

Year 2021

Meeting Minutes of Annual General Shareholders' Meeting of

Elite Material Co., Ltd. (EMC)

Date: July 1, 2021

Time: 9:00 a.m., Taipei Time

Place: No. 18, Datong 1st Road,
Guanyin District, Taoyuan City
32849 Taiwan

Date: Thursday, July 1, 2021

Time: 9:00 a.m. Taipei Time

Place: Meeting Room #1, EMC headquarters

No. 18, Datong 1st Road, Guanyin District, Taoyuan City 32849 Taiwan

Shareholders present:

Total number of issued shares: 332,918,299

Total number of issued and outstanding shares: 332,918,299

Total shares represented by shareholders present in person or by proxy: 262,042,439 (via electronic transmission: 186,083,909)

Percentage of shares held by shareholders present in person or by proxy: 78.71%

Directors present:

Mr. Fei-Liang Tsai (Vice Chairman of the Board of Directors)

Mr. Wen-Shiung Lee (Director)

Mr. Mon-Chong Hsieh (Director)

Mr. Duen-Chian Cheng (Independent Director)

Mr. Rong-Dong Tsai (Independent Director)

The number of directors presented exceeding 50% of the total number of directors.

Chairman: Mr. Fei-Liang Tsai (Vice Chairman of the Board of Directors)

In attendance:

Certified Public Accountant: Ms. Yi-Chun Chen

Recorder: Ms. Vicky Chiang

The aggregate shares of shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

Chairman's Address (omitted)

Report Items

- 1. Reported the business of 2020**
- 2. Audit Committee's review report (see Attachment I)**
- 3. Reported 2020 employees' bonus and the Directors' compensation**
- 4. Reported the amendment of the Company's "Codes of Ethical Conduct" (see Attachment II)**

Resolutions

1. **To accept the 2020 Business Report and Financial Statements.** (Proposed by the Board of Directors)

Explanatory Notes:

EMC's 2020's Business Report and Financial Statements, including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity, and Statement of Cash Flows, have been resolved to accept by the 11th Board Meeting of the 11th Term, and have been audited by the Audit Committee of EMC and deemed correct and accurate. We thereby submit this report.

Voting Results:

Shares represented at the time of voting: 262,042,439 (including votes casted via electronic transmission; hereinafter referred as "e-voting")

| Voting Results | Shares | % of Shares Present |
|------------------|--|---------------------|
| Votes in favor: | 249,623,849 (including e-voting: 173,686,324) | 95.2608% |
| Votes against: | 11,558 (including e-voting: 11,558) | 0.0044% |
| Votes invalid: | 0 (including e-voting: 0) | 0.0000% |
| Votes abstained: | 12,407,032 (including e-voting: 12,386,027) | 4.7348% |

RESOLVED, that the 2020 Business Report and Financial Statements be and hereby were accepted as submitted.

2. **To approve the proposal of 2020 earnings distribution** (Proposed by the Board of Directors)

Explanatory Notes:

- I. 2020 Net Income audited by independent auditor: NT\$ 3,688,999,332 Cash dividends to common shareholders: NT\$ 2,330,428,093. Holders of common share will be entitled to receive a cash dividend of NT\$7 per share. The fractional dollar amount which is less than one New Taiwan Dollar, if there is any, will not be distributed and will be recognized as Other Income by the Company. (see Attachment III)
- II. After being approved at the Annual General Shareholders' Meeting, it is proposed that the Chairman of EMC be authorized to determine the record date and the payment date for the cash dividends to be distributed to common shareholders.
- III. Should EMC subsequently repurchase its common shares or issue new common shares according to Article 28-2 of the Security Act and other relevant regulations, the total number of common shares outstanding may change, and the cash to be distributed to each common share may need to

be adjusted accordingly. It is proposed that the Chairman of EMC be authorized to make the adjustment in accordance with the Company Act or related laws and regulations going forward.

Voting Results:

Shares represented at the time of voting: 262,042,439

| Voting Results | Shares | % of Shares Present |
|-----------------------|--|----------------------------|
| Votes in favor: | 249,823,156 (Including e-voting: 173,885,631) | 95.3369% |
| Votes against: | 12,559 (including e-voting: 12,559) | 0.0048% |
| Votes invalid: | 0 (including e-voting: 0) | 0.0000% |
| Votes abstained: | 12,206,724 (including e-voting: 12,185,719) | 4.6583% |

RESOLVED, that the proposal of 2020 earnings distribution be and hereby was approved as submitted.

Discussion Items

1. **To approve the amendment of “Articles of Incorporation of Elite Material Co., Ltd.”** (Proposed by the Board of Directors)

Explanatory Notes:

- I. In response to the Company's operational needs and practical operations, it is proposed to amend some of the provisions of the Company's Articles of Incorporation.
- II. The list of provisions before and after the revision of the "Articles of Incorporation" of this amendment is shown in the appendices. (see Attachment IV)

Voting Results:

Shares represented at the time of voting: 262,042,439

| Voting Results | Shares | % of Shares Present |
|-----------------------|--|----------------------------|
| Votes in favor: | 249,796,619 (Including e-voting: 173,859,094) | 95.3268% |
| Votes against: | 43,097 (including e-voting: 43,097) | 0.0164% |
| Votes invalid: | 0 (including e-voting: 0) | 0.0000% |
| Votes abstained: | 12,202,723 (including e-voting: 12,181,718) | 4.6568% |

RESOLVED, that the amendment of “Articles of Incorporation of Elite Material Co., Ltd.” be and hereby was approved as submitted.

