



# **2022 Annual Shareholders' Meeting**

## **Meeting Agenda (Translation)**

**May 24, 2022**



# FARADAY

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## **2022 Annual Shareholders' Meeting Procedures**

- 1 、 Meeting in section
- 2 、 Chairperson takes the seat
- 3 、 Chairperson's speech
4. 、 Status Reports
5. 、 Approval Items
- 6 、 Discussion Items
- 7 、 Extraordinary Motions
- 8 、 Meeting adjourn



## **2022 Annual Shareholders' Meeting Agenda**

**1 、 Time:** 9:00 a.m., May 24th, 2022

**2 、 Place:** No. 5, Li-Hsin Rd. III, Hsinchu Science Park, Hsinchu City, Taiwan (Faraday Hsinchu Headquarters)

**3 、 How to convene :** Physical shareholders' meetings

**4 、 Attendance:** All shareholders and equity representatives

**5 、 Chairperson:** Chia-Tsung Hung, Chairman of the Board of Directors

**6 、 Chairperson's speech**

**7 、 Status Reports**

- (1) 2021 Business Report.
- (2) Audit Committee's Review Report on the 2021 Financial Statements.
- (3) 2021 Profit Distribution for employees and directors.
- (4) Amendment to the “Ethical Corporate Management Best Practice Principles”
- (5) Amendment to the “ Adoption of Codes of Ethical Conduct”
- (6) Amendment to the “Corporate Governance Best Practice Principles”
- (7) Set up to the “Sustainable Development Best Practice Principles”

**8 、 Approval Items**

- (1) Faraday's 2021 Business Report and Financial Statements.
- (2) Faraday's 2021 Profit Distribution.

**9 、 Discussion Items**

- (1) To amend Faraday's “Rules of Procedures for Shareholder Meetings”
- (2) To amend Faraday's “Articles of Incorporation”
- (3) To amend Faraday's “Rules for Election of Directors”
- (4) To amend Faraday's “Operational Procedures for Loaning of Funds to Others”
- (5) To amend Faraday's “Operational Procedures for Endorsements/Guarantees”
- (6) To amend Faraday's “Procedures for Acquisition or Disposal of Assets”

**10 、 Extraordinary Motions**

**11 、 Meeting adjourn**

## **2.1 · Status Reports**

### **Report I**

**Proposed by the Board of Directors**

Cause of action : 2021 Business Report.

Explanation:

- (1) Please refer to the Annex 3.1 on Page 9 ~ 11 of this Handbook for the 2021 business report.
- (2) Please review and inspect the details together.

### **Report II**

**Proposed by the Board of Directors**

Cause of action : Audit Committee's Review Report on the 2021 Financial statements.

Explanation:

- (1) Please refer to the Annex 3.2 on Page 12 of this Handbook for the Audit Committee's 2021 Review Report.
- (2) Please review and inspect the details together.

### **Report III**

**Proposed by the Board of Directors**

Cause of action: 2021 Profit Distribution for employees and directors.

Explanation:

- (1) The Board of Directors approved 2021 employees' and directors' remuneration according to the Articles of Incorporation in the 5th Board Meeting with the Company's 11th term Board members. The employees' and directors' remuneration are to be distributed in cash. The total amount of cash remuneration for directors is NT\$1,928,699 and for employees is NT\$173,360,833.
- (2) Please review and inspect the details together.

### **Report IV**

**Proposed by the Board of Directors**

Cause of action: Amendment to the "Ethical Corporate Management Best Practice Principles".

Explanation:

- (1) To foster a corporate culture of ethical management and sound development, in line with the current regulations of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" published by TWSE, it is proposed to amend partial articles of Faraday's "Ethical Corporate Management Best Practice Principles".
- (2) Please refer to the Annex 3.6 on Page 34 ~ 49 of this Handbook for the comparison table for amended articles.
- (3) Please review and inspect the details together.

**Report V****Proposed by the Board of Directors**

Cause of action: Amendment to the “Adoption of Codes of Ethical Conduct”.

Explanation:

- (1) To strengthen the integrity of the code of ethical conduct adopted by the Company, it is proposed to amend partial articles of Faraday’s “Guidelines for the Adoption of Codes of Ethical Conduct” in accordance with the current regulations of the “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies” published by TWSE.
- (2) Please refer to the Annex 3.7 on Page 50 ~ 58 of this Handbook for the comparison table for amended articles.
- (3) Please review and inspect the details together.

**Report VI****Proposed by the Board of Directors**

Cause of action: Amendment to the “Corporate Governance Best Practice Principles”.

Explanation:

- (1) To establish a sound corporate governance system, it is proposed to amend partial articles of Faraday’s “Corporate Governance Best Practice Principles” in accordance with the current regulations of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” published by TWSE.
- (2) Please refer to the Annex 3.8 on Page 59 ~ 79 of this Handbook for the comparison table for amended articles.
- (3) Please review and inspect the details together.

**Report VII****Proposed by the Board of Directors**

Cause of action: To set up Faraday’s “Sustainable Development Best Practice Principles”.

Explanation:

- (1) To fulfill corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, it is proposed to set up and be followed by the rules and regulations of Faraday’s “Sustainable Development Best Practice Principles” in accordance with the current regulations of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” published by TWSE.
- (2) Please refer to the Annex 3.9 on Page 80 ~ 86 of this Handbook for the content of “Sustainable Development Best Practice Principles”.
- (3) Please review and inspect the details together.

## 2.2 、 Approval Items

### Proposal I

Proposed by the Board of Directors

Cause of action: Faraday's 2021 Business Report and Financial Statements.

Explanation:

- (1) The financial statements of the company for 2021 have been audited and completed by accountants, Qiu Wanru and Xu Xinmin, of Ernst & Young Public Accountant Firm. Together with the business report, they have been approved in the 5th Board Meeting with the Company's 11th term Board members; and the reports were submitted to the Audit Committee to issue and file.
- (2) Please refer to Annex 3.1 on pages 9 ~ 11 and Annex 3.3 ~ Annex 3.4 on page 13 ~ 32 of this Handbook for the aforementioned Business report and Financial Statements.
- (3) Submit for approval

Resolutions:

### Proposal II

Proposed by the Board of Directors

Cause of action: Faraday's 2021 Profit Distribution.

Explanation:

- (1) The Company's 2021 Earnings Distribution Table was approved in the 5<sup>th</sup> Board Meeting with the Company's 11<sup>th</sup> term Board members, and had been reviewed and completed by the audit committee. Please refer to the Annex 3.5 of this Handbook on page 33 for more details.
- (2) For this earnings distribution, a cash dividend of NT\$820,216,033 will be allocated to shareholders, and about NT\$3.3 per share will be distributed. It is calculated according to the distribution ratio and rounded up to the dollar (all below NT dollars will be rounded off), and the total amount of the odd share that is less than NT\$1 will be transferred to the Employee Welfare Committee of the company.
- (3) It is proposed that the Chairman be authorized by the Board of Directors to resolve the ex-dividend date, the distribution date of cash dividends, and other relevant issues; if the number of outstanding common shares of the company changes and the payout ratio changes accordingly, the chairman is also authorized with full power to adjust it.
- (4) Submit for approval

Resolutions:



## 2.3 · Discussion Items

### Proposal I

Proposed by the Board of Directors

Cause of action: To amend Faraday's "Rules of Procedure for Shareholder Meetings."

Explanation:

- (1) To establish a strong governance system and sound supervisory capabilities for Faraday's shareholders meetings, and to strengthen management capabilities, it is proposed to amend partial articles of Faraday's "Rules of Procedures for Shareholder Meetings" in accordance with the current regulations of the "Samples of Corporate Governance Best Practice Principles" published by TWSE.
- (2) Please refer to the Annex 3.10 on Page 87 ~ 114 of this Handbook for the comparison table for amended articles.
- (3) Submit for approval

Resolutions:

### Proposal II

Proposed by the Board of Directors

Cause of action: To amend Faraday's "Articles of Incorporation"

Explanation:

- (1) In comply with the current provisions of the Securities and Exchange Act and the Company Act, and to make the company rules and regulations be more specific, it is proposed to amend partial articles of Faraday's "Articles of Incorporation".
- (2) Please refer to the Annex 3.11 on Page 115 ~ 121 of this Handbook for the comparison table for amended articles.
- (3) Submit for approval.

Resolutions:

### Proposal III

Proposed by the Board of Directors

Cause of action: To amend Faraday's "Rules for Election of Directors"

Explanation:

- (1) To ensure a just, fair, and open election of directors, it is proposed to amend partial articles of Faraday's "Rules for Election of Directors" in accordance with the current regulations of the "Sample Template for XXX Co., Ltd. Procedures for Election of Directors" published by TWSE.
- (2) Please refer to the Annex 3.12 on Page 122 ~ 128 of this Handbook for comparison table for

amended articles.

(3) Submit for approval.

Resolutions:

#### **Proposal IV**

**Proposed by the Board of Directors**

Cause of action: To amend Faraday's "Operational Procedures for Loaning of Funds to Others"

Explanation:

- (1) In comply with the current regulations of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" issued by the Financial Supervision and Administration Commission of the Executive Yuan, it is proposed to amend partial articles of Faraday's "Operational Procedures for Loaning of Funds to Others".
- (2) Please refer to the Annex 3.13 on Page 129 ~ 132 of this Handbook for the comparison table for amended articles.
- (3) Submit for approval.

Resolutions:

#### **Proposal V**

**Proposed by the Board of Directors**

Case of action: To amend Faraday's "Operational Procedures for Endorsements and Guarantees"

Explanation:

- (1) In comply with the current regulations of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" issued by the Financial Supervision and Administration Commission of the Executive Yuan, it is proposed to amend partial articles of Faraday's "Operational Procedures for Endorsements/Guarantees".
- (2) Please refer to the Annex 3.14 on Page 133 ~ 136 of this Handbook for the comparison table for amended articles.
- (3) Submit for approval.

Resolutions:

#### **Proposal VI**

**Proposed by the Board of Directors**

Cause of action: To amend Faraday's "Procedures for Acquisition or Disposal of Assets."

Explanation:

- (1) In accordance with the TWSECo., Ltd. Taiwan Securities No. 1110002112, it is proposed to amend partial articles of Faraday's "Procedures for Acquisition or Disposal of Assets"

- (2) Please refer to the Annex 3.15 on Page 137 ~ 147 of this Handbook for the comparison table for amended articles.
- (3) Submit for approval

Resolutions:

## **2.4 、 Extraordinary Motions**

## **2.5 、 Meeting adjourn**

## **Annex 3.1: 2021 Business Reports**

### **FARADAY TECHNOLOGY CORPORATION 2021 Business Reports**

Dear shareholders,

2021 was the year with challenges for the global semiconductor industry. The COVID-19 pandemic and the transformation of the geopolitical situation have brought great disturbance and uncertainty to the society. However, with the rise of new trends such as working from home (WFH) and distance learning, the semiconductor industry has ushered in a new wave of demand, and the industrial supply chain is also facing the pressure of tight production capacity. On the one hand, Faraday proceeds a good job in epidemic prevention; on the other hand, strengthens technological development; meanwhile, working closely with customers and the supply chain to keep abreast of the dynamic changes in demand and supply. At Faraday, we attach great importance to the health and safety of our colleagues, and the preparations for epidemic prevention were initiated very early and quite successfully. In terms of business, the company has also actively adjusted its strategy and tried our best to continue to meet the requirements of our customers. Facing various challenges in 2021, Faraday has created new achievements in both business and financial performance with its unique operating model and competitive advantages. 2021 was a year of remarkable growth and progress for Faraday. The new ASIC projects have maintained high grades year after year, and the revenue has achieved excellent performance in all aspects: Silicon Intellectual Property (IP) revenue has hit a 14-year high, the non-recurring engineering (NRE) has also benefited from the booming ASIC projects to set a historical record high. The company's mass production revenue has also been increased for 3 consecutive years, driven by new project shipments. These are the results of long-term accumulation and fully demonstrate the company's solid mid-term and long-term competitiveness. Looking back to the year of 2021, with the efforts of all employees, the annual collective revenue reached NT\$8.09 billion, an increase of 47% over the previous year, reaching the second highest in history; in terms of profit performance, the annual operating profit was even higher than the previous year. It has grown more than nine times in one year to NT\$1.4 billion, operating profit rate has reached 17.3% with basic earnings per share of NT\$4.65.

The main operating results of Faraday in 2021 are as follows:

- The revenue structure was optimized, and the mass production has been entered a stacked growth. Faraday is positioned as an expert in customized ICs, with complete technical layout and unique business model, Faraday is able to focus on the blue ocean market of niche products. Niche products have the characteristics of long life cycle and are less affected by economic fluctuations. Taken as growth drivers, they will bring long-term structural changes to mass production revenue, and strengthen the growth and predictability of revenue. In 2021, under the stacked growth of new projects, mass production became the

main driving force, and the revenue increased by 56% compared to the previous year to NT\$5.61 billion, growing for three consecutive years.

