage a certified public accountant to check the appraisal and render a practical opinion.

5. Where the Company acquires real property or the right-of-use assets from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with paragraph 2 of this Article 7, and the preceding two paragraphs do not apply:

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

(2) More than 5 years have elapsed from the time the related party signed the contract to obtain the real property or the right-of-use assets 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 by engaging the Company's related party to construct the real property on the Company’s owned land or leased land.

(4) The acquisition of real property right-of-use assets held for business use between the Company and its parent or subsidiaries, or between the subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or authorized capital.

6. When the Company acquires real property from a related party and the results of the Company's appraisal conducted in accordance with the provisions of paragraph 3 of this Article are uniformly lower than the transaction price, the matter shall be handled in accordance with paragraph 7 of this Article. However, where the following circumstances exist, and objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real

property appraiser and a certified public accountant 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:

I. Where undeveloped land is appraised in accordance with the means in paragraph 3 of this 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 of "Reasonable Construction Profit" shall be deemed to be 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.

II. 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 trading or leasing market practices.

(2) Where the Company 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 transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions for neighboring or closely valued parcels of land in the subparagraph 1 and subparagraph 2 of this 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; transaction for similarly sized parcels of similar land area in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction; the term of "within the preceding year" refers to the year preceding the actual date of acquisition of the real property or the right-of-use assets.

7. Where the Company acquires real property or the right-of-use assets from a related party and the results of the Company's appraisal conducted in accordance with the provisions of paragraph 3 and paragraph 6 of this Article are uniformly lower than the transaction price, the following steps shall be taken:

(1) A special reserve shall be set aside in accordance with paragraph 1, Article 41of the Securities and Exchange Act against the difference between the transaction price and the appraised cost of real property or the right-of-use assets, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under paragraph1, Article 41, of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company. The special

reserve set aside under the preceding paragraph shall not be utilized 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, the lease 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 Financial Supervisory Commission has given its consent.

(2) Audit committee shall comply with the provisions of Article 218 of the Company Law.

(3) Actions taken pursuant to subparagraph 1 and subparagraph 2 under this paragraph shall be reported to Shareholders' Meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

8. The Company shall also comply with the provisions of paragraph 7 in this Article when obtaining real property or the right-of-use assets from a related party if there is other evidence indicating that the transaction was not an arm's length transaction.

Article 8: Acquisition or Disposal of Intangible Assets or the right-of-use assets or Membership

In acquiring or disposing of the intangible assets or the right-of-use assets or membership where the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or above, unless transacting with a domestic government agency, the Company shall 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. The certified public accountant shall conduct it in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation.

Article 8-1: The calculation of the transaction amount referred to in Article 5, Article 6 and Article 8 shall be made in accordance with paragraph 2 of Article11, and the term of "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. In term of the amounts that the appraisals from professional appraisers or opinions from certified public accountant have been obtained pursuant to these Procedures shall be exempted to be counted toward the transaction amount.

Article 9: Engaging in Derivatives Trading

1. Trading Principles and Policies:

(1) Trading Type

The Derivatives traded by the Company hereunder shall mean 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.

(2) Operating or Hedging Strategies

The Company engages in derivatives trading principally in order to hedge the

fluctuation in exchange rate or interest rate not for the purposes of creating the profit. Therefore, the trading object shall be chosen mainly for hedging the risk derived from the business operation of the Company, the trading currency shall be limited to the foreign currency that derived from the import or export transactions by the Company, and by basing on the Company's internal netting of the whole trading position (which refers to the income and expense of foreign currency), to reduce the whole risk of the Company regarding foreign currency, and save the trading costs of foreign currency.

(3) Segregation of Duties

I. Financing Personnel: Who is the center of the Derivatives Trading management system, operates the matters of derivatives for the Company, the estimate and occurrence of the position shall be made by collecting the information provided by Purchase and Sales Department, and from time to time, collecting the market information, ascertaining the trend and risks, getting familiar with financial instruments, regulations and statutes, and operation skills to support him/herself and other related departments during the operation as a reference. The personnel being in charge of the operation of derivatives in transaction, confirmation and settlement shall be independent respectively.

II. Accounting Personnel: Accurately calculate the position having been realized or may occur in the future, and keep the account book according to the settlement vouchers and related transaction documents.

III. Archiving: All the trading slip, bank statement, transaction authorization and appraisal shall be archived by accounting division.

(4) Total amount of Derivatives contracts that may be traded and the maximum loss limit on total trading and for individual contracts.

I. Hedging Operation: The total hedged amount of the Company is limited to an amount less than two-third of the net position for all transaction. The limitation of losses for contract shall be 10% of the contract price, and this applies to respective contract and all contracts.

II. Trading Operation: The Company does not engage in trading operation.

(5) Performance Evaluation

The derivatives which the Company trades in are financial hedging transactions that derived from the operation correspondingly; however, the personnel taking charge of the transaction shall report the transaction results to the Board of Directors periodically.