2. **To approve the amendment of “Procedures of Acquisition and Disposition of Assets of Elite Material Co., Ltd.”** (Proposed by the Board of Directors)

Explanatory Notes:

- I. In response to the Company's operational and investment needs, it is proposed to merge “Procedure to Engage in the Transactions of Financial Derivative Products of Elite Material Co., Ltd.” into “Procedures of Acquisition and Disposition of Assets of Elite Material Co., Ltd.” and amend partial articles of “Procedures of Acquisition and Disposition of Assets of Elite Material Co., Ltd.”
- II. The list of provisions before and after the revision of the " Procedures of Acquisition and Disposition of Assets " is shown in the Appendices. (see Attachment V)

Voting Results:

Shares represented at the time of voting: 262,042,439

| Voting Results | Shares | % of Shares Present |
|-----------------------|---|----------------------------|
| Votes in favor: | 169,918,031 (Including e-voting: 93,980,506) | 64.8437% |
| Votes against: | 79,224,986 (including e-voting: 79,224,986) | 30.2336% |
| Votes invalid: | 0 (including e-voting: 0) | 0.0000% |
| Votes abstained: | 12,899,422 (including e-voting: 12,878,417) | 4.9227% |

RESOLVED, that the amendment of “Procedures of Acquisition and Disposition of Assets of Elite Material Co., Ltd.” be and hereby was approved as submitted.

3. **To approve the amendment of “Procedures of Capital Lending to Others of Elite Material Co., Ltd.”** (Proposed by the Board of Directors)

Explanatory Notes:

- I. In response to the need for the use of funds within the group, it is proposed to amend some provisions of "Procedures of Capital Lending to Others of Elite Material Co., Ltd."
- II. The list of provisions before and after the revision of the " Procedures of Capital Lending to Others of Elite Material Co., Ltd " is shown in the appendices. (see Attachment VI)

Voting Results:

Shares represented at the time of voting: 262,042,439

| Voting Results | Shares | % of Shares Present |
|-----------------------|---|----------------------------|
| Votes in favor: | 169,915,482 (Including e-voting: 93,977,957) | 64.8427% |
| Votes against: | 79,085,135 (including e-voting: 79,085,135) | 30.1803% |
| Votes invalid: | 0 (including e-voting: 0) | 0.0000% |
| Votes abstained: | 13,041,822 (including e-voting: 13,020,817) | 4.9770% |

RESOLVED, that the amendment of “Procedures of Capital Lending to Others of Elite Material Co., Ltd.” be and hereby was approved as submitted.

4. **To approve the amendment of the Company's "Rules for Election of Directors"** (Proposed by the Board of Directors)

Explanatory Notes:

- I. In accordance with letter No. 1090009468 of the Taiwan Certificate of Governance, it is proposed to amend some of the provisions of the Company's "Rules for Election of Directors".
- II. The list of provisions before and after the revision of the "Rules for Election of Directors" is shown in the appendices. (see Attachment VII)

Voting Results:

Shares represented at the time of voting: 262,042,439

| Voting Results | Shares | % of Shares Present |
|-----------------------|--|----------------------------|
| Votes in favor: | 249,723,272 (Including e-voting: 173,785,747) | 95.2988% |
| Votes against: | 116,928 (including e-voting: 116,928) | 0.0446% |
| Votes invalid: | 0 (including e-voting: 0) | 0.0000% |
| Votes abstained: | 12,202,239 (including e-voting: 12,181,234) | 4.6566% |

RESOLVED, that the amendment of the Company's "Rules for Election of Directors" be and hereby was approved as submitted.

Extemporary Motion:

None

Meeting Adjourned

Chairman: Fei-Liang Tsai

Recorder: Vicky Chiang

ATTACHMENTS

Attachment I

Review report by the Audit Committee

To the 2021 General Shareholders' Meeting of Elite Material Co., Ltd.,

In accordance with Article 219 of the Company Act, we have examined the Business Report, the Resolution for Allocation of Surplus Profit, the Financial Statements submitted by the Board of Directors for the year ending 2020 which had been audited by independent auditors, Ms. Chen, Yi-Chun and Mr. Calvin C. Y. Chiang of KPMG, and the auditing report signed by the said independent auditors, and found them in order. We thereby submit the report.



Cheng, Duen-Chian

Convener of the Audit Committee of Elite Material Co., Ltd.