- ASIC orders were stable, and non-recurring engineering (NRE) revenue has hit a record high. Faraday's achievements in ASIC orders are obvious to all. With the support of existing customers, the annual order numbers and order amount have remained consistently high even if affected by the epidemic, indicating that the customer has a close cooperation relationship with Faraday and has high customer engagement. In terms of applications, we continue our long-term efforts in niche advantageous applications, including automation applications, artificial intelligence and the Internet of Things (AIoT), network communications, etc. We have made gains in these rapidly developing fields. Faraday orders pay attention first to mass production, and the continuous accumulation of ASIC orders will lay the foundation for the growth of future mass production. In 2021, the NRE revenue increased by 32% and hit a record high of NT\$1.41 billion.
- Focusing on its own IP development, IP revenue hit a 14-year high. Faraday's complete proprietary IP platform is the cornerstone of our business operations, which not only provides IP customization services to reduce design risks, but also brings IP revenue to the company. In addition, Faraday is also actively investing in the IP deployment of advanced processes to prepare for customer future needs. In 2021, IP revenue increased by 27% over the previous year to NT\$1.06 billion, a 14-year high.

Faraday continues to innovate and invest in research and development. In 2021, Faraday's significant technological breakthroughs and achievements included:

- Introduced complete image and display high-speed interface IP in UMC's 40 LP and 28 HPC/28 HPC Plus processes and has been successfully applied in many top high-end products to meet the requirements of various image and display systems.
- Based on UMC's 28 HPC Plus process, it has launched programmable 16G SerDes with high applicability, suitable for both enterprise and consumer products, which can help customers expand business opportunities to more diverse applications.
- Launched LPDDR4/4X PHY IP on Samsung 14 LPC process platform and has passed silicon verification, suitable for multimedia, AR/VR, AI edge computing, AIoT, 5G Netcom and other applications.
- Successfully built a 5G NR mmWave ASIC project, which is used in small cell baseband/IF and RRU (Remote Radio Unit), fully demonstrating the company's comprehensive integrated service capabilities and high-speed interface IP solutions and manufacturing services.
- Launched MIPI D-PHY IP on Samsung 14 LPC process platform and has passed silicon verification, which can support a board range of high-performance display and camera applications to meet customers' specific needs in complex SoC designs.
- Successfully used the self-developed SoReal!™ 2.0 virtual platform to help customers quickly build SoC virtual systems and accelerate the software development of industrial IoT

systems.

Faraday has also received honors and recognitions in technology research and development and corporate sustainability. Faraday has been dedicated to automotive IP for over a decade. After the design process has passed ISO 26262 certification, Faraday has continued to invest in automotive IP research and development, and applied by worldwide first-tier automotive suppliers. The company also launched memory IP in UMC's 55 nm eFlash process. And successfully received the ISO 26262 ASIL-D Ready certificate, the highest level of automotive safety, issued by the German certification agency SGS-TÜV. In addition to focusing on its own business, Faraday is also committed to fulfilling its corporate social responsibility. Through cross-departmental teamwork and stakeholder management, Faraday carried out operations such as identification of major ESG issues, risk assessment management, green R&D innovation, etc., and promoted/strengthened 11 major ESG issues and won the AQM x SGS Quality Excellence Case Award. In addition, the company continuously responded to government agencies and global investment institutions' initiatives for environmental protection, introduced the TCFD climate change-related financial disclosure framework to implement corporate sustainability, and promoted the interaction with community and society by the main topics of "education", "environmental protection", and "helping for the disadvantaged". We have continuously completed a number of campus education promotion, sponsored ecological conservation activities and donated a number of charity activities.

In 2021, the company's market capitalization has also grown rapidly with its own business, and Faraday has been selected as a constituent stock of the Taiwan Mid-Cap 100 Index. On the other hand, Faraday also continuously selected as a constituent stock of Taiwan High Compensation 100 Index. Looking forward to the future, the company will continue to implement epidemic prevention measures and continue to strengthen the company's fundamentals. We believe that with Faraday's unique operating model and service platform, we are in an excellent position in terms of IP, commissioned design, product application, and customer base. At the end, we would like to thank you again for your long-term support for Faraday Technology. All employees of the company will continue to work hard so as to create maximum value for shareholders.

Chairman: Chia-Tsung, Hung

President: Kuo-Yung Wang

Accounting Officer: Wen-Ju Tsen

## **Annex 3.2: Audit Committee's Review Report**

### **Audit Committee's Review Report**

The board of directors had prepared and presented the Company's 2021 business report, financial statements (including consolidated and parent company only), and surplus earnings distribution proposals, of which, the financial statements (including consolidated and parent company only) were audited by Ernst & Young Global Limited with an independent auditor's report issued. The aforementioned business report, financial statements (including consolidated and parent company only), and the surplus earnings distribution proposal were reviewed by the Audit Committee and concluded to be in compliance with the Company Act and other relevant laws and regulations. The Audit Committee Review Report is hereby presented in accordance with Article 14 of the Securities Exchange Act and Article 219 of the Company Act for review and approval.

FARADAY TECHNOLOGY CORPORATION

The 2022 Annual Shareholders' Meeting

**Audit Committee Convener: Bing-Kuan Luo**

February 22, 2022

## **Annex 3.3: 2021 Consolidated Financial Statements with report of Independent Accountants**

### **Independent Auditors' Report Originally Issued in Chinese**

To Faraday Technology Corporation

#### **Opinion**

We have audited the accompanying consolidated balance sheets of Faraday Technology Corporation and its subsidiaries (“the Group”) as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter – Making Reference to the Audits of Component Auditors* section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and their consolidated financial performance and cash flows for the years ended December 31, 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Revenue Recognition

Net sales recognized by the Group amounted to NT\$8,085,201 thousand for the year ended December 31, 2021, including sale of goods, rendering of services and silicon intellectual property license in the amount of NT\$5,613,524 thousand, NT\$1,783,467 thousand and NT\$688,210 thousand, constituting 69.43%, 22.06% and 8.51% of consolidated net sales, respectively. Revenue is the main operating activity of the Group. The sales includes application-specific integrated circuit (ASIC) products, and the services include non-recurring engineering (NRE) and silicon intellectual property license (IP). Revenue includes different sources such as sale of goods and services provided and judgement is exercised to determine the performance obligations and when those were satisfied. As a result, we determined the matter to be a key audit matter.

Our audit procedures included (but not limited to), assessing the appropriateness of the accounting policies of revenue recognition for sales of goods, rendering of services and silicon intellectual property license, testing the operating effectiveness of internal controls established by management for sale of goods, rendering of services and silicon intellectual property license, performing analytical procedures of gross margin by product, selecting samples to perform test of details of transactions including identification of performance obligations in contracts and verification of when performance obligations were satisfied, reviewing significant service agreements for terms of contracts, project milestones and relevant communication information with the Group's customers for service provided, and inspect evidence of client acceptance for deliverables and inspect shipping documents and invoices to verify proper cut-off of revenue, etc.. We also assessed the adequacy of accounting policy and disclosures of operating revenues. Please refer to Note 4 (17) and Note 6 (15).

### **Other Matter – Making Reference to the Audits of Component Auditors**

We did not audit the financial statements of certain subsidiaries, whose statements reflect total assets of NT\$820,526 thousand and NT\$636,588 thousand, constituting 6.82% and 7.76% of total consolidated assets as of December 31, 2021 and 2020, respectively, and total operating revenues of NT\$1,520,178 thousand and NT\$956,439 thousand, constituting 18.80% and 17.40% of consolidated operating revenues for the years ended December 31, 2021 and 2020, respectively. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Group, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Group.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2021 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Others

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent company only financial statements of Faraday Technology Corporation as of and for the years ended December 31, 2021 and 2020.

/s/Chiu, Wan-Ju

/s/Hsu, Hsin-Min

Ernst & Young, Taiwan

February 22, 2022

## Notice to Readers

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

The accompanying consolidated financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
**FARADAY TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
As of December 31, 2021 and December 31, 2020  
(Expressed in thousands of New Taiwan Dollars)

Assets	Note	As of		Liabilities and Equity	Note	As of	
		December 31, 2021	December 31, 2020			December 31, 2021	December 31, 2020
<b>Current assets</b>				<b>Current liabilities</b>			
Cash and cash equivalents	4, 6(1)	\$ 4,763,080	\$ 3,048,331	Financial liabilities at fair value through profit or loss, current	4, 6(2)	\$ -	\$ 1,504
Financial assets at fair value through profit or loss, current	4, 6(2)	26,296	23,497	Contract liabilities, current	4, 6(15), 7	1,310,720	476,604
Contract assets, current	4, 6(15), 6(16)	33,288	137,475	Notes payable		3	3
Notes receivable, net	6(16)	4,030	1,360	Accounts payable		844,644	481,775
Accounts receivable, net	4, 6(4), 6(16)	780,987	559,524	Accounts payable - related parties	7	527,278	162,940
Accounts receivable - related parties, net	4, 6(4), 6(16), 7	153,567	130,254	Payables on equipment		553	-
Other receivables, net		77,662	113,986	Other payables	6(12)	622,115	392,146
Inventories, net	4, 5, 6(5)	1,320,690	500,634	Current tax liabilities	4, 6(21)	171,166	50,343
Other current assets	6(6), 7	191,142	181,234	Lease liabilities, current	4, 6(17), 12	18,353	32,575
Costs to fulfill a contract, current	6(15)	41,412	5,961	Other current liabilities		10,851	16,195
Total current assets		<u>7,392,154</u>	<u>4,702,256</u>	Total current liabilities		<u>3,505,683</u>	<u>1,614,085</u>
<b>Non-current assets</b>				<b>Non-current liabilities</b>			
Financial assets at fair value through other comprehensive income, non-current	4, 6(3)	2,915,438	2,245,962	Deferred tax liabilities	4, 6(21)	8,594	6,810
Financial assets measured at amortized cost, non-current	4, 6(8), 8	189,382	16,433	Lease liabilities, non-current	4, 6(17), 12	200,594	209,836
Property, plant and equipment	4, 6(9)	517,870	539,322	Long-term payables	6(12)	161,247	16,321
Right-of-use assets	4, 6(17)	211,436	234,275	Long-term deferred revenue		-	2,715
Intangible assets	4, 6(10)	505,049	259,256	Defined benefit liabilities, non-current	4, 6(13)	5,088	8,395
Deferred tax assets	4, 6(21)	26,305	48,775	Total non-current liabilities		<u>375,523</u>	<u>244,077</u>
Refundable deposits		115,021	11,430	Total liabilities		<u>3,881,206</u>	<u>1,858,162</u>
Other non-current assets		163,850	141,447	<b>Equity attributable to the parent company</b>			
Total non-current assets		<u>4,644,351</u>	<u>3,496,900</u>	Capital	6(14)		
				Common stock		2,485,503	2,485,503
				Additional paid-in capital	6(14)	705,700	724,574
				Retained earnings	6(14)		
				Legal reserve		1,551,782	1,510,216
				Special reserve		-	369,710
				Unappropriated earnings		1,727,050	491,085
				Other components of equity		1,369,937	712,849
				Equity attributable to the parent company	6(14)	<u>7,839,972</u>	<u>6,293,937</u>
				<b>Non-controlling interests</b>	6(14)	<u>315,327</u>	<u>47,057</u>
				Total equity		<u>8,155,299</u>	<u>6,340,994</u>
<b>Total assets</b>		<u>\$ 12,036,505</u>	<u>\$ 8,199,156</u>	<b>Total liabilities and equity</b>		<u>\$ 12,036,505</u>	<u>\$ 8,199,156</u>

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

FARADAY TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2021 and 2020

(Expressed in thousands of New Taiwan Dollars, except for earnings per share)

	Note	For the years ended December 31,	
		2021	2020
Net sales	4, 6(15), 7	\$ 8,085,201	\$ 5,495,307
Operating costs	6(5), 6(18), 7	(3,995,272)	(2,895,681)
Gross profit		4,089,929	2,599,626
Operating expenses	6(10), 6(18), 7		
Selling expenses		(359,836)	(288,482)
Administrative expenses		(366,465)	(278,475)
Research and development expenses		(2,036,866)	(1,853,828)
Expected credit gains (losses)	6(16)	75,294	(29,729)
Total operating expenses		(2,687,873)	(2,450,514)
Operating income		1,402,056	149,112
Non-operating income and expenses			
Interest income	6(19)	12,618	10,818
Other income	6(19)	104,348	33,506
Other gains and losses	6(19)	(10,980)	149,977
Finance costs	6(19)	(5,863)	(6,587)
Share of profit or loss of associates and joint ventures accounted for using equity method	6(7)	-	(23,591)
Total non-operating income and expenses		100,123	164,123
Income from continuing operations before income tax		1,502,179	313,235
Income tax expense	4, 6(21)	(212,131)	(57,238)
Net income		1,290,048	255,997
Other comprehensive income	4, 6(20)		
Item that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans		551	16,178
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income		669,476	1,110,692
Income tax relating to items that will not be reclassified to profit or loss		(110)	(3,235)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(11,664)	(28,242)
Other comprehensive income (net of income tax)		658,253	1,095,393
Total comprehensive income		<u>\$ 1,948,301</u>	<u>\$ 1,351,390</u>
Net income attributable to:			
Stockholders of the parent	6(22)	\$ 1,155,930	\$ 268,446
Non-controlling interests	6(14)	134,118	(12,449)
		<u>\$ 1,290,048</u>	<u>\$ 255,997</u>
Comprehensive income (loss) attributable to:			
Stockholders of the parent		\$ 1,813,459	\$ 1,363,947
Non-controlling interests		134,842	(12,557)
		<u>\$ 1,948,301</u>	<u>\$ 1,351,390</u>
Earnings per share (NTD)	6(22)		
Earnings per share-basic		<u>\$ 4.65</u>	<u>\$ 1.08</u>
Earnings per share-diluted		<u>\$ 4.64</u>	<u>\$ 1.08</u>