2. Operation Procedures

(1) Authorized Amount and Level

Level	Each transaction
Board of Directors	Above USD 3 million
Chairman	USD 1~3 million (included)
President	Under USD 1 million (included)

(2) The personnel authorized to trade makes a phone call to the bank to place an order within the authorized amount, and fill in the application form for derivatives

transaction by indicating the transaction, purchase/sell amount, period, trading purpose, transaction details, charges, counterparty, trader, and submit to the manager authorized by the Board of Directors for approval.

(3) After receiving the transaction documentations from the bank, the confirmation personnel shall immediately confirm the transaction details with counterparty through the phone, if any defect is found shall be clarified with the trader promptly.

(4) After the confirmation personnel confirmed the transaction, the settlement personnel proceeds the settlement matters according to the details set forth in the trading slip.

(5) Accounting personnel make accounting entries and keep the account book according to the settlement vouchers and related transaction documents.

3. Risk Management Measures

(1) Credit Risk Management

The counterparty shall be internationally well-known bank with good credit in principle.

(2) Market Risk Management

Mainly targeting global financial products which are commonly traded, and preventing from implementing specifically designed product.

(3) Liquidity Risk Management

To ensure the market liquidity, the targeted chosen financial products shall have better liquidity (i.e. that they can be cashed out in the market anytime), the financial institutions delegated to trade shall have sufficient information and are capable to trade in any market anytime.

(4) Cash Flow Risk Management

To ensure the stability of the Company's cash flow, the sources of funds used for the derivatives transaction shall be the Company's owned funds, and in terms of the trading amount, the demand of funds which is estimated by basing on the cash income and expense three months in the future shall be considered.

(5) Operation Risk Management

I. Strictly complying with the transaction procedures to avoid the operation risk.

II. The respective functions of trading, confirmation and settlement with respect to derivatives shall be performed by different persons.

III. The risk-assessment, risk-supervision, and risk-control personnel shall belong to a different department from the above personnel, and report to the Board of Directors or high-ranking officers who are not in charge of trading or a position being relevant to decision making.

IV. The possessed position of derivatives shall be evaluated at least once a week, however, the hedging transactions made for the demand of business shall be evaluated at least twice a month, the evaluation report shall be submitted to the high-ranking officers who are authorized by the Board of Directors.

V. The confirmation personnel shall take charge of registering the transaction documents or contract, reconcile the account book or verify with the

corresponding bank, and check whether the total transaction amount exceeds the stipulated limitation.

(6) Legal Risk Management

The documents signed with the counterparty shall be the contracts which are generally used in the market, that any specific contract shall be reviewed by the legal personnel or attorneys.

4. Internal Audit System

The internal auditor shall periodically check whether the internal control system for derivatives transaction is proper or not, and an audit report shall be made by auditing the trading department to examine the compliance of the procedures for derivatives transactions each month. The audit report shall be filed together with the implementation report of internal audit operation annual examination plan to Financial Supervisory Commission in the prescribed format and via the Internet-based information system before the end of February of the next year, and file the rectification report to Financial Supervisory Commission in the prescribed format and via the Internet-based information system before the end of May of the next year. If any material violation is found, the internal auditor shall give written notice to the audit committee.

5. Supervisory and Management of the Board of Directors

(1) The Board of Directors shall supervise and manage based on the following principles:

I. The Board of Directors shall appoint a high-ranking officer to take notice of the supervision and control of the risks of derivatives transactions anytime, the management principles are:

i. Periodically evaluating whether the risk management measures currently used are proper and conform to this Article.

ii. Supervising the transaction and its profit and loss, If anything is found unusual, the necessary measures shall be taken, and it shall be reported to the Board of Directors promptly, the independent director shall attend to the Board of Directors' meeting and express his/her opinions.

II. Periodically, to evaluate whether the performance of derivatives transactions meets the operating strategy and the risk to be assumed is within the affordable range.

III. If the transaction of derivatives is made by authorized personnel pursuant to the provisions of subparagraph 1, under paragraph 2 in this Article, shall be reported to the latest Board of Directors' meeting.

(2) The Company engaging in derivatives trading shall establish a memorandum book in which the details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under this Article shall be recorded in detail in the memorandum book.

Article 10: Mergers, Demergers, Acquisitions, and Transfer of Shares

1. The Company 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 Board of Directors for discussion and 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 the Company of a subsidiary in which it directly or indirectly holds 100% of the issued shares or authorized capital, as well as in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100% of the respective subsidiaries' issued shares or authorized capital.

2. Where the Company participates in a merger, demerger or acquisition, a public report to shareholders shall be prepared detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the Shareholders' Meeting and such report should be included along with the expert opinion referred to in the preceding paragraph of this Article when sending convention notice of the Shareholders' Meeting for reference in deciding whether to approve such merger, demerger, or acquisition; provided, where a provision of another act exempts the Company from convening the 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 Company shall immediately publicly explain the reason, the follow-up measures, and the proposed date of the next Shareholders' Meeting.
3. The Company participating in a merger, demerger, or acquisition shall convene the Board of Directors' meeting and the Shareholders' Meeting on the day of the transaction to resolve relevant matters of the merger, demerger, or acquisition, unless otherwise provided in another Act or the Financial Supervisory Commission is notified in advance of extraordinary circumstances and grants approval.
   The Company participating in a transfer of shares shall call a Board of Directors' meeting on the day of the transaction, unless otherwise provided in another Act or the Financial Supervisory Commission is notified in advance of extraordinary circumstances and grants approval.
   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 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 market shall, within 2 days counting inclusively from the date of the resolution of the Board of Directors approving such transaction, report the information set out in subparagraphs 1 and 2 of the preceding paragraph to the Financial Supervisory Commission in the prescribed format and via the Internet-based information system for recordation.