February 25, 2021

**In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*

Attachment II

| Item | Proposed Changes | Current Article | Reasons |
|-----------|--|---|---|
| Article 4 | <p>Prevent conflict of interest</p> <p>The employees of the Company shall handle their official duties in an objective and efficient manner and shall not, by using their position in the Company, cause improper benefits to themselves, their spouses, or relatives within the second degree of kinship.</p> <p>When the Company and the related enterprises to which the above-mentioned persons have financial loans or provide them with guarantees, material asset transactions, in (sale) of goods and transactions, the relevant Company personnel should take the initiative to explain to the Company whether they have a potential conflict of interest with the Company, and in accordance with the Company's "Employee Code of Conduct" to prevent conflicts of interest.</p> | <p>Prevent conflict of interest</p> <p>The employees of the Company shall handle their official duties in an objective and efficient manner and shall not, by using their position in the Company, cause improper benefits to themselves, their spouses, parents, children or relatives within the second degree of kinship.</p> <p>When the Company and the related enterprises to which the above-mentioned persons have financial loans or provide them with guarantees, material asset transactions, in (sale) of goods and transactions, the relevant Company personnel should take the initiative to explain to the Company whether they have a potential conflict of interest with the Company, and in accordance with the Company's "Employee Code of Conduct" to prevent conflicts of interest.</p> | <p>Consider that both parents and children are relatives within the second degree of kinship, and the text should be streamlined at their discretion.</p> |

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Attachment III

Elite Material Co., Ltd. Profit Allocation Proposal of Year 2020

| | |
|--|----------------------|
| Net income of 2020 | 3,688,999,332 |
| Less: | |
| 10% legal reserve | 368,953,951 |
| Plus: | |
| Unappropriated retained earnings of previous years | 5,740,730,617 |
| Special reserve of earnings | 75,502,341 |
| Other comprehensive loss (actuarial adjustment of defined benefit plan of Year 2020) | 540,173 |
| Earnings available for distribution as of 31 December 2020 | 9,136,818,512 |
| Distribution items: | |
| Cash dividends to common share holders (NT\$7 per share) | 2,330,428,093 |
| Stock dividends to common share holders (Cash dividend per common share is calculated based on a total number of shares outstanding of 332,918,299) | |
| Total distribution | 2,330,428,093 |
| Unappropriated earnings | 6,806,390,419 |

Note: Pursuant to the Article 36 of Elite Material Co., Ltd. Articles of Incorporation, the distribution order of Year 2020 net income is prior to other distributable items.

Chairman & President: Ding-Yu Dong

Director of Accounting Department: Sara Yen

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Attachment IV

| Article | Revised | Current | Illustration |
|-------------|---|--|--|
| Article 4 | When the Company is required to invest in another company and become a limited liability partner , the total amount of all investment shall not exceed the limit of 40 percent of the share capital received under Article 13 of the Company Law, and the relevant transfer of investment shall be handled by resolution of the Board of Directors. | The Company may, in response to the needs of its business, the total amount of its transfer investment shall not exceed 40 percent of the total amount of paid-in share capital as set out in Article 13 of the Company Law, and the relevant transfer investment shall be handled by resolution of the Board of Directors. | Amended in accordance with article 13 of the Companies Act. |
| Article 5 | The headquarters of the Company is located in Taoyuan City, and may, depending on the actual needs of domestic and foreign appropriate locations to set up branches. | The Company is located in Taoyuan City, Taiwan Province , and may, depending on the actual needs of domestic and foreign appropriate locations to set up branches. | Taoyuan has been upgraded to the municipality. |
| Article 7 | The Total Capital of the Company is set at NT\$6 billion, divided into NT\$600 million of shares, NT\$10 per share, and unissued shares shall be issued by the Board of Directors in sub-issues at a later date as necessary. | The Total Capital of the Company is set at NT\$4 billion, divided into NT\$400 million of shares, NT\$10 per share, and unissued shares shall be issued by the Board of Directors in sub-issues at a later date as necessary. | Considering future development requires an additional capital. |
| Article 8 | Shares issued by the Company may be exempted from being printed, but should be contacted with the TDCC for stock registration. | The shares of the Company are all named and issued by more than three directors after signing or sealing or numbering their visas in accordance with the law. | Shares have been issued completely without entities |
| Article 8-1 | Deleted | The company's public offering of named shares may be exempted from printing shares, but should be in contact with the TDCC for stock registration. | Combined into Article 8. |
| Article 9 | The company's stock affairs are handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" and other relevant laws and regulations. | Shareholders shall submit their real names or titles, together with their addresses, to the Company in the register of shareholders and retain the seal type with the Company. If the sealing stamp retained by the shareholders is lost or damaged, it shall immediately notify the Company in writing and apply to the Company for a replacement of the new sealing stamp after it has been invalidated in the announcement of the General Daily at the place where the headquarters is located. | The relevant operations of the stock affairs have standardized the Guidelines for the Handling of Shares of Publicly Issued Stock Companies, so the relevant provisions have been deleted. |
| Article 10 | Deleted | The transfer of the Company's shares shall be approved by the transferee of the stock, and the name or name of the transferred party shall be recorded in the stock, | Ditto |