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

FARADAY TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2021 and 2020

(Expressed in thousands of New Taiwan Dollars)

	Equity Attributable to the Parent Company								Non-Controlling Interests	Total Equity
	Common Stock	Additional Paid-in Capital	Retained Earnings			Other Components of Equity		Total		
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain or Loss on Financial Assets Measured at Fair Value through Other Comprehensive Income			
Balance as of January 1, 2020	\$ 2,485,503	\$ 724,895	\$ 1,473,678	\$ 512,210	\$ 377,139	\$ (85,537)	\$ (284,172)	\$ 5,203,716	\$ 59,024	\$ 5,262,740
Appropriation and distribution of 2019 retained earnings										
Legal reserve	-	-	36,538	-	(36,538)	-	-	-	-	-
Cash dividends	-	-	-	-	(273,405)	-	-	(273,405)	-	(273,405)
Special reserved	-	-	-	(142,500)	142,500	-	-	-	-	-
Net income in 2020	-	-	-	-	268,446	-	-	268,446	(12,449)	255,997
Other comprehensive income (loss) in 2020	-	-	-	-	12,943	(28,134)	1,110,692	1,095,501	(108)	1,095,393
Total comprehensive income (loss) in 2020	-	-	-	-	281,389	(28,134)	1,110,692	1,363,947	(12,557)	1,351,390
Disposal of investments accounted for using equity method	-	(1,531)	-	-	-	-	-	(1,531)	-	(1,531)
Change in subsidiaries' ownership	-	1,210	-	-	-	-	-	1,210	590	1,800
Balance as of December 31, 2020	<u>\$ 2,485,503</u>	<u>\$ 724,574</u>	<u>\$ 1,510,216</u>	<u>\$ 369,710</u>	<u>\$ 491,085</u>	<u>\$ (113,671)</u>	<u>\$ 826,520</u>	<u>\$ 6,293,937</u>	<u>\$ 47,057</u>	<u>\$ 6,340,994</u>
Balance as of January 1, 2021	\$ 2,485,503	\$ 724,574	\$ 1,510,216	\$ 369,710	\$ 491,085	\$ (113,671)	\$ 826,520	\$ 6,293,937	\$ 47,057	\$ 6,340,994
Appropriation and distribution of 2020 retained earnings										
Legal reserve	-	-	41,566	-	(41,566)	-	-	-	-	-
Cash dividends	-	-	-	-	(248,550)	-	-	(248,550)	-	(248,550)
Special reserved	-	-	-	(369,710)	369,710	-	-	-	-	-
Net income in 2021	-	-	-	-	1,155,930	-	-	1,155,930	134,118	1,290,048
Other comprehensive income (loss) in 2021	-	-	-	-	441	(12,388)	669,476	657,529	724	658,253
Total comprehensive income (loss) in 2021	-	-	-	-	1,156,371	(12,388)	669,476	1,813,459	134,842	1,948,301
Change in subsidiaries' ownership	-	(18,874)	-	-	-	-	-	(18,874)	133,428	114,554
Balance as of December 31, 2021	<u>\$ 2,485,503</u>	<u>\$ 705,700</u>	<u>\$ 1,551,782</u>	<u>\$ -</u>	<u>\$ 1,727,050</u>	<u>\$ (126,059)</u>	<u>\$ 1,495,996</u>	<u>\$ 7,839,972</u>	<u>\$ 315,327</u>	<u>\$ 8,155,299</u>

The accompanying notes are an integral part of the consolidated financial statements.



English Translation of Consolidated Financial Statements Originally Issued in Chinese

FARADAY TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2021 and 2020

(Expressed in thousands of New Taiwan Dollars)

Description	For the years ended December 31,		Description	For the years ended December 31,	
	2021	2020		2021	2020
<b>Cash flows from operating activities:</b>			<b>Cash flows from investing activities:</b>		
Net income before tax	\$ 1,502,179	\$ 313,235	Acquisition of financial assets measured at amortized cost	\$ (173,822)	\$ -
Adjustments for non-cash gain or loss:			Proceeds from principal of financial assets measured at amortized cost upon maturity	873	15,333
Depreciation	100,139	101,499	Proceeds from disposal of investments accounted for using equity method	24,203	209,489
Amortization	304,915	332,344	Acquisition of property, plant and equipment	(40,551)	(33,106)
Expected credit (gain) loss	(75,294)	29,729	Disposal of property, plant and equipment	84	60
(Gain) loss on financial assets and liabilities at fair value through profit or loss	(4,303)	23	Refundable deposits	(103,591)	(4,008)
Interest expense	5,863	6,587	Acquisition of intangible assets	(295,546)	(277,554)
Interest income	(12,618)	(10,818)	Net cash used in investing activities	(588,350)	(89,786)
Dividend income	(69,730)	-			
Share-based payment expenses	26,674	1,800	<b>Cash flows from financing activities:</b>		
Share of loss of associates and joint ventures accounted for using equity method	-	23,591	Cash payments for the principal portion of the lease liability	(39,165)	(34,812)
Loss on disposal of property, plant and equipment	-	564	Cash dividends	(248,550)	(273,405)
Gain on disposal of investments	-	(172,487)	Change in non-controlling interests (increase in subsidiary's capital by cash)	87,880	-
Others	(16)	(3,097)	Net cash used in financing activities	(199,835)	(308,217)
Changes in operating assets and liabilities:			Effect of exchange rate changes on cash and cash equivalents	(2,916)	(30,420)
Contract assets	98,124	379,892			
Notes receivable	(2,670)	3,080	Net increase in cash and cash equivalents	1,714,749	272,276
Accounts receivable	(140,106)	92,939	Cash and cash equivalents at beginning of period	3,048,331	2,776,055
Accounts receivable - related parties	(23,313)	40,671	Cash and cash equivalents at end of period	\$ 4,763,080	\$ 3,048,331
Other receivables	12,274	(36,658)			
Inventories	(820,056)	133,920			
Prepayments	(59,642)	(162,379)			
Other current assets	19,825	9,431			
Cost to fulfill a contract	(35,451)	(5,961)			
Contract liabilities	834,116	173,580			
Notes payables	-	(1)			
Accounts payable	362,869	(340,713)			
Accounts payable - related parties	364,338	(95,492)			
Other payables	111,874	(24,185)			
Other current liabilities	(8,059)	(364)			
Defined benefit liabilities	(2,866)	(281)			
Cash generated from operations	2,489,066	790,449			
Interest received	12,465	11,499			
Dividend received	69,730	-			
Interest paid	(5,863)	(6,587)			
Income tax paid	(59,548)	(94,662)			
Net cash provided by operating activities	\$ 2,505,850	\$ 700,699			

The accompanying notes are an integral part of the consolidated financial statements.

## **Annex 3.4: 2021 Parent Company Only Financial Statements with report of Independent Accountants**

### **Independent Auditors' Report Originally Issued in Chinese**

To Faraday Technology Corporation

#### **Opinion**

We have audited the accompanying parent company only balance sheets of Faraday Technology Corporation (the “Company”) as of December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and notes to the parent company only financial statements, including the summary of significant accounting policies (together “the parent company only financial statements”).

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter – Making Reference to the Audits of Component Auditors* section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and cash flows for the years ended December 31, 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Revenue Recognition**

Net sales recognized by the Company amounted to NT\$6,710,159 thousand for the year ended December 31, 2021, including sale of goods, rendering of services and silicon intellectual property license in the amount of NT\$4,729,306 thousand, NT\$1,341,146 thousand and NT\$639,707 thousand, constituting 70.48%, 19.99% and 9.53% of net sales, respectively. Revenue is the main operating activity of the Company. The sales include application-specific integrated circuit (ASIC) products, and the services include non-recurring engineering (NRE) and silicon intellectual property license (IP). Revenue includes different sources such as sale of goods and services provided and judgement is exercised to determine the performance obligations and when those were satisfied. As a result, we determined the matter to be a key audit matter.

Our audit procedures included (but not limited to), assessing the appropriateness of the accounting policies of revenue recognition for sales of goods, rendering of services and silicon intellectual property license, testing the operating effectiveness of internal controls established by management for sale of goods, rendering of services and silicon intellectual property license, performing analytical procedures of gross margin by product, selecting samples to perform test of details including identification of performance obligations in contracts and verification of when performance obligations were satisfied, reviewing significant service agreements for terms of contracts, project milestones and relevant communication information with the Company's customers for service provided, and inspect evidence of client acceptance for deliverables and inspect shipping documents and invoices to verify proper cut-off of revenue, etc.. We also assessed the adequacy of accounting policy and disclosures of operating revenues. Please refer to Note 4 (16) and Note 6 (14).

### **Other Matter – Making Reference to the Audits of Component Auditors**

We did not audit the financial statements of certain subsidiaries, associates and joint ventures accounted for under the equity method. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. These subsidiaries, associates and joint ventures under equity method amounted to NT\$535,301 thousand and NT\$495,153 thousand, representing 5.01% and 6.40% of total assets as of December 31, 2021 and 2020, respectively. The related shares of profits from the subsidiaries, associates and joint ventures under the equity method amounted to NT\$57,321 thousand and NT\$16,261 thousand, represented 4.33% and 5.49% of the net income before tax for the years ended December 31, 2021 and 2020, respectively, and the related shares of other comprehensive income from the subsidiaries, associates and joint ventures under the equity method amounted to NT\$(17,173) thousand and NT\$(29,589) thousand, representing (2.61)% and (2.70)% of the other comprehensive income, for the years ended December 31, 2021 and 2020, respectively.

### **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company.

## **Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2021 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

/s/Chiu, Wan-Ju

/s/Hsu, Hsin-Min

Ernst & Young, Taiwan  
February 22, 2022

#### Notice to Readers

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

The accompanying parent company only financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

FARADAY TECHNOLOGY CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2021 and December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Assets	Note	As of		Liabilities and Equity	Note	As of	
		December 31, 2021	December 31, 2020			December 31, 2021	December 31, 2020
<b>Current assets</b>				<b>Current liabilities</b>			
Cash and cash equivalents	4, 6(1)	\$ 1,885,398	\$ 1,244,061	Financial liabilities at fair value through profit or loss, current	4, 6(2)	\$ -	\$ 1,504
Financial assets at fair value through profit or loss, current	4, 6(2)	1,424	-	Contract liabilities, current	4, 6(14), 7	472,744	100,939
Contract assets, current	4, 6(14), 6(15), 7	75,630	315,431	Accounts payable		836,084	524,377
Notes receivable, net	6(15)	4,030	1,360	Accounts payable - related parties	7	487,166	217,535
Accounts receivable, net	4, 6(4), 6(15)	349,213	291,649	Payables on equipment		553	5,644
Accounts receivable - related parties, net	4, 6(4), 6(15), 7	635,549	415,584	Other payables	6(11), 7	524,795	317,487
Other receivables, net	7	71,415	150,616	Current tax liabilities	4, 6(20)	132,979	31,182
Inventories, net	4, 5, 6(5)	1,208,411	457,603	Lease liabilities, current	4, 6(16), 12	5,972	5,432
Other current assets	6(6), 7	168,232	132,365	Other current liabilities		8,112	11,428
Costs to fulfil a contract, current	6(14)	20,820	1,975	Total current liabilities		2,468,405	1,215,528
Total current assets		4,420,122	3,010,644				
<b>Non-current assets</b>				<b>Non-current liabilities</b>			
Financial assets at fair value through other comprehensive income, non-current	4, 6(3)	2,775,807	2,012,742	Deferred tax liabilities	4, 6(20)	8,475	6,133
Financial assets measured at amortized cost, non-current	8	15,050	15,028	Lease liabilities, non-current	4, 6(16), 12	190,900	194,087
Investments accounted for using the equity method	4, 6(7)	2,089,256	1,560,664	Long-term payables	6(11)	161,247	16,321
Property, plant and equipment	4, 6(8)	494,527	521,190	Defined benefit liabilities, non-current	4, 6(12)	5,088	8,395
Right-of-use assets	4, 6(16)	191,222	195,650	Total non-current liabilities		365,710	224,936
Intangible assets	4, 6(9)	441,312	233,937	Total liabilities		2,834,115	1,440,464
Deferred tax assets	4, 6(20)	17,243	41,676	<b>Equity attributable to the parent company</b>			
Refundable deposits		67,034	1,423	Capital	6(13)		
Other non-current assets		162,514	141,447	Common stock		2,485,503	2,485,503
Total non-current assets		6,253,965	4,723,757	Additional paid-in capital	6(13)	705,700	724,574
				Retained earnings	6(13)		
				Legal reserve		1,551,782	1,510,216
				Special reserve		-	369,710
				Unappropriated earnings		1,727,050	491,085
				Other components of equity		1,369,937	712,849
				Equity attributable to the parent company		7,839,972	6,293,937
<b>Total assets</b>		\$ 10,674,087	\$ 7,734,401	<b>Total liabilities and equity</b>		\$ 10,674,087	\$ 7,734,401

The accompanying notes are an integral part of the parent company only financial statements.