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 preceding paragraphs.

4. 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.
5. The Company participating in a merger, demerger, acquisition, or transfer of shares 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.

(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.

6. The contract for participation by the Company in a merger, demerger, acquisition, or transfer 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.
7. After public disclosure of the information, if the Company participating in the merger, demerger, acquisition, or transfer of shares intends further to carry out a merger, demerger, acquisition, or transfer of shares 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 transfer of shares; 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.
8. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions in paragraph 3, paragraph 4 and paragraph 7 of this Article.

Article 11: Public Announce and Report Procedures

1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by the Financial Supervisory Commission in the prescribed format within two days commencing immediately from the date of occurrence of such event:
   (1)Acquisition or disposal of real property or the right-of-use assets from or to a related party, or acquisition or disposal of assets or the right-of-use assets other than real property from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% 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 reach the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.

(4)Where the asset acquired or disposed is equipment or the right-to-use assets held for business use, the trading counterparty is not a related party, and the transaction amount reaches NT$500 million or more.

(5)Real property acquired by means of 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 the trading counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT$500 million or more (which is calculated by basing on the estimated investment amount shall be made by the Company).

(6)Where an asset transaction other than those referred to in the preceding five subparagraphs, or Mainland China Investment, reaches 20% or more of the Company's paid-in capital or NT$300 million or more; provided, that this shall not apply in the following circumstances:

I. Trading of domestic government bonds.

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. 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 trading counterparty within the preceding year.

(3)The cumulative transaction amount of acquisitions and disposals of the real property or the right-of-use assets (cumulative acquisitions and disposals, respectively) 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.

3. The term of "within the preceding year" as mentioned in the preceding paragraph shall be calculated as one year before the date of occurrence of the current transaction. The portion which is duly announced in accordance with these procedures shall be exempted.

4. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself 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 Financial

Supervisory Commission by the 10th day of each month.

5. When the Company 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.
6. The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, memorandum books, appraisal reports and the opinions of certified public accountant, attorney, and securities underwriter at the Company, where they shall be retained for 5 years except where another act provides otherwise.
7. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the regulations, a public report of relevant information shall be made on the information reporting website designated by the Financial Supervisory Commission 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.

Article 12: The Company's controlling procedure on the acquisition or disposal of assets implemented by its subsidiary

1. The subsidiaries of the Company shall also establish its "Procedures for Acquisition or Disposal of Assets" pursuant to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and so implement.
2. Information required to be public disclosed and reported in accordance with the standards of public disclosure and report provided in Article 11 on acquisitions and disposals of assets by any subsidiary of the Company that is not a domestic public company shall be public disclosed and reported by the Company. The paid-in capital or total assets of the Company shall be the standard for determining whether or not a subsidiary referred to in the preceding paragraph is subject to the requirement for a public announcement and regulatory filing in the event the type of transaction specified therein reaches 20% of paid-in capital or 10% of the total assets.
3. When auditors of the Company perform the annual audit plan in auditing its subsidiaries, they also have to realize the acquisition or disposal of assets implemented by the subsidiaries.

Article 12-1: Provisions with respect to 10% of the total assets under these procedures shall be calculated based on the total amount of assets in the most recent parent company

only financial report or individual financial report issued in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
In the case of an issuer whose shares have no par value or a par value other than NT$10, for the calculation of transaction amount of 20% of paid-in capital under these procedures, 10% of equity attributable to owners of the parent company shall be substituted.

Article 13: Penalty
The concerned personnel who is in charge of the acquisition and disposal of the assets shall follow these procedures, if any material violation is found shall be reported pursuant to the personnel management procedures and disciplined according to the circumstances.

Article 14: Miscellaneous
Anything not provided herein shall be governed by the related statutes and relevant rules of the Company.

Article 15: Enforcement and Amendment
These procedures for acquisition or disposal of assets of the Company shall be approved by one half or more of all audit committee members and submitted to the Board of Directors for resolution, subject to the approval of the Board of Directors and then submitted to the Shareholders' Meeting for approval, these procedures become effective, the amendment shall be subject to the same requirements.
The position of independent director has been created by the Company, when the procedures for acquisition or disposal of assets are submitted for discussion by the Board of Directors pursuant to preceding paragraph, 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.

Article 16: These procedures are adopted by the Shareholders' Meeting on May 2, 2006. The first amendment was made on May 16, 2007. The second amendment was made on May 18, 2010. The third amendment was made on June 19, 2012. The fourth amendment was made on June 14, 2013. The fifth amendment was made on June 18, 2014. The sixth amendment was made on June 9, 2015. The seventh amendment was made on June 13, 2017. The eighth amendment was made on June 13, 2019. The ninth amendment was made on June 10, 2020.