| Article | Revised | Current | Illustration |
|------------|--|---|---|
| | | and the transfer procedure shall be completed after the company has recorded the name or name of the transferred party and the domicile or residence of the transferred party in the shareholders' register. The Transfer shall not be used against the Company before the transfer procedures have been completed. | |
| Article 11 | Deleted | In the event of loss or damage to a stock that is illegible, the application for the exchange or replacement of new shares shall be handled in accordance with the guidelines of a Regulations Governing the Administration of Shareholder Services of Public Companies" | Ditto |
| Article 12 | Deleted | The Company may charge the cost of work for the change of name, transfer or replacement of new shares. | Ditto |
| Article 19 | When a shareholder entrusts an agent to attend a shareholders' meeting, he shall issue a power of attorney issued by the Company, which shall be delivered to the Company five days before the shareholders' meeting, and a shareholder shall issue a power of attorney and entrust one person to a limit. Where the power of attorney is duplicated, it shall prevail to the person who served first, but the principal before the declaration is revoked shall not be limited to this limit. Except for a trust business or a share transfer agency and registrar approved by the securities authority. when a person is entrusted by two or more shareholders at the same time, the voting power of his agent shall not exceed three percent of the total number of shares issued, and his voting power shall not be calculated if it exceeds that amount. The method of entrusting shareholders to attend shall, unless otherwise provided in the Company Law, be handled <u>in accordance with the Rules on the Use of Power of Attorney by TDCC to attend shareholders' meetings.</u> | When a shareholder entrusts an agent to attend a shareholders' meeting, he shall issue a power of attorney issued by the Company, which shall be delivered to the Company five days before the shareholders' meeting, and a shareholder shall issue a power of attorney and entrust one person to a limit. Where the power of attorney is duplicated, it shall prevail to the person who served first, but the principal before the declaration is revoked shall not be limited to this limit. Except for the trust business, when a person is entrusted by two or more shareholders at the same time, the voting power of his agent shall not exceed three percent of the total number of shares issued, and his voting rights shall not be calculated if he exceeds it. The agent is not limited to the shareholders of the Company. | Amended under section 177 of the Companies Act. |
| Article 20 | During the shareholders' meeting, except Company Law and these | The shareholders' meeting shall be attended by the chairman of the | Discretionary text correction. |

| Article | Revised | Current | Illustration |
|------------|---|--|---|
| | <u>Articles of Association, it shall be handled in accordance with the rules of procedure of the shareholders' meeting of the Company.</u> | company, if the chairman of the board of directors is not present for any reason, and if the vice chairman is not present for any reason, by the appointed director, whose unappointed person shall be represented by one person from each other. By other persons outside the board of director convenor, the chairman shall be the convenor of the meeting, the convenor of more than two people, shall be mutually elected one person to serve. | |
| Article 21 | The resolutions of the shareholders' meeting shall be made into a meeting minutes, signed or sealed by the Chairman, and distributed to the shareholders within 20 days after the meeting. The minutes shall record the year, month, day, place, name of the Chairman and the method of resolution of the meeting, and shall record the keys of the proceedings and their results, and shall be kept in the Company with the <u>signature sheet</u> of the shareholders present and the power of attorney for the attendance of the agent. The distribution of the minutes shall be made in such a manner of public announcement. | The resolutions of the shareholders' meeting shall be made into a meeting minutes, signed or sealed by the Chairman, and distributed to the shareholders within 20 days after the meeting. The minutes shall record the year, month, day, place, name of the Chairman and the method of resolution of the meeting, and shall record the keys of the proceedings and their results, and shall be kept in the Company with the signature book of the shareholders present and the power of attorney for the attendance of the agent. The distribution of the minutes shall be made in such a manner of public announcement. | Discretionary text correction. |
| Article 22 | The Company has seven to nine directors, all of which are appointed by the Shareholders' meeting with a capacity for conduct. Of the aforementioned directorships, <u>there shall be at least three independent directors and no less than 1/5 of board seats.</u> | The Company has seven to nine directors, all of which are appointed by the Shareholders' meeting with a capacity for conduct. Of the aforementioned directorships, there shall be three independent directors. | In accordance with section 24 of the Code of Practice on Corporate Governance of the Company. |
| Article 38 | This Charter was amended with the existing provisions (slightly) on February 25, 1992 by unanimous agreement of all the promoters. The 1st to 23rd amendments were the same as current clause (Omitted). <u>The 24th amendment was made on July 1, 2021.</u> | This Charter was amended with the existing provisions (slightly) on February 25th, 1992 by unanimous agreement of all the promoters. The 1st to 23rd amendments were the same as current clause (Omitted). | Add the date and number of revisions. |