English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

FARADAY TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2021 and 2020

(Expressed in thousands of New Taiwan Dollars, except for earnings per share)

	Note	For the years ended December 31,	
		2021	2020
Net sales	4, 6(14), 7	\$ 6,710,159	\$ 4,925,300
Operating costs	6(5), 6(17), 7	(3,875,526)	(2,814,580)
Gross profit		2,834,633	2,110,720
Unrealized gross profit on sales		(994)	(3,772)
Gross profit, net		2,833,639	2,106,948
Operating expenses	6(9), 6(17), 7		
Selling expenses		(151,186)	(130,004)
Administrative expenses		(294,891)	(224,244)
Research and development expenses		(1,671,155)	(1,587,471)
Expected credit gain	6(15)	6,355	39,408
Total operating expenses		(2,110,877)	(1,902,311)
Operating income		722,762	204,637
Non-operating income and expenses			
Interest income	6(18)	2,824	3,679
Other income	6(18)	75,993	7,346
Other gains and losses	6(18)	(7,027)	(18,747)
Finance costs	6(18)	(4,496)	(4,585)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	6(7)	532,382	104,123
Total non-operating income and expenses		599,676	91,816
Income from continuing operations before income tax		1,322,438	296,453
Income tax expense	4, 6(20)	(166,508)	(28,007)
Net income		\$ 1,155,930	\$ 268,446
Other comprehensive income	4, 6(19)		
Item that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans		551	16,178
Unrealized gain from equity investment measured at fair value through other comprehensive income		763,065	1,117,032
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method that will not be reclassified to profit or loss		(93,589)	(6,340)
Income tax relating to items that will not be reclassified to profit or loss		(110)	(3,235)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(12,388)	(28,134)
Other comprehensive income (net of income tax)		657,529	1,095,501
Total comprehensive income		\$ 1,813,459	\$ 1,363,947
Earnings per share (NTD)	6(21)		
Earnings per share-basic			
Earnings per share-basic		\$ 4.65	\$ 1.08
Earnings per share-diluted			
Earnings per share-diluted		\$ 4.64	\$ 1.08

The accompanying notes are an integral part of the parent company only financial statements.

FARADAY TECHNOLOGY CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2021 and 2020

(Expressed in thousands of New Taiwan Dollars)

	Common Stock	Additional Paid-in Capital	Retained Earnings			Other Equity		Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain or Loss on Financial Assets Measured at Fair Value through Other Comprehensive Income	
Balance as of January 1, 2020	\$ 2,485,503	\$ 724,895	\$ 1,473,678	\$ 512,210	\$ 377,139	\$ (85,537)	\$ (284,172)	\$ 5,203,716
Appropriation and distribution of 2019 retained earnings								
Legal reserve	-	-	36,538	-	(36,538)	-	-	-
Cash dividends	-	-	-	-	(273,405)	-	-	(273,405)
Special reserved	-	-	-	(142,500)	142,500	-	-	-
Net income in 2020	-	-	-	-	268,446	-	-	268,446
Other comprehensive income (loss) in 2020	-	-	-	-	12,943	(28,134)	1,110,692	1,095,501
Total comprehensive income (loss) in 2020	-	-	-	-	281,389	(28,134)	1,110,692	1,363,947
Change in subsidiaries' ownership	-	(321)	-	-	-	-	-	(321)
Balance as of December 31, 2020	<u>\$ 2,485,503</u>	<u>\$ 724,574</u>	<u>\$ 1,510,216</u>	<u>\$ 369,710</u>	<u>\$ 491,085</u>	<u>\$ (113,671)</u>	<u>\$ 826,520</u>	<u>\$ 6,293,937</u>
Balance as of January 1, 2021	\$ 2,485,503	\$ 724,574	\$ 1,510,216	\$ 369,710	\$ 491,085	\$ (113,671)	\$ 826,520	\$ 6,293,937
Appropriation and distribution of 2020 retained earnings								
Legal reserve	-	-	41,566	-	(41,566)	-	-	-
Cash dividends	-	-	-	-	(248,550)	-	-	(248,550)
Special reserved	-	-	-	(369,710)	369,710	-	-	-
Net income in 2021	-	-	-	-	1,155,930	-	-	1,155,930
Other comprehensive income (loss) in 2021	-	-	-	-	441	(12,388)	669,476	657,529
Total comprehensive income (loss) in 2021	-	-	-	-	1,156,371	(12,388)	669,476	1,813,459
Change in subsidiaries' ownership	-	(18,874)	-	-	-	-	-	(18,874)
Balance as of December 31, 2021	<u>\$ 2,485,503</u>	<u>\$ 705,700</u>	<u>\$ 1,551,782</u>	<u>\$ -</u>	<u>\$ 1,727,050</u>	<u>\$ (126,059)</u>	<u>\$ 1,495,996</u>	<u>\$ 7,839,972</u>

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

FARADAY TECHNOLOGY CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2021 and 2020

(Expressed in thousands of New Taiwan Dollars)

Description	For the years ended December 31,		Description	For the years ended December 31,	
	2021	2020		2021	2020
<b>Cash flows from operating activities:</b>			<b>Cash flows from investing activities:</b>		
Net income before tax	\$ 1,322,438	\$ 296,453	Acquisition of financial assets measured at amortized cost	\$ (22)	\$ -
Adjustments for non-cash gain or loss:			Proceeds from principal of financial assets measured at amortized cost upon maturity	-	15,237
Depreciation	63,174	67,543	Acquisition of investments accounted for using equity method	(149,596)	-
Amortization	249,553	317,467	Proceeds from capital return of investments accounted for using the equity method	-	290,000
Expected credit gain	(6,355)	(39,408)	Acquisition of property, plant and equipment	(33,908)	(16,981)
(Gain) loss on financial assets and liabilities at fair value through profit or loss	(2,928)	1,708	Disposal of property, plant and equipment	63	-
Interest expense	4,496	4,585	Refundable deposits	(65,611)	217
Interest income	(2,824)	(3,679)	Acquisition of intangible assets	(222,695)	(269,686)
Dividend income	(69,730)	-	Net cash (used in) provide by investing activities	(471,769)	18,787
Share of gain of subsidiaries, associates and joint ventures accounted for using equity method	(532,382)	(104,123)			
Changes in operating assets and liabilities:			<b>Cash flows form financing activities:</b>		
Contract assets	245,897	105,603	Cash payments for principal portion of the lease liabilities	(5,976)	(6,563)
Notes receivable	(2,670)	386	Cash dividends	(248,550)	(273,405)
Accounts receivable	(57,305)	29,275	Net cash used in financing activities	(254,526)	(279,968)
Accounts receivable - related parties	(219,965)	38,820	Effect of exchange rate changes on cash and cash equivalents	8,510	4,617
Other receivables	79,354	(33,816)			
Inventories	(750,808)	159,992	Net increase in cash and cash equivalents	641,337	27,692
Prepayment for purchases	(58,306)	(162,379)	Cash and cash equivalents at beginning of period	1,244,061	1,216,369
Other current assets	1,372	(1,904)	Cash and cash equivalents at end of period	\$ 1,885,398	\$ 1,244,061
Cost to fulfill a contract	(18,845)	(1,975)			
Contract liabilities	371,805	(7,017)			
Accounts payable	311,707	(293,028)			
Accounts payable - related parties	269,631	3,021			
Other payables	109,489	(43,531)			
Other current liabilities	2,561	4,418			
Defined benefit liabilities	(2,866)	(281)			
Cash generated from operations	1,306,493	338,130			
Interest received	2,671	4,360			
Dividend received	92,390	-			
Interest paid	(4,496)	(4,585)			
Income tax paid	(37,936)	(53,649)			
Net cash provided by operating activities	\$ 1,359,122	\$ 284,256			

The accompanying notes are an integral part of the parent company only financial statements.

## Annex 3.5: Statement of Porfit Distribution

### FARADAY TECHNOLOGY CORPORATION 2021 Statement of Porfit Distribution

Unit : NT\$ dollars	
Item	Amount
Unappropriated earnings - beginning	570,678,297
Add: Re-measured amount of the defined benefit plan	441,250
Unappropriated earnings after adjustment	571,119,547
Net Income After Tax	1,155,929,840
Less: Appropriated legal reserve	(115,637,109)
Distributable Earning	1,611,412,278
Distributions:	
Cash dividend to shareholders (NT\$3.3/per share)	(820,216,033)
Unappropriated earnings - ending	791,196,245

1. According to the provisions of the Taiwan Finance and Taxation No. 871941343 Letter dated 4.30.1998 by the Ministry of Finance, the surplus earnings distribution should be recognized with the specific recognition method. The surplus earnings distribution principle of the Company is to distribute the surplus earnings accumulated after 1998 first, and the surplus earnings accumulated before 1998 will be distributed only if there is insufficient amount for distribution.
2. If the number of outstanding shares is affected by the repurchase of the Company's shares, the transfer, conversion, and cancellation of treasury shares, and employee stock warrants resulting in changes in the equity yield rate, the regular shareholders meeting will be requested to have the board of Directors authorized to handle it discretionarily.
3. The current cash dividend is calculated according to the distribution ratio and rounded up to the dollar, and the total amount of the odd share that is for less than NT\$1 is transferred to the Employee Welfare Committee of the Company.
4. The chairman of the Board may be authorized to determine the base date for cash dividend payment and the date for stock dividend payment.

Chairman:  
Chia-Tsung Hung

President:  
Kuo-Yung Wang

Accounting Supervisor:  
Wen-Ju Tseng

### Annex 3.6: Comparison Table for Amended Articles of “Ethical Corporate Management Best Practice Principles”

#### Faraday Technology Corporation Comparison Table for Amended Articles of “Ethical Corporate Management Best Practice Principles”

Content of Article after Amendment	Content of Article before Amendment	Description
<p>Article 2 (Prohibition of unethical conduct)</p> <p>When engaging in commercial activities, directors, managers, employees, and <u>mandataries</u> of the Company or persons having substantial control over such companies ("substantial controllers") should not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.</p> <p>Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.</p>	<p>Article 2 (Prohibition of unethical conduct)</p> <p>When engaging in commercial activities, directors, <u>supervisors</u>, managers, and mandataries and employees of the Company or persons having substantial control over such companies ("substantial controllers") should not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.</p> <p>Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.</p>	<ol style="list-style-type: none"> <li>1. Remove the wording of “supervisors” because the Company has established the audit committee.</li> <li>2. Add “mandataries” in Paragraph 1 of this article for the completeness of specification scope, to include members of the remuneration committee that are appointed by the board of directors and other persons who have appointment relationship.</li> </ol>
<p>Article 5 (Policy)</p> <p>The Company should abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and <u>obtain approval from the board of directors</u>, and establish good</p>	<p>Article 5 (Policy)</p> <p>The Company should abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control</p>	<p>Amend this article according to the International Standards Organization (“ISO”) and stipulate that ethical corporate management policy should be obtained approval from the board of</p>

Content of Article after Amendment	Content of Article before Amendment	Description
corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.	and management mechanism so as to create an operational environment for sustainable development.	directors.
<p>Article 6 (Prevention program) The Company <u>should in its own ethical management policy</u> clearly and thoroughly, <u>prescribe the specific ethical management practices and the programs</u> to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines, and training.</p> <p>When establishing the prevention programs, the Company should comply with relevant laws and regulations of the territory where the Company and its business group are operating.</p> <p>In the course of developing the prevention programs, the Company is advised to negotiate with staff, <u>important trading counterparties, or other stakeholders.</u></p>	<p>Article 6 (Prevention program) The Company should <u>be based on concepts of ethical management and policies according to the preceding article</u>, clearly and thoroughly prescribe the programs to forestall unethical conduct ("prevention programs") <u>in principles</u>, including operational procedures, guidelines, and training.</p> <p>When establishing the prevention programs, the Company should comply with relevant laws and regulations of the territory where the Company and its business group are operating.</p> <p>In the course of developing the prevention programs, the Company is advised to <u>negotiate with staff or members of other representative agencies and communicate with relevant interest groups.</u></p>	<ol style="list-style-type: none"> <li>1. Amend the wording of Paragraph 1 according to the regulations of the competent authority.</li> <li>2. Amend Paragraph 3 of this article to encourage the Company and its staff , important business counterparties or other stakeholders in communicating and preventing the unethical conduct programs.</li> </ol>
<p>Article 7 (Scope of prevention programs) The Company should <u>establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis</u> business activities within their business scope which are at a higher risk of being involved in unethical conduct, and <u>establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.</u></p> <p>It is advisable for the Company</p>	<p>Article 7 (Scope of prevention programs) The Company should analyze business activities within their business scope which are at a higher risk of being involved in unethical conduct <u>while establishing prevention programs, and enhance relevant preventive measures.</u></p> <p>The Company should establish the prevention programs, which should at least include preventive measures against the following:</p>	<ol style="list-style-type: none"> <li>1. Amend Paragraph 1 of this article according to the International Standards Organization ("ISO").</li> <li>2. Amend the wording of Paragraph 2 of this article to develop into ethical corporate management .mechanis m and build an ethical corporate culture.</li> <li>3. Add Subparagraph 5, Paragraph 2 of this article to promote</li> </ol>

Content of Article after Amendment	Content of Article before Amendment	Description
<p>to <u>refer to prevailing domestic and foreign standards or guidelines</u> in establishing the prevention programs, which should at least include preventive measures against the following:</p> <ol style="list-style-type: none"> <li>1. Offering and acceptance of bribes.</li> <li>2. Illegal political donations.</li> <li>3. Improper charitable donations or sponsorship.</li> <li>4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.</li> <li>5. <u>Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.</u></li> <li>6. <u>Engaging in unfair competitive practices.</u></li> <li>7. <u>Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.</u></li> </ol>	<ol style="list-style-type: none"> <li>1. Offering and acceptance of bribes.</li> <li>2. Illegal political donations.</li> <li>3. Improper charitable donations or sponsorship.</li> <li>4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.</li> </ol>	<p>normal development of industrial and commercial enterprises as well as maintain business ethics and competition order.</p> <p>4.Add Subparagraph 6/7, Paragraph 2 of this article in response to international trends.</p>
<p>Article 8 (Commitment and implementation)</p> <p><u>The Company should request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u></p> <p>The Company and its respective business group should clearly specify in its rules and external documents and <u>on the company website</u> the ethical corporate</p>	<p>Article 8 (Commitment and implementation)</p> <p>Paragraph added.</p> <p>The Company and its respective business group and organizations should clearly specify the ethical corporate management policies in its</p>	<ol style="list-style-type: none"> <li>1.Add Paragraph 1</li> <li>2.Move this article to Paragraph 2. Amend the wording of this article according to Transparency International promulgated in 2013.</li> <li>3.Add Paragraph 3</li> </ol>

Content of Article after Amendment	Content of Article before Amendment	Description
management policies <u>and</u> the commitment by the board of directors and <u>senior</u> management on <u>rigorous and thorough</u> implementation of such policies, and should carry out the policies in internal management and in commercial activities. <u>The Company should compile documented information on the ethical management policy, statement, commitment and implementation mentioned in Paragraph 1/2 and retain said information properly.</u>	rules and external documents, and <u>the commitment</u> by the board of directors and managers on rigorous and thorough implementation of such policies, should carry out the policies in internal management and in <u>external</u> commercial activities.	
Article 9 (Commercial activity of ethical management) The Company should engage in commercial activities in a fair and transparent manner <u>based on the principle of ethical management.</u> Prior to any commercial transactions, the Company should take into consideration the legality of its agents, suppliers, clients, or other trading counterparties and whether any of them are <u>involved in</u> unethical conduct, and should avoid any dealings with persons <u>involved.</u> When entering into contracts with <u>their agents, suppliers, clients, or other trading counterparties,</u> the Company should include in such contracts terms requiring compliance with ethical corporate management policy and that in the event, the trading counterparties are <u>involved in</u> unethical conduct, the Company may at any time terminate or rescind the contracts.	Article 9 (Commercial activity of ethical management) The Company should engage in commercial activities in a fair and transparent manner. Prior to any commercial transactions, the Company should take into consideration the legality of its agents, suppliers, clients, or other trading counterparties and whether any of them have unethical conduct <u>record,</u> and should avoid any dealings with persons who have a unethical conduct record. When entering into contracts with <u>others,</u> the Company should include in such contracts terms requiring compliance with ethical corporate management policy and that in the event, the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.	Amend Paragraph 3 of this article according to international and domestic supply chain management practices, comply with Paragraph 3 to include “in the event, the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts”, and amend the wording of Paragraph 1 of this article.
Article 10 (Prohibition of bribery and acceptance of	Article 10 (Prohibition of bribery and acceptance of	1.Remove the wording of “supervisors” because



Content of Article after Amendment	Content of Article before Amendment	Description
<p>bribes)</p> <p>When conducting business, the Company and its directors, managers, employees, <u>mandataries</u>, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.</p>	<p>bribes)</p> <p>When conducting business, the Company and its directors, <u>supervisors</u>, managers, employees, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits, <u>including rebate, commission, facilitating payment, or in whatever form to offer or accept any improper benefits from clients, agents, contractors, suppliers, public servants, or other stakeholders.</u> <u>But the territory where the Company and its business group are operating in compliance with relevant laws and regulations have waived.</u></p>	<p>the Company has established the audit committee.</p> <p>2. Amend the wording of this article to add “mandataries” in compliance with the Paragraph 1 of Article 2.</p> <p>3. According to Article 7 of the principles, the prevention programs established by the Company, should include the preventive measures of offering and acceptance of bribes; as regulated in Article 6, “When establishing the prevention programs, the Company should comply with relevant laws and regulations of the territory where the Company and its business group are operating”; therefore, remove the proviso of Article 6.</p>
<p>Article 11 (Prohibition of illegal political donation)</p> <p>When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, managers, employees, <u>mandataries</u>, and substantial controllers, should comply with the Political Donations Act and their own relevant internal operational procedures, and should not make such donations in exchange for commercial gains or business advantages.</p>	<p>Article 11 (Prohibition of illegal political donation)</p> <p>When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, <u>supervisors</u>, managers, employees, and substantial controllers, should comply with the Political Donations Act and its own relevant internal operational procedures, and should not make such donations in exchange for commercial gains</p>	<p>1. Remove the wording of “supervisors” because the Company has established the audit committee.</p> <p>2. Amend the wording of this article to add “mandataries” in compliance with the Paragraph 1 of Article 2.</p>

Content of Article after Amendment	Content of Article before Amendment	Description
	or business advantages.	
<p>Article 12 (Prohibition of improper donation or sponsorship)</p> <p>When making or offering donations and sponsorship, the Company and its directors, managers, employees , <u>mandataries</u>, and substantial controllers should comply with relevant laws and regulations and internal operational procedures, and should not surreptitiously engage in bribery.</p>	<p>Article 12 (Prohibition of improper donation or sponsorship)</p> <p>When making or offering donations and sponsorship, the Company and its directors, <u>supervisors</u>, managers, employees , and substantial controllers should comply with relevant laws and regulations and internal operational procedures, and should not surreptitiously engage in bribery.</p>	<p>1.Remove the wording of “supervisors” because the Company has established the audit committee.</p> <p>2.Amend the wording of this article to add “mandataries” in compliance with the Paragraph 1 of Article 2.</p>
<p>Article 13 (Prohibition of unreasonable presents, hospitality or other improper benefit)</p> <p>The Company and its directors, managers, employees, <u>mandataries</u>, and substantial controllers should not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relations or influence commercial transactions.</p>	<p>Article 13 (Prohibition of unreasonable presents, hospitality or other improper benefit)</p> <p>The Company and its directors, <u>supervisors</u>, managers, employees, and substantial controllers should not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relations or influence commercial transactions.</p>	<p>1.Remove the wording of “supervisors” because the Company has established the audit committee.</p> <p>2.Amend the wording of this article to add “mandataries” in compliance with the Paragraph 1 of Article 2.</p>
<p><u>Article 14 (Prohibition of infringement of intellectual property rights)</u></p> <p><u>The Company and its directors, managers, employees, mandataries, and substantial controllers should observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights</u></p>	Article added	<p>In compliance with Subparagraph 5, Paragraph 2 of Article 7 and refer to relevant regulations of intellectual property rights, such as Trade Secrets Act, Patent Act, and Copyright Act to stipulate that enterprises should respect the intellectual property rights and avoid relevant infringement risks.</p>

Content of Article after Amendment	Content of Article before Amendment	Description
holder.		
<u>Article 15 (Prohibition of unfair competition conduct)</u> <u>The Company should engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.</u>	Article added	In compliance with Subparagraph 6, Paragraph 2 of Article 7 and refer to “Fair Trade Act” and Chapter 9 of “The OECD Guidelines for Multinational Enterprises” promulgated in 2011, add this article to regulate the Company’s competitive behavior to maintain sound market mechanism.
<u>Article 16 (Preventing product or service from damaging the safety of its stakeholders)</u> <u>In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and its directors, managers, employees, mandataries, and substantial controllers should observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They should also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company</u>	Article added	Add this article to emphasize that the Company should assess the possible effect on products or services at each stage for health and safety of consumers and other stakeholders in compliance with Subparagraph 7, Paragraph 2 of Article 7; and refer to Section 1, Chapter 2 of “Consumer Protection Act”, “Health and Safety Safeguards” and by the requirement of G4-PR2 of GRI to disclosure the total number of incidents that institutions violate the laws and regulations of health and safety about product and service as well as voluntary guideline.

Content of Article after Amendment	Content of Article before Amendment	Description
<u>should, in principle, recall those products or suspend the services immediately.</u>		
<p>Article 17 (<u>Organization and responsibility</u>)  The directors, <u>managers, employees, mandataries, and substantial controllers</u> of the Company should exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical corporate management, the Company <u>should establish</u> a dedicated unit that is <u>under the board of directors</u> and <u>avail itself of adequate resources and staff itself with competent personnel</u>, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit should be <u>in charge of the following matters</u>, and should report to the board of directors on a regular basis (<u>at least once a year</u>):</p> <p>1. <u>Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</u></p> <p>2. <u>Analyzing and assessing on a</u></p>	<p>Article 14 (<u>Organization and responsibility</u>)  <u>The board of directors</u> of the Company should exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.  To achieve sound ethical corporate management, it is advisable to be responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs by a dedicated unit <u>as well as</u> should report to the board of directors on a regular basis.</p>	<p>1. Amend Paragraph 1 of this article according to Article 2 of the principles.</p> <p>2. Amend Paragraph 2 of this article according to “Regulations Governing Establish of Internal Control Systems by Public Companies” and “ISO37001”; define the main duty for the dedicated unit according to Chapter 7 of “Corruption Prevention Guides for Hong Kong Listed Companies”.</p> <p>3. Adjust the article sequence.</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p><u>regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.</u></p> <p><u>3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</u></p> <p><u>4. Promoting and coordinating awareness and educational activities with respect to ethics policy.</u></p> <p><u>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</u></p> <p><u>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</u></p>		
<p>Article 18 (Regulatory compliance to conduct business) The Company and its directors, managers, employees, <u>mandataries</u>, and substantial controllers should comply with</p>	<p>Article 15 (Regulatory compliance to conduct business) The Company and its directors, <u>supervisors</u>, managers, employees, and substantial</p>	<p>1.Remove the wording of “supervisors” because the Company has established the audit committee.</p>

Content of Article after Amendment	Content of Article before Amendment	Description
laws and regulations and the prevention programs when conducting business.	controllers should comply with laws and regulations and the prevention programs when conducting business.	2.Amend the wording of this article to add “mandataries” in compliance with Paragraph 1 of Article 2. 3.Adjust the article sequence.
<p>Article 19 (<u>Avoidance of conflict of interest</u>)</p> <p>The Company should adopt policies for <u>preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct</u>, and should also offer appropriate means for directors, managers, <u>and other stakeholders attending or present at board meetings</u> to voluntarily explain whether their interests would potentially conflict with those of the company.</p> <p>When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, <u>managers, and other stakeholders attending or present at board meetings of the Company, the concerned person should state the important aspects of interest relations at the given board meeting</u>. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and should recuse himself or herself from the discussion or the voting, and must not exercise voting rights as proxy for another director. The directors should practice self-discipline and must not support one</p>	<p>Article 1<u>6</u> (<u>Avoidance of conflict of interest for directors, supervisors, and managers</u>)</p> <p>The Company should adopt policies for preventing conflicts of interest and should also offer appropriate means for directors, <u>supervisors</u>, and managers to voluntarily explain whether their interests would potentially conflict with those of the company.</p> <p>The directors of the Company <u>should uphold highly self-discipline</u> when a proposal at a given board of directors meeting concerns the personal interest of or the interest of the juristic person to <u>prejudice</u> the interest of the company, the concerned person <u>should make a statement and answer enquiry</u>, must not participate in discussion of or voting on the proposal and should recuse himself or herself from the discussion or the voting, and must not exercise voting rights as proxy for another director. The directors should practice self-discipline and must not support one another in improper dealings.</p> <p>The Company’s directors, <u>supervisors, and managers</u> should not take advantage of their positions in the companies to obtain improper</p>	<p>1.Amend the first half of Paragraph 1 of this article according to Article 5-1 of “Business Principles for Countering Bribery”.</p> <p>2.Amend the second half of Paragraph 1 and the first half of Paragraph 2 to include other stakeholders attending or present at board meetings; amend Paragraph 2 of this article according to “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”.</p> <p>3.Amend Paragraph 3 of this article to avoid improper benefits.</p> <p>4.Remove the wording of “supervisors” because the Company has established the audit committee.</p> <p>5.Adjust the article sequence</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p>another in improper dealings. The Company’s directors, managers, <u>employees, mandataries, and substantial controllers</u> should not take advantage of their positions or <u>influence</u> in the companies to obtain improper benefits for themselves, their spouses, parents, children, or any other person.</p>	<p>benefits for themselves, their spouses, parents, children or any other person.</p>	
<p>Article 20 (<u>Accounting and internal control</u>)  The Company should establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.  The internal audit <u>unit</u> of the Company should, <u>based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</u>  <u>The results of examination in the preceding paragraph should be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the</u></p>	<p>Article 17 (<u>Accounting and internal control</u>)  The Company should establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.  The internal <u>auditor</u> of the Company should <u>periodically</u> examine Company’s compliance with the <u>foregoing system, and put down in writing in the form of an audit report to submit to the board of directors.</u></p>	<ol style="list-style-type: none"> <li>1. Amend the first half of Paragraph 2 of this article according to Article 13 of “Regulations Governing Establishment of Internal Control Systems by Public Companies”.</li> <li>2. Amend Paragraph 2 of this article according to Article 6-10 of “Business Principles for Countering Bribery” and Article 9-2 of “ISO37001”.</li> <li>3. Add Paragraph 3</li> <li>4. Adjust the article sequence.</li> </ol>