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Attachment V

| Article | Revised | Current | Illustration |
|-----------|---|---|--|
| Article 2 | The company's acquisition to or disposition of assets shall be handled in accordance with the provisions of these procedures. However, the relevant financial decrees provide otherwise, comply with its provisions. | The company's acquisition to or disposition of assets shall be handled in accordance with the provisions of these procedures. However, the relevant financial decrees provide otherwise, comply with its provisions. Banks, insurance companies, bills finance companies, securities dealers, futures dealers and leveraged dealers and other financial concessions to conduct derivative commodity trading business or engage in derivative commodity trading, shall be in accordance with their industry shall be subject to other laws and regulations. | Remove banking and insurance regulations |
| Article 7 | <p>一、 The acquisition of real estate, equipment or its right-to-use assets shall be handled by procurement division, <u>financial and accounting division</u> and other related units in accordance with Article 24 of the Articles of Association and the provisions of the internal authorization after assessing the reasons for the proposed acquisition of the assets, the underlying objects, the relatives of the transaction, the transfer price, the terms of payment, the reference basis for the price, etc.</p> <p>二、 The disposition of real estate, equipment or its right-to-use assets shall be handled by <u>financial and accounting division</u> or other related units in accordance with Article 24 of the Articles of Association and the provisions of the internal authorization after the administrative department or other relevant units have assessed the subject matter, the relative of the transaction, the transfer price, the terms of payment, the reference basis for the price, etc.</p> <p>五、 The procedure for obtaining or disposing of short-term marketable securities shall be handled in accordance with the provisions of paragraph 4 of this Article, however, the board of directors may authorize the subject of the investment and the amount of investment in accordance with the provisions of the internal authorization within the limits set out in Article 28, paragraphs 2 to <u>5</u>, of this Procedure</p> | <p>一、 The acquisition of real estate, equipment or its right-to-use assets shall be handled by procurement division, administrative division and other related units in accordance with Article 24 of the Articles of Association and the provisions of the internal authorization after assessing the reasons for the proposed acquisition of the assets, the underlying objects, the relatives of the transaction, the transfer price, the terms of payment, the reference basis for the price, etc.</p> <p>二、 The disposition of real estate, equipment or its right-to-use assets shall be handled by administrative division or other related units in accordance with Article 24 of the Articles of Association and the provisions of the internal authorization after the administrative department or other relevant units have assessed the subject matter, the relative of the transaction, the transfer price, the terms of payment, the reference basis for the price, etc.</p> <p>五、 The procedure for obtaining or disposing of short-term marketable securities shall be handled in accordance with the provisions of paragraph 4 of this Article, however, the board of directors may authorize the subject of the investment and the amount of investment in accordance with the provisions of the internal authorization within the limits set out in Article 28, paragraphs 2 to 3, of this Procedure.</p> <p>三~四 Unchanged (Omitted)</p> | Adjust and set the line of credit in response to the organizational department |

| Article | Revised | Current | Illustration |
|------------|---|--|---|
| | 三~四 Unchanged (Omitted) | | |
| Article 28 | <p>The Limits of the Company's acquisition of real estate, other fixed assets, other assets and marketable securities for business use are as follows:</p> <p>1. The total amount of real estate, other fixed assets and other assets not for business use shall not exceed <u>50% of the equity attributable to the owners of parent company in the Company's recent financial statements.</u></p> <p>2. The total amount of investment in marketable securities shall not exceed <u>200% of the equity attributable to the owners of parent company in the company's recent financial statements.</u> <u>The total amount of short-term investment in marketable securities shall not exceed 10% of the equity attributable to the owners of parent company in the company's recent financial statements.</u></p> <p>3. The total amount invested in individual marketable securities shall not exceed <u>100% of the equity attributable to the owners of parent company in the Company's recent financial statements.</u> <u>The total amount invested in short-term individual marketable securities shall not exceed 5% of the equity attributable to the owners of parent company in the Company's recent financial statements.</u></p> <p>4. <u>The total amount of securities invested by the Company and its subsidiaries shall not exceed 200% of the equity attributable to the owners of the parent company in the Company's most recent financial statements. The total amount of short-term securities invested by the Company and its subsidiaries shall not exceed 10% of the equity attributable to the owners of the parent company in the Company's most recent financial statements.</u></p> <p>5. <u>The individual total amount of securities invested by the Company's subsidiaries shall not exceed 100% of the equity attributable to the owners of the parent company in the Company's</u></p> | <p>The Limits of the Company's acquisition of real estate, other fixed assets, other assets and short-term marketable securities for business use are as follows:</p> <p>1. The total amount of real estate, other fixed assets and other assets that are not for business use shall not exceed 10% of the capital received by the Company.</p> <p>2. The total amount of investment in short-term marketable securities shall not exceed the limit of 10% of the paid-in capital of the Company.</p> <p>3. The total amount invested in individual short-term marketable securities shall not exceed 5% of the paid-in capital of the company.</p> <p>Short-term marketable securities refer to securities held only for the purpose of investment transactions, as recognized in Article 3, paragraph 1, of this Procedure.</p> | Set the credit line of acquired securities. |

| Article | Revised | Current | Illustration |
|--|--|---|--------------|
| | <u>most recent financial statements. The short-term individual total amount of securities invested by the Company's subsidiaries shall not exceed 5% of the equity attributable to the owners of the parent company in the Company's most recent financial statements.</u> | | |
| Procedure to Engage in the Transactions of Financial Derivative Products | | | |
| Article | Revised | Current | Illustration |
| Chapter I General Rules | | | |
| Article 1 | In conjunction with the existing provisions | This procedure is amended in accordance with the 'Guidelines for the Acquisition or Disposition of Assets by the Financial Supervision Committee of the Executive Yuan. | |
| Article 2 | | Derivative commodities referred to trading covenants (e.g. forward covenants, options, futures, leverage margin, exchange, combination of such contracts, or embedded derivatives, or structured commodities) whose value is derived from a particular interest rate, financial instrument price, commodity price, exchange rate, price or rate index, credit rating or credit index, or other variables. | |
| Article 3 | | The forward contract referred does not include insurance contract, execution contract, after-sales service contract, long-term lease contract and long-term purchase (sale) contract. | |
| Article 4 | | The relevant matters relating to bond margin trading shall be handled in accordance with the relevant provisions of this procedure. | |
| Chapter II Operational procedure | | | |
| Article 5 | When trading derivatives, the types of transactions are as follows: 1. Risk aversion easy: foreign currency forward foreign exchange and option commodities. 2. B. Other specific purpose transactions. | When trading derivatives, the types of transactions are as follows: 1. Risk aversion easy: foreign currency forward foreign exchange and option commodities. 2. Other specific purpose transactions, Principal-guaranteed financial products. | |
| Article 6 | In conjunction with the existing provisions | Business strategy 1. The foreign exchange operations carried out by safe-haven easy, only to avoid the risk of exchange in operation, shall not engage in any speculation easy, and hold different currencies, must be in line with the actual foreign currency demand of the company. 2. Other transactions for specific purposes shall be approved by the competent authority and responsibility. | |

| Article | Revised | Current | Illustration |
|-----------|---|--|--------------|
| Article 7 | In conjunction with the existing provisions | <p>Responsibilities</p> <p>Finance personnel shall, on a monthly basis, submit future operational strategies according to the foreign currency location statistics table and credit certificate to the single schedule, and act according to the strategy after submitting the approval of the competent authority and responsibility in accordance with the internal authorization provisions. If there is a foreign exchange operation different from the predetermined strategy, the finance personnel shall again submit to the head of authority and responsibility for approval in accordance with the internal authorization provisions, and then proceed with the relevant transactions.</p> | |
| Article 8 | <p>The amount of the total amount of the contract and the maximum amount of the loss that can be engaged</p> <p>1. Hedging transaction:</p> <p>(1) The total amount of the contract relating to the safe-haven operation of foreign exchange shall not exceed the total foreign currency demand for the actual import and export of the company.</p> <p>(2) The maximum contractual losses on foreign exchange risk-averse operations are as follows:</p> <p>(i) Contracts for individual targets: losses are capped at 20% of the contract amount.</p> <p>(ii) Total contract: The maximum loss is 20% of the total contract amount.</p> <p>(iii) If the individual contract or total contract of an individual hedge target is assessed at the end of two consecutive months to the maximum amount of the loss, the supervisor of authority shall decide whether to enforce the suspension and report the situation to the Board of Directors afterwards.</p> | <p>The amount of the total amount of the contract and the maximum amount of the loss that can be engaged</p> <p>1. Hedging transaction:</p> <p>(1) The total amount of the contract relating to the safe-haven operation of foreign exchange shall not exceed the total foreign currency demand for the actual import and export of the company.</p> <p>(2) The maximum contractual losses on foreign exchange risk-averse operations are as follows:</p> <p>(i) Contracts for individual targets: losses are capped at 20% of the contract amount.</p> <p>(ii) Total contract: The maximum loss is 20% of the total contract amount.</p> <p>(iii) If the individual contract or total contract of an individual hedge target is assessed at the end of two consecutive months to the maximum amount of the loss, the supervisor of authority shall decide whether to enforce the suspension and report the situation to the Board of Directors afterwards.</p> <p>2. Other specific purpose transactions:</p> <p>(i) The transaction plan shall be prepared on demand and implemented upon approval.</p> <p>(ii) Individual contract losses are capped at 5% of the amount and all contractual losses are capped at 5% of the amount.</p> | |

| Article | Revised | Current | Illustration |
|------------|--|--|--------------|
| | <p>2. Other specific purpose transactions:</p> <p>(i) The transaction plan shall be formulated on demand and implemented <u>with the approval of the Board of Directors.</u></p> <p>(ii) The transaction plan shall be prepared on demand and implemented upon approval.</p> <p>1. <u>Total contract amounts: The total amounts of all derivative transactions shall be capped at 50% of the equity attributable to the owners of the parent company in the most recent financial statements, and if the underlying of derivative contracts is a marketable security, the limit shall be applied in accordance with the limit stipulated in Article 28, Paragraphs 2 to 5 of the Procedures for the Acquisition and Disposition of Assets.</u></p> | | |
| Article 9 | In conjunction with the existing provisions | <p>Performance evaluation</p> <p>1. Hedging transaction: Finance personnel should assess and review operational performance at market prices on a weekly basis, and assess the two times a month to regularly report operational performance to the head of authority and responsibility, in order to review and improve the operation strategy of hedging strategy.</p> <p>2. Other specific purpose transactions: The area held should be evaluated at least once a week, and its assessment report shall be submitted to the Head of Authority and Responsibility.</p> | |
| Article 10 | In conjunction with the existing provisions | <p>The Company engages in derivatives trading, the responsibilities of the supervisors and operators are as follows:</p> <p>1. Heads at all business units:</p> <ol style="list-style-type: none"> 1. Control of the company-wide authorized limits established by the Board of Directors. 2. The nuclear decision of the trader's appointment and removal and the regulation of the trading department and the amount of the trader's authorization. 3. The format of the risk report. 4. The development of risk assessment models and performance appraisal models. <p>2. Trading department personnel:</p> | |