Content of Article after Amendment	Content of Article before Amendment	Description
board of directors.		
<p><u>Article 21 (Procedures and guidelines)</u> The Company should establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:</p> <p>Omitted below</p>	<p><u>Article 18 (Procedures and guidelines)</u> The Company should establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, <u>supervisors</u>, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:</p> <p>Omitted below</p>	<p>1.Remove the wording of “supervisors” because the Company has established the Audit Committee.</p> <p>2.Adjust the article sequence.</p>
<p><u>Article 22(Training and performance review)</u> <u>The chairman, president, or senior management of the Company should communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.</u> The Company should periodically organize training and awareness programs for directors, managers, employees, <u>mandataries</u>, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.</p> <p>Omitted below</p>	<p><u>Article 19 (Training and performance review)</u>  Paragraph added.</p> <p>The Company should periodically organize training and awareness programs for directors, <u>supervisors</u>, managers, employees, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.</p> <p>Omitted below</p>	<p>1.Add Paragraph 1 of this article to enhance the whole ethical corporate management culture.</p> <p>2.Remove the wording of “supervisors” because the Company has established the audit committee.</p> <p>3.Adjust the original Paragraph 1/2 of this article to Paragraph 2/3, and also adjust the article sequence.</p>
<p><u>Article 23 (Whistle-blowing system)</u> The Company should <u>adopt a concrete whistle-blowing system and scrupulously operate the</u></p>	<p><u>Article 20 (Whistle-blowing and disciplinary)</u> The Company should <u>offer a legitimate whistle-blowing channel and indeed keep the</u></p>	<p>1.Amend Paragraph 1 of this article to concretely request the Company to make the whistle-blowing procedure</p>





Content of Article after Amendment	Content of Article before Amendment	Description
<p><u>actions due to their whistle-blowing.</u></p> <p><u>7. Whistle-blowing incentive measures.</u></p> <p><u>When material misconduct or likelihood of material impairment to the company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system should immediately prepare a report and notify the independent directors or supervisors in written form.</u></p>	<p><u>disciplinary and appeal system for handling violations of the ethical corporate management rules, and should make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.</u></p>	
<p><u>Article 24 (Disciplinary and appeal system)</u></p> <p><u>The Company should adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and should make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.</u></p>	<p>Original Paragraph 2 of Article 20</p>	<p>Adjust the original Paragraph 2 of Article 20 to this article and further stipulate that TWSE/GTSM listed companies should publish a disciplinary and appeal system for handling violations of the ethical corporate management rules.</p>
<p><u>Article 25 (Information disclosure)</u></p> <p><u>The Company should collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy.</u></p> <p><u>The Company should also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on their company websites, annual</u></p>	<p><u>Article 21 (Information disclosure)</u></p> <p><u>The Company should disclose the execution status of ethical corporate management best practice principles on the company website, annual reports, and prospectuses.</u></p>	<p>Amend this article to emphasize the disclosure of ethical corporate management best practice principles for the Company according to G4 sustainability reporting standards promulgated by GRI in 2013, and also adjust the article sequence.</p>

Content of Article after Amendment	Content of Article before Amendment	Description
reports, and <u>prospectuses</u> , and <u>should disclose its ethical corporate management best practice principles on the Market Observation Post System.</u>		
<p>Article 26 (Ethical corporate management <u>policies and measures</u> for better implementation)  The Company should at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, managers, and employees to make suggestions, based on which the adopted ethical <u>corporate management policies and measures taken</u> will be reviewed and improved with a view to <u>achieving better implementation</u> of ethical management.</p>	<p>Article 22 (Ethical corporate management <u>principles</u> for better implementation)  The Company should at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, <u>supervisors</u>, managers, and employees to make suggestions, based on which the adopted ethical <u>corporate management principles</u> will be improved with a view to ethical management.</p>	<ol style="list-style-type: none"> <li>1. Amend the wording to encourage the Company to review the ethical corporate management policies and measures taken at all times and keep pace with the times.</li> <li>2. Remove “supervisors” because the Company has established the audit committee.</li> <li>3. Adjust the article sequence.</li> </ol>
<p>Article 27 (Implementation)  The ethical corporate management best practice principles of the Company should be implemented after the board of directors grants the approval, and should be sent to the <u>audit committee</u> and reported at a shareholders' meeting. The same procedure should be followed when the principles have been amended.  <u>When the Company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors should take into full consideration each independent director's opinions. Any objections or reservations of any independent director should be</u></p>	<p>Article 23 (Implementation)  The ethical corporate management best practice principles of the Company should be implemented after the board of directors grants the approval, and should be sent to the <u>supervisors</u> and reported at a shareholders' meeting. The same procedure should be followed when the principles have been amended.</p>	<ol style="list-style-type: none"> <li>1. Remove “supervisors” because the Company has established the audit committee.</li> <li>2. Add Paragraph 2 of this article for the benefit of practical operation.</li> <li>3. Adjust the article sequence.</li> </ol>

Content of Article after Amendment	Content of Article before Amendment	Description
<u>recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations should provide a written opinion before the board meeting, unless there is some legitimate reason to do; otherwise, and the opinion should be specified in the minutes of the board of directors meeting.</u>		

### Annex 3.7: Comparison Table for Amended Articles of “The Adoption of Codes of Ethical Conduct”

#### Faraday Technology Corporation Comparison Table for Amended Articles of “The Adoption of Codes of Ethical Conduct”

Content of Article after Amendment	Content of Article before Amendment	Description
Name: The Adoption of Codes of Ethical Conduct	Name: The Adoption of Codes of Ethical Conduct for <u>Directors and Managerial Officers</u>	Amend the guideline name in compliance with “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies” announced by TWSE.
<p><u>Article 1: Purpose of and basis for adoption</u></p> <p><u>The Code is adopted for the purpose of encouraging directors and managerial officers of the Company (including president or their equivalents, vice president or their equivalents, deputy assistant general managers or their equivalents, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of a company) to act in line with ethical standards, and to help stakeholders better understand the ethical standards of the Company.</u></p>	<p><u>The board of directors of Faraday Technology Corporation Ltd. (hereinafter referred to as “the Company”) approves the guidelines for the adoption of codes of ethical conduct (hereinafter referred to as “the Code”) for the Company’s directors and managerial officers as listed below. The Code is applicable to all directors and managerial officers of the Company. Not any one guideline or policy can lists all possible circumstances so the Code only can provide directors and managerial officers of the Company with guiding principles. For any question about the specific situation that may be possibly involved in one or a couple of articles in the Code, the Company encourages directors and managerial officers to report to the chairman. The chairman should consult with internal or external legal consultant of the Company depending on the situation.</u></p>	Amend this article thoroughly to reinforce the completeness of “code of ethical conduct” established by the Company according to “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies” announced by TWSE.

Content of Article after Amendment	Content of Article before Amendment	Description
<p>Article 2: Content of the code  <u>Taking its individual circumstances and needs into consideration, the Company should adopt a code of ethical conduct that addresses at least the following eight matters:</u>  1. <u>Prevention of conflicts of interest:</u>  <u>Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the Company, for example, when a director or managerial officer of the Company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the Company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of kinship. The Company should pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director or managerial officer works. The Company should establish a policy aimed at preventing conflicts of interest, and should offer appropriate means for directors or managerial officers to voluntarily explain whether there is any potential conflict between them and the Company.</u></p>	<p>1. <u>Conflicts of interest: Directors and managerial officers should avoid any conflict of interest between the Company and any of directors or managerial officers. Any conflict of interest that is involved in or is reasonably expected to be possibly involved in the Company should be immediately disclosed to the chairman, such as loans of funds, major transactions, the purchase (or sale) of goods and/or provisions of guarantees between directors or managerial officers (or their relatives).</u>  <u>Conflicts of interest are likely to occur when personal interest of directors or managerial officers violate or are likely to violate the overall interest of the Company. Conflicts of interest are also likely to occur when directors, managerial officers, or their relatives take advantage of their position in the Company to obtain improper benefits.</u>  <u>The Code is not intended to describe all possible circumstances where a conflict of interest may arise. The following only lists the common conflicts of interest that should be avoided by directors or managerial officers:</u></p>	<p>Amend this article thoroughly to reinforce the completeness of “code of ethical conduct” established by Faraday according to “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies” announced by TWSE.</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p>2. <u>Minimizing incentives to pursue personal gain:</u>  <u>The Company should prevent its directors or managerial officers</u></p>	<p><u>Relationship between the Company and the third party:</u>  <u>Directors or managerial officers should not do any conduct that is inconsistent with the Company's best interest or destroy or damage the business relationship that the Company has established or proposes to be established, or the individual or organization relationship that has made contract.</u>  <u>Receiving compensation other than the Company:</u>  <u>For services provided by the Company, directors or managerial officers should not receive any form of compensation from whatever sources other than the Company.</u>  <u>Gift: Directors, managerial officers, or their relatives should not receive non-small gifts from individuals or organizations that have business relationship with the Company, or gifts that may result in the appearances of conflicts of interest.</u>  <u>Misappropriate the Company asset for personal use:</u>  <u>For the Company asset, human resource, or information, directors or managerial officers should not misappropriate them for personal use unless permitted by the chairman or belonged to part of the allowed remuneration or expense compensation.</u>  <u>2. The Company's opportunity</u>  <u>Directors or managerial officers should prevent from engaging in any of the following activities:</u></p>	

Content of Article after Amendment	Content of Article before Amendment	Description
<p>from engaging in any of the following activities:  (1) Seeking an opportunity to pursue personal gain by using the Company property or information or taking advantage of their positions. (2) Obtaining personal gain by using the Company property or information or taking advantage of their positions. (3) Competing with the Company.  <u>When the Company has an opportunity for profit, it is the responsibility for the directors or managerial officers to maximize the reasonable and proper benefits that can be obtained by the Company.</u>  3. Confidentiality:  Directors <u>or</u> managerial officers <u>should be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information.</u>  <u>Confidential information includes any undisclosed information, if exploited by a competitor or disclosed, could result in damage to the Company or customers.</u></p> <p>4. Fair trade:  All directors and managerial officers should treat all suppliers and customers, competitors, and employees fairly, and may not</p>	<p>(1) Seeking an opportunity to pursue personal gain by using the Company property or information or taking advantage of their positions.  (2) Obtaining personal gain by using company property or information or taking advantage of their positions.  (3) Competing with the Company.</p> <p>3. <u>The Company's asset:</u>  Confidentiality:  Directors <u>and</u> managerial officers <u>should protect the asset of the Company effectively to enhance the Company interest.</u>  <u>The asset mentioned above includes tangible assets and intangible assets such as confidential information of the Company. Directors and managerial officers in their positions that receive any confidential information regarding other companies from whatever sources should keep its confidentiality and do not disclose unless be authorized or regulated by laws. "Confidential information" as mentioned in the Code includes all undisclosed information between the Company and customers or suppliers.</u>  4. <u>Legal compliance:</u> Fair trade  <u>Directors and managerial officers should abide by laws, regulations, and ordinances</u></p>	



Content of Article after Amendment	Content of Article before Amendment	Description
<p>obtain improper benefits through manipulation, non-disclosure, or misuse of the information learned by virtue of their positions, through misrepresentation of important matters, or through other unfair trading practices.</p> <p>5. <u>Safeguarding and proper use of company assets:</u>  <u>All directors or managerial officers have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the Company's profitability.</u></p>	<p><u>that are applicable to the Company, including relevant insider trading regulations and relevant policies and procedures established by the Company for directors and managerial officers to abide by. For marketable securities trading of the Company, it is regulated by relevant securities trading policies established by the Company.</u></p> <p>All directors and managerial officers should treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, non-disclosure, or misuse of the information learned by virtue of their positions, through misrepresentation of important matters, or through other unfair trading practices.</p> <p>5. <u>Record correctness and other disclosed information</u>  <u>It is really important that all ledger, financial statements, and records of the Company should be complete, appropriate, correct, and timely reflect the recorded transaction.</u>  <u>All directors and managerial officers who are related to information disclosure procedure of the Company should know and understand the applicable disclosure regulations within their duty scope and ensure the documents that declare or provide to Securities and Futures Bureau of Financial Supervisory Commission with information or other disclosure information should be</u></p>	