| Article | Revised | Current | Illustration |
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| | | <p>(1) The determination of trading strategies within the scope of authorization and the direct trading with counterparties.</p> <p>(2) Instant availability of transaction documents and vouchers.</p> | |
| Chapter III Accounting Principles | | | |
| Article 11 | In conjunction with the existing provisions | The main objective of the Company's derivative commodity accounting treatment policy is to express the transaction process and economic results in accordance with generally accepted accounting principles and relevant laws and regulations, with complete book vouchers and accounting records, in accordance with the nature of different transactions and the manner in which they are handled. | |
| Article 12 | | The accounting treatment of derivative easy commodities shall be carried out at different time points, such as deposit margin, purchase and sale transactions, contract expiration, contract settlement, etc., and the transaction procedure shall prepare appropriate accounting entries according to the vouchers. | |
| Article 13 | | The accounting treatment of commodities engaged in derivative transactions shall be handled at the end of each month in accordance with the bulletin of the relevant accounting standards. | |
| Article 14 | | In preparing periodic financial reports (including annual, semi-annual, quarterly financial reports and consolidated financial reports), the Company discloses its general related matters by category in the notes to the financial statements in accordance with the 'Guidelines for the Acquisition or Disposition of Assets by Public Offering Company' published by the Financial Supervision Committee. | |
| Chapter III Announcement Declaration Procedure | | | |
| Article 15 | In conjunction with the existing provisions | The Company shall, before the 10th of each month, make an announcement on the relevant contents of the derivatives transactions conducted by the Company in the previous month in accordance with the 'Guidelines for the Acquisition or Disposition of Assets by the Public Offering Company' of the Financial Supervision Committee. | |
| Article 16 | | In accordance with this procedure, all items shall be re-published and declared if there are gaps in the announcement and they should be corrected. | |
| Article 17 | In conjunction with the existing provisions | The Company shall, before the end of February of each year, declare the | |

| Article | Revised | Current | Illustration |
|--|---|--|--------------|
| | | implementation of the audit plan for derivative commodity transactions for the previous year in accordance with the prescribed format and report to the Financial Supervision Committee for reference in accordance with the prescribed format. | |
| Article 18 | In conjunction with the existing provisions | The Company shall, before the end of May of each year, report to the Financial Supervision Committee in accordance with the prescribed format for the improvement of internal controls and anomalies seen in the audit of derivative commodity transactions in the previous year. | |
| Chapter V Internal control system | | | |
| Article 19 | In conjunction with the existing provisions | The scope of risk management should include credit, market prices, liquidity, cash flow, operations and legal. | |
| Article 20 | | Trading personnel engaged in derivative commodities and operators such as confirmation and delivery shall not concurrently work with each other. | |
| Article 21 | | The Treasurer shall pay attention to the supervision and control of the risks of derivative commodity transactions at all times, and shall regularly assess whether the performance of engaging in derivative commodity transactions is in accordance with established business strategies, whether the risks assumed are within the limits of the Company's tolerance, and shall regularly assess the appropriateness of the risk management procedures currently in use and indeed in accordance with the relevant provisions of this procedure. | |
| Article 22 | | The Company engages in derivative commodity trading and shall conduct simultaneous trading evaluation according to the trader's category, commodity category, and the company's overall trading status. | |
| Article 23 | | The Company shall regularly evaluate and adjust its credit rating and quota with the Company's counterparties for derivatives and commodities, and set trading restrictions in real time for those in exceptional circumstances. | |
| Article 24 | | In engaging in derivative commodity trading, the Company shall establish a reference book and publish in detail the type, amount, date of approval of the Board of Directors and the assessment of the preceding items in the inventory. | |
| Article 25 | | The Company engages in derivative transactions shall report them to the Board of Directors afterwards. | |

| Article | Revised | Current | Illustration |
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| Chapter VI Internal Audit System | | | |
| Article 26 | In conjunction with the existing provisions | Internal auditors shall regularly understand the perverse nature of internal controls in derivative commodity transactions and check the compliance of financial personnel with the 'handling procedures for dealing with derivative commodities' on a monthly basis and analyze the transaction cycle, which shall be submitted to the Board of Directors as an audit report. If a material violation is found, the Audit Committee shall be notified in writing. | |
| Article 27 | | The contents of the audit personnel's examination and testing shall include policies, trading limits, trading procedures, evaluation operations, risk control and so on. | |
| Article 28 | | Auditors shall review transactions that deviate from market prices, unusual trading volumes, and special transactions outside the premises after business hours, and issue reports on their possible impact on the Company. | |
| Chapter VII By-laws | | | |
| Article 29 | In conjunction with the existing provisions | Amendments to this procedure shall be approved by the Audit Committee and then submitted to the Shareholders' Meeting upon approval by the Resolution of the Board of Directors, and the Company shall send the Director's objection information to the Audit Committee if there is any objection from the Director and a recorded or written statement. | |

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Attachment VI

| Article | Revised | Current | Illustration |
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| Article 4 | <p>Limits:</p> <p>1. The total amount of capital lending shall not exceed 30 percent of the Net Value of the Company.</p> <p>2. The individual company in which is doing business with EMC shall not exceed 50% of the total amount of transactions (sold) in the most recent year and shall not exceed 3% of the company's net worth, and its total lending amount shall not exceed 30% of the company's net worth.</p> <p>3. An individual lending of a company for short-term financing <u>and</u> its total lending shall not exceed 30% of the company's net worth.</p> <p>4. The Company that directly and indirectly holds 100% of the voting shares of the foreign companies, the limits of the total amount of lending and individual objects shall not exceed 30% of the net value of the subsidiary.</p> <p>5. Foreign companies holding 100% of the voting shares of the Company, directly and indirectly, shall limit the amount of loans and individual objects to not more than 30% of the net value of the subsidiary when the Company engages in capital lending.</p> <p>Group capital lending shall not exceed 100 % of the Company's net worth.</p> | <p>Limits:</p> <p>1. The total amount of capital lending shall not exceed 30 percent of the Net Value of the Company.</p> <p>2. The individual company in which is doing business with EMC shall not exceed 50% of the total amount of transactions (sold) in the most recent year and shall not exceed 3% of the company's net worth, and its total lending amount shall not exceed 30% of the company's net worth.</p> <p>3. An individual lending of a company necessary for short-term financing shall not exceed 15% of the company's net worth and its total lending shall not exceed 30% of the company's net worth.</p> <p>4. The Company that directly and indirectly holds 100% of the voting shares of the foreign companies, the limits of the total amount of lending and individual objects shall not exceed 30% of the net value of the subsidiary.</p> <p>5. Foreign companies holding 100% of the voting shares of the Company, directly and indirectly, shall limit the amount of loans and individual objects to not more than 30% of the net value of the subsidiary when the Company engages in capital lending.</p> <p>Group capital lending shall not exceed 100 % of the Company's net worth.</p> | In response to inter-group capital funding needs. |

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Attachment VII

| Article | Revised | Current | Illustration |
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| Article 6 | <p>If the elected person is a natural person, the elected person shall fill in the name of the elected person on the electoral ballot. If an elected person is a shareholder of a government or legal person, the name of the shareholder of that government or legal person shall be filled in. If the elected person is the representative of the shareholder of the government or legal person, the name of the shareholder of the government or legal person and the name of its representative shall be filled in.</p> | <p>If the elector is a shareholder, he shall fill in the "Elected Person" column of the election ballot and add the name of the elected person and the name of the shareholder, and if he is not a shareholder, the name and business-administration number of the elected person shall be filled in. However, if the government or the shareholder of a legal person is the elected person, the name of the government or legal person shall be included in the name of the elected person in the household name of the person to be elected, and the name of the government or legal person and the name of its representative shall also be included. Where there are several representatives, the names of the representatives shall be filled in separately.</p> | <p>Complied with FSC published on April 25, 2019, the issued decree No. 1080311451, The nomination system for the election of directors and supervisors of listed (OTC) companies shall be adopted from 2021 onwards, the shareholders shall be elected on the list of candidates for directors, and the shareholders shall know the names and academic experience of the candidates from the list of candidates before the meeting of the shareholders, and it is not necessary to identify the candidates by the number of the shareholders' account number or ID card.</p> |
| Article 7 | <p>Election ballots are invalid if one of the following: (1) Ballots are not complied by these Measures. (2) Put blank electoral votes at the ballot box. (3) Blurred handwriting is unrecognizable or altered. (4) If the elected person is not matched with the candidate of directors. (5) Except for the elected person and electoral rights allocated, other words are written. (6) The same electoral vote is filled in for two or more of the elected persons.</p> | <p>Election ballots are invalid if one of the following: (1) Ballots are not complied by these Measures. (2) Put blank electoral votes at the ballot box. (3) Blurred handwriting is unrecognizable or altered. (4) If the elected person is a shareholder, his account name, shareholder's account number and those who do not conform to the shareholder's register of members; If the elected person is not a shareholder, he or she shall be elected— and business-administration number are checked and not matched. (5) Except for the elected name-account (name) or the number of the shareholder (business-administration number), That is, in addition to the number of electoral rights allocated, other words are written. (6) If the account name (name) of the elected person or the business-administration number of the shareholder (uniform number) is not filled in. (7) The same electoral vote is filled in for two or more of the elected persons.</p> | <p>shall know the names and academic experience of the candidates from the list of candidates before the meeting of the shareholders, and it is not necessary to identify the candidates by the number of the shareholders' account number or ID card.</p> |

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