Content of Article after Amendment	Content of Article before Amendment	Description
<p>6. <u>Legal compliance:</u>  <u>The Company should strengthen its compliance with the Securities and Exchange Act and other applicable laws and regulations.</u></p>	<p><u>complete, appropriate, and correct as well as timely record and present in a understandable way.</u>  <u>In addition, every preparer who is involved in preparing the financial statement of the Company should prepare according to internal accounting principles of the Company and other important accounting standards to make financial statements reflect the Company business transaction and financial status substantially, appropriately, and completely. The principle has included in Generally Accepted Accounting Principles (GAAP), relevant applicable regulations, and internal accounting principles of the Company according to governmental accounting standards.</u>  <u>6. Encouraging reporting on illegal or unethical activities:</u>  <u>Directors and managerial officers should promote ethics conduct and adopt the measures below to ensure the Company as follows:</u>  <u>6-1: Encourage employees to discuss with directors, managerial officers, or other appropriate personnel when having doubts about the optimum behavior under specific circumstances;</u>  <u>6-2: Encourage employees to report to other appropriate personnel for the violation of laws, regulations, ordinances, internal principles of the Company, or code of ethical conduct;</u></p>	

Content of Article after Amendment	Content of Article before Amendment	Description
<p><u>7.Encouraging reporting on illegal or unethical activities:</u>  <u>The Company should raise awareness of ethics internally and encourage employees to report to an independent director, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Company should establish a concrete whistle-blowing system and make employees aware that the Company will use its best efforts to ensure the safety of informants and protect them from reprisals.</u></p> <p><u>8.Disciplinary measures:</u>  <u>When a director or managerial officer violates the code of ethical conduct, the Company should handle the matter in accordance with the disciplinary measures prescribed in the code, and should timely disclose on the Market Observation Post System</u></p>	<p><u>6-3: Notify employees that the reprisals against the reporters with well-meant intentions are not allowed.</u></p> <p><u>7.Procedure compliance</u>  <u>Once any suspicious conduct in violation of the Code, it is necessary to immediately report to managerial officers, internal auditors, or other appropriate personnel.</u>  <u>Reporting the suspicious violation matters with well-meant intentions is not subject to reprisal. The suspicious violation matters will be investigated by the board of directors or the designated person or persons appointed by the board of directors.</u>  <u>The exemption of the Code is only by the board of directors. Relevant detailed information should be disclosed immediately to shareholders of the Company and appointed personnel of other relevant laws and TWSE, including the names and positions for the exempted personnel, the date on which the board of directors made the exemption resolution, valid period for exemption, and reasons and principles for given exemption. Any request for exemption and trial should be requested to directors of the Company.</u></p> <p><u>8.Execution of the Guidelines</u>  <u>In case of any violation of the Code, the board of directors should determine the appropriate action to be taken and establish the relevant procedures for violators with remedies. The action should be planned reasonably to create a</u></p>	

Content of Article after Amendment	Content of Article before Amendment	Description
<p><u>(MOPS), the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken. The Company should also establish a relevant complaint system to provide the violator with remedies.</u></p>	<p><u>deterrent effect on the violators and enhance the sense of responsibility for compliance with the Code. When determining the action to be taken in specific situations, the board of directors should take all relevant information into consideration, including violation modality and seriousness, and the violation intention is deliberate or negligent, and whether someone gives advices to the violator before violation.</u></p>	
<p><u>Article 3: Procedures for exemption</u>  <u>The exemption of the Code should be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the Company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.</u></p>	<p>Article added</p>	<p>Add this article to reinforce the completeness of “code of ethical conduct” established by the Company according to “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies” announced by TWSE.</p>
<p><u>Article 4: Method of disclosure</u>  <u>The Company should disclose the code of ethical conduct it has adopted, and any amendments to it, on company website, in annual reports and prospectuses, and on the MOPS. The same procedure</u></p>	<p>Article added</p>	<p>Add this article to reinforce the completeness of “code of ethical conduct” established by the Company according to “Guidelines for the Adoption of Codes of Ethical Conduct for</p>

<b>Content of Article after Amendment</b>	<b>Content of Article before Amendment</b>	<b>Description</b>
<u>should be followed when the principles have been amended.</u>		TWSE/GTSM Listed Companies” announced by TWSE.
<u>Article 5: Enforcement</u> <u>The Company's code of ethical conduct, and any amendments to it, should enter into force after it has been adopted by the board of directors, delivered to the audit committee, and submitted to a shareholders meeting. The same procedure should be followed when the principles have been amended.</u>	Article added	Add this article to reinforce the completeness of “code of ethical conduct” established by the Company according to “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies” announced by TWSE.
Established in March 2005, amended for the first time in March 2015, and <u>amended for the second time in May 2022.</u>	Established in March 2005 and amended for the first time in March 2015.	Add the amended date and times.

### Annex 3.8: Comparison Table for Amended Articles of “Corporate Governance Best Practice Principles”

#### Faraday Technology Corporation Comparison Table for Amended Articles of “Corporate Governance Best Practice Principles”

Content of Article after Amendment	Content of Article before Amendment	Description
<p>Article 3-1 The Company <u>is advised to have an adequate number of corporate governance officers with appropriate qualifications based on the size of the company, business situations and management needs,</u> and should appoint <u>in accordance with the requirements of the competent authorities, TWSE or TPEX</u> a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer should be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs.</p> <p>Omitted below</p>	<p>Article 3-1 The Company <u>may set up</u> corporate governance officers and should appoint a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer should be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs.</p> <p>Omitted below</p>	<p>Amend this article according to Reference No. 1070024089 and 1090002299 announced by TWSE.</p>
<p>Article 6 The board of directors of the company should properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder nominations of directors and supervisors and submissions of shareholder proposals. The board should also properly handle the proposals duly submitted by shareholders. Arrangements</p>	<p>Article 6 The board of directors of the company should properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder nominations of directors and supervisors and submissions of shareholder proposals. The board should also properly handle the proposals duly submitted by shareholders. Arrangements</p>	<ol style="list-style-type: none"> <li>1. Amend Paragraph 1 of this article according to Reference No. 1110004250 announced by TWSE.</li> <li>2. Amend Paragraph 2 of this article in compliance with Corporate Governance Evaluation Index 1.3 and according to Reference No. 1070024089 announced by TWSE.</li> </ol>

Content of Article after Amendment	Content of Article before Amendment	Description
<p>should be made to hold shareholders meetings at a convenient location, and <u>should be advisable to be accompanied by video conference</u>, with sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements should be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders should be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.</p> <p>For a shareholders meeting called by the board of directors, it is advisable that the board chairperson chair the meeting, that a majority of the directors (including at least one independent director) and <u>convener of the audit committee, or at least one supervisor attend in person, and that at least one member of other functional committees attend as representative. Attendance details should be recorded in the shareholders meeting minutes.</u></p>	<p>should be made to hold shareholders meetings at a convenient location, with sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements should be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders should be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.</p> <p>For a shareholders meeting called by the board of directors, it is advisable that the board chairperson chair the meeting, that a majority of the directors (including at least one independent director) and at least one supervisor attend in person, and that at least one member of <u>each functional committee attend as representative. Attendance details should be recorded in the shareholders meeting minutes.</u></p>	
<p>Article 7</p> <p>The Company should encourage its shareholders to actively participate in corporate governance. It is advisable that the company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders meetings can proceed on a legal, effective and secure basis. The Company should seek all ways and means, including fully exploiting</p>	<p>Article 7</p> <p>The Company should encourage its shareholders to actively participate in corporate governance. It is advisable that the company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders meetings can proceed on a legal, effective and secure basis. The Company should seek all ways and means, including fully exploiting technologies for</p>	<p>1. Amend Paragraph 1 to encourage shareholders to actively participate in corporate governance and to remove barrier of cross-border voting according to Reference No. 105001898 announced by TWSE.</p> <p>2. Based on the shareholders' considerations, add Paragraph 2 of this article and amend the wording of Paragraph 3 according to Reference No.</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p>technologies for information disclosure, <u>to upload annual reports, annual financial statements, notices, agendas and supplementary information of shareholders meetings in both Chinese and English concurrently, and should adopt electronic voting</u>, in order to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with laws. <u>The Company is advised to avoid raising extraordinary motions and amendments to original proposals at a shareholders meeting.</u></p> <p>The Company is advised to arrange for their shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the <u>Market Observation Post System.</u></p>	<p>information disclosure <u>and casting votes</u>, in order to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with laws.</p> <p>Paragraph added</p> <p>The Company is advised to arrange for their shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the <u>designated reporting information system.</u></p> <p><u>If the Company distributes souvenirs at its shareholders meeting, it should not practice differential treatment or discrimination.</u></p>	<p>1010004596 announced by TWSE.</p> <p>3. Delete Paragraph 4 of this article according to Reference No.1070024089 announced by TWSE.</p>
<p>Article 10</p> <p>Paragraph 1 ~ 2 omitted</p> <p><u>To protect its shareholders' rights and interests and ensure their equal treatment</u>, the Company should adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.</p> <p>It is advisable that the rules mentioned in the preceding</p>	<p>Article 10</p> <p>Paragraph 1 ~ 2 omitted</p> <p>The Company should adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.</p> <p>It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of the Company become</p>	<p>1. Based on the shareholders' considerations and implementation for equal treatment of shareholder, revise Paragraph 3 according to Reference No. 1032201564 announced by TWSE.</p> <p>2. To prevent from inside trading and refer to "Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited" about no stock</p>



Content of Article after Amendment	Content of Article before Amendment	Description
paragraph include stock trading control measures from the date insiders of the Company become aware of the contents of the company's financial reports or relevant results; <u>including (but not limited to) the director of board should not proceed stock trading during the closed period between thirty days before the annual financial report announcement and fifteen days before quarterly financial report.</u>	aware of the contents of the company's financial reports or relevant results.	trading for directors before release of financial results, revise Paragraph 4 according to Reference No. 1100024981 announced by TWSE.
Article 10-1 <u>It is advisable that the Company reports director's remuneration in shareholder's meeting, including remuneration policy, the relevance between the content/amount of each remuneration and the result of performance assessment.</u>	Added	Based on the Corporate Governance3.0-Sustainable Development Roadmap, strength the related mechanism of reporting director's remuneration in shareholder's meeting, through supervision mechanism by investors and shareholders,make the Company to set the reasonable director's remuneration according to Reference No. 1100024981 announced by TWSE.
Article 11  Paragraph 1 omitted  The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records, assets, <u>particulars, documents and records of specific transaction of the company.</u> The board of directors, audit committee or supervisors, and managers of the Company should fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without	Article 11  Paragraph 1 omitted  The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records <u>and</u> assets. The board of directors, audit committee or supervisors, and managers of the Company should fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without <u>any obstruction, rejection or circumvention.</u>	In compliance with the provision for inspector in Article 245 of the Company Act, amend Paragraph 2/3 of this article according to Reference No. 1070024089 announced by TWSE.

Content of Article after Amendment	Content of Article before Amendment	Description
any circumvention, obstruction or rejection.		
Chapter2 Protect shareholders' equity Section 2 <u>Establishing a Mechanism for Interaction with Shareholders</u>	Chapter2 Protect shareholders' equity  Added	According to Reference No. 105001898 announced by TWSE, it encourages the institutional investors to disclosure corporate governance policy and emphasize on the conversation and interaction between shareholder and investee; therefore, add Section 2 “Establishing a Mechanism for Interaction with Shareholders” in Chapter 2 “Protect shareholders’ equity” to make the Company pay attention to this issue.
Article 13-1 <u>The board of directors of the Company is responsible for establishing a mechanism for interaction with shareholders to enhance mutual understanding of the development of company's objectives.</u>	Added	Add this article to achieve sustainable development and add the long/middle-term value according to Reference No. 105001898 announced by TWSE.
Article 13-2 <u>In addition to communicating with shareholders through shareholders meetings and encouraging shareholders to participate in such meetings, the board of directors of the Company together with officers and independent directors should engage with shareholders in an efficient manner to ascertain shareholders' views and concerns, and expound company policies explicitly, in order to gain shareholders' support.</u>	Added	By the consideration of the UK/Japan Stewardship Code, and in compliance with international development trends, add this article according to Reference No. 105001898 announced by TWSE.
Chapter 2 Protect shareholders' equity Section 3 Corporate Governance Relationships Between the	Chapter 2 Protect shareholders' equity Section 2 Corporate Governance Relationships Between the	In compliance with the added Section 2, adjust the original Section 2 to Section 3.

Content of Article after Amendment	Content of Article before Amendment	Description
Company and Its Affiliated Enterprises	Company and Its Affiliated Enterprises	
<p>Article 20 The board of directors of the Company should <u>direct company strategies, supervise the management, and</u> be responsible to the company and shareholders. The various procedures and arrangements of its corporate governance system should ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.</p> <p>Paragraph 2 omitted</p> <p>The composition of the board of directors should be determined by taking diversity into consideration. It is advisable that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following three general standards:</p> <p>1. Basic requirements and values: Gender, age, nationality, and culture; <u>female directors should reach one-third of the total number of the board members.</u></p> <p>2. Professional knowledge and skills: A professional background (<u>e.g., law, accounting, industry, finance, marketing, or technology</u>), professional skills, and industry experience.</p> <p>3. Corporate sustainability and social participation: Corporate governance, environmental sustainability, Corporate Social</p>	<p>Article 20 The board of directors of the Company should be responsible to the company and shareholders. The various procedures and arrangements of its corporate governance system should ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.</p> <p>Paragraph 2 omitted</p> <p>The composition of the board of directors should be determined by taking diversity into consideration. It is advisable that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following three general standards:</p> <p>1. Basic requirements and values: Gender, age, nationality, and culture.</p> <p>2. Professional knowledge and skills: A professional background, professional skills, and industry experience.</p> <p>3. Corporate sustainability and social participation: Corporate governance, environmental sustainability, Corporate Social Responsibility, regulatory compliance and human rights protection.</p>	<p>1. Based on the G20/OECD corporate governance principle VI: Responsibility of the board of directors, amend the wording of Paragraph 1 of this article according to Reference No. 105001898 announced by TWSE.</p> <p>2. Amend Paragraph 3 of this article to promote diversity of the composition of the board of directors according to Reference No. 1100024981 announced by TWSE.</p>

Content of Article after Amendment	Content of Article before Amendment	Description
Responsibility, regulatory compliance and human rights protection.  Omitted below	Omitted below	
Article 21 The company should <u>according to the principles for the protection of shareholder rights and interests and equitable treatment of shareholders</u> , establish a fair, just, and open procedure for the election of directors, <u>encourage shareholder participation</u> , and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.  Omitted below	Article 21 The company should establish a fair, just, and open procedure for the election of directors and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.  Omitted below	Based on the G20/OECD corporate governance principle VI: Responsibility of the board of directors, amend the wording of Paragraph 1 of this article according to Reference No. 105001898 announced by TWSE.
Article 23 Clear distinctions should be drawn between the responsibilities and duties of the chairman of the board of the Company and those of the president. It is inappropriate for the chairman to also act as the president <u>or an equivalent post</u> . <u>The Company with a functional committee</u> should clearly define the responsibilities and duties of the committee.	Article 23 Clear distinctions should be drawn between the responsibilities and duties of the chairman of the board of the Company and those of the president. It is inappropriate for the chairman to also act as the president. <u>For those who need a functional committee</u> should clearly define the responsibilities and duties of the committee.	Text correction in compliance with the latest corporate governance roadmap and the needs of corporate operational practice according to Reference No. 1070024089 and 1090002299 announced by TWSE.
Article 24 The Company should appoint at least three independent directors in accordance with its articles of incorporation. It is <u>inappropriate</u> to be less than two in number and not less than one- <u>third</u> of the total number of directors; and <u>the consecutive term of independent director should not over three terms</u> . Independent directors should possess professional knowledge and their shareholdings should be	Article 24 The Company should appoint at least three independent directors in accordance with its articles of incorporation. They <u>should</u> be not less than three in number and not less than one- <u>fifth</u> of the total number of directors.  Independent directors should possess professional knowledge and their shareholdings <u>and</u>	According to Reference No. 1100024981 announced by TWSE, in accordance with the "Corporate Governance 3.0 - Sustainable Development Roadmap," to further strength the supervision function of the board of directors, it is promoted that independent director should be not less than one-third of the total number of directors. Besides, to reinforce the independence

Content of Article after Amendment	Content of Article before Amendment	Description
<p>restricted. <u>Applicable laws and regulations should be observed and, in addition, it is not advisable for an independent director to hold office concurrently as a director (including independent director) or supervisor of more than five other TWSE/TPEX listed companies.</u></p> <p>Independent directors should also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the company.</p> <p>Omitted below</p>	<p><u>part-time job</u> should be restricted by law.</p> <p>Independent directors should also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the company.</p> <p>Omitted below</p>	<p>of the board of directors, it is promoted that the consecutive term of independent director term should not over three terms.</p>
<p><u>Article 25</u></p> <p><u>The Company should submit the following matters to the board of directors for approval by resolution as provided in the Securities and Exchange Act.</u></p> <p><u>When an independent director has a dissenting opinion or qualified opinion, it should be noted in the minutes of the directors meeting:</u></p> <p><u>1. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.</u></p> <p><u>2. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.</u></p> <p><u>3. A matter bearing on the personal interest of a director or a supervisor.</u></p> <p><u>4. A material asset or derivatives transaction.</u></p>	<p>Added</p>	<p>By referring to Article 14-3 of the Securities Exchange Act amended on January 11<sup>th</sup>, 2006, add this article according to Reference No. 0950103919 announced by TWSE.</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p>5. <u>A material monetary loan, endorsement, or provision of guarantee.</u></p> <p>6. <u>The offering, issuance, or private placement of any equity-type securities.</u></p> <p>7. <u>The hiring, discharge, or compensation of an attesting CPA.</u></p> <p>8. <u>The appointment or discharge of a financial, accounting, or internal auditing officer.</u></p> <p>9. <u>Any other material matter so required by the competent authority.</u></p>		
<p>Article 26 The Company should stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The Company or other board members should not <u>obstruct, reject or circumvent</u> the performance of duties by the independent directors. <u>The Company should stipulate the remuneration of the directors according to applicable laws and regulations.</u> The remuneration of the directors should fully reflect the personal performance and the long-term management performance of the company, and should also take the overall operational risks of the company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.</p>	<p>Article 25 The Company should stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The Company or other board members should not <u>restrict or obstruct</u> the performance of duties by the independent directors. The remuneration of the directors <u>should be paid with domestic/foreign industry usual standard authorized by the boards of directors in accordance with its articles of incorporation.</u> The remuneration of the directors should fully reflect the personal performance and the long-term management performance of the company, and should also take the overall operational risks of the company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.</p>	<p>1. Adjust the sequence 2. In compliance with Article 14-2 of the Securities Exchange Act, amend Paragraph 1 according to Reference No. 1070024089 announced by TWSE. 3. Amend Paragraph 2 of this article according to Reference No. 105001898 announced by TWSE.</p>
<p>Article 27 For the purpose of developing supervisory functions and</p>	<p>Article 26 For the purpose of developing supervisory functions and</p>	<p>1. Adjust the sequence 2. By referring to Paragraph 1 of Article 14-4 and</p>

Content of Article after Amendment	Content of Article before Amendment	Description
strengthening management mechanisms, the board of directors of the Company, in consideration of <u>the company's scale and type of operations</u> and the number of its <u>board members</u> , may set up functional committees for <u>auditing, remuneration, nomination, risk management or any other functions</u> , and <u>based on concepts of corporate social responsibility and sustainable operation</u> , may set up <u>environmental protection, corporate social responsibility, or other committees</u> , and <u>expressly provide for them in the articles of incorporation</u> .	strengthening management mechanisms, the board of directors of the Company, in consideration of <u>the board of directors' scale</u> and the number of its <u>independent directors</u> , may set up functional committees.  Omitted below	Article 14-6 of the Securities Exchange Act, amend the wording of Paragraph 1 of this article according to Reference No. 105001898 announced by TWSE.
Omitted below		
Article 28 The board of directors of the Company should establish an audit committee. The audit committee should be composed of the entire number of independent directors. It should not be fewer than three persons in number, one of whom should be convener, and at least one of whom should have accounting or financial expertise. The exercise of power by audit committee and independent directors and related matters should be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE or TPEx.	Article 27 The board of directors of the Company should establish an audit committee. The audit committee should be composed of the entire number of independent directors. It should not be fewer than three persons in number, one of whom should be convener, and at least one of whom should have accounting or financial expertise. <u>For a company that has established an audit committee, the provisions regarding supervisors in Securities and Exchange Act, the Company Act, and other laws and regulations should apply mutatis mutandis to the audit committee.</u> The exercise of power by audit committee and independent directors and related matters should be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies,	1. Adjust the sequence 2. According to Reference No. 1070024089 announced by TWSE, Paragraph 3 of this article stipulates the exercise of power by audit committee and independent directors and related matters; to be concise, delete Paragraph 2 of this article and move the original Paragraph 3 to Paragraph 2.

Content of Article after Amendment	Content of Article before Amendment	Description
	and the rules and regulations of the TWSE or TPEX.	
<p>Article 28-1  The Company should establish a remuneration committee, <u>and it is advisable that more than half of the committee members be independent directors.</u> The professional qualifications for the committee members, the exercise of their powers of office, the adoption of the organizational charter, and related matters should be handled pursuant to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.</p>	<p>Article 28  The Company should establish a remuneration committee. The professional qualifications for the committee members, the exercise of their powers of office, the adoption of the organizational charter, and related matters should be handled pursuant to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.</p>	<ol style="list-style-type: none"> <li>1. Adjust the sequence</li> <li>2. Amend Paragraph 1 of this article to continuously reinforce the independence of the remuneration committee according to Reference No. 1070024089 announced by TWSE.</li> </ol>
<p>Article 28-2  <u>The Company is advised to establish a nomination committee and its articles of association. It is advisable that a majority of the members of said committee be independent directors and an independent director be its chairperson.</u></p>	Added	<p>According to Reference No. 1090002299 announced by TWSE, it is encouraged that the Company establish a nomination committee for the sake of prudence.</p>
<p>Article 28-3  The Company is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting should be independent, provide encrypted protection for the files furnished by <u>whistleblowers</u>, and appropriately restrict access to such files. It should also formulate internal procedures and incorporate those procedures into the company's</p>	<p>Article 28-1  The Company is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting should be independent, provide encrypted protection for the files furnished by <u>informers</u>, and appropriately restrict access to such files. It should also formulate internal procedures and incorporate those procedures into the company's internal control system for management purposes.</p>	<ol style="list-style-type: none"> <li>1. Move from the original Article 28-1.</li> <li>2. By referring to the regulations of "Ethical Corporate Management and Guideline for Conduct", amend the text of this article to be specific and consistent according to Reference No. 105001898 announced by TWSE.</li> </ol>



Content of Article after Amendment	Content of Article before Amendment	Description
internal control system for management purposes.		
<p>Article 29</p> <p>Paragraph 1 ~ 3 omitted</p> <p>The Company should evaluate the independence and suitability of the CPA engaged by the company regularly, and no less frequently than once annually. In the event that the company engages the same CPA without replacement for <u>7</u> years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the company should evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.</p>	<p>Article 29</p> <p>Paragraph 1 ~ 3 omitted</p> <p>The Company should evaluate the independence and suitability of the CPA engaged by the company regularly, and no less frequently than once annually. In the event that the company engages the same CPA without replacement for <u>5</u> years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the company should evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.</p>	<p>According to Reference No. 10000009571 announced by TWSE, in compliance with Article 68 of Statements on Auditing Standards No. 46 "Quality control of accounting firm", the rotation rule of accountant is regulated that the host accountant should rotate within a certain period (usually no more than 7 years) and return to the original position after at least a certain period (usually no less than 2 years); therefore, amend Paragraph 4 of this article.</p>
<p>Article 33</p> <p>Paragraph 1 omitted</p> <p>In any of the following circumstances, decisions made by the board of directors should be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS <u>two hours</u> before the beginning of trading hours on the first business day after the date of the board meeting:</p> <ol style="list-style-type: none"> <li>1. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.</li> <li>2. The matter was not approved by the audit committee (if the company has set up an audit committee), but had the consent of more than two-thirds of all directors.</li> </ol>	<p>Article 33</p> <p>Paragraph 1 omitted</p> <p>In any of the following circumstances, decisions made by the board of directors should be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS before the beginning of trading hours on the first business day after the date of the board meeting:</p> <ol style="list-style-type: none"> <li>1. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.</li> <li>2. The matter was not approved by the audit committee (if the company has set up an audit committee), but had the consent of more than two-thirds of all directors.</li> </ol> <p>Omitted below</p>	<p>In compliance with reporting timing of publicly announced and filed on the MOPS listed in Paragraph 2 of this article regulated by TWSE, amend Paragraph 2 of this article by according to Reference No. 1070024089 announced by TWSE.</p>

Content of Article after Amendment	Content of Article before Amendment	Description
Omitted below		
<p>Article 35</p> <p>The Company should submit the following matters to its board of directors for discussion:</p> <ol style="list-style-type: none"> <li>1. Corporate business plans.</li> <li>2. Annual and <u>semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be CPA audited and attested.</u></li> <li>3. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, <u>and evaluation of effectiveness of an internal control system.</u></li> <li>4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.</li> <li>5. The offering, issuance, or private placement of any equity-type securities.</li> <li>6. The performance assessment and the standard of remuneration of the managerial officers.</li> <li>7. The structure and system of director's remuneration.</li> <li>8. The appointment or discharge of a financial, accounting, or internal audit officer.</li> <li>9. A donation to a related party or a major donation to a non-</li> </ol>	<p>Article 35</p> <p>The Company should submit the following matters to its board of directors for discussion:</p> <ol style="list-style-type: none"> <li>1. Corporate business plans.</li> <li>2. Annual financial report and <u>Quarter 2 financial report that needs to be CPA audited and attested.</u></li> <li>3. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act.</li> <li>4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.</li> <li>5. The offering, issuance, or private placement of any equity-type securities.</li> <li>6. The performance assessment and the standard of remuneration of the managerial officers.</li> <li>7. The structure and system of director's remuneration.</li> <li>8. The appointment or discharge of a financial, accounting, or internal audit officer.</li> <li>9. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.</li> </ol>	<p>Amend this article to comply with the regulation of Paragraph 1 of Article 7 in “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” according to Reference No. 1070024089 announced by TWSE.</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p>related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.</p> <p>10. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or by law to be approved by resolution at a shareholders meeting or to be approved by <u>resolution</u> at a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.</p> <p>Except for matters that must be submitted to the board of directors for discussion under the preceding paragraph, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or its articles of incorporation. However, the level of delegation or the content or matters to be delegated should be clearly specified, and general authorization is not permitted.</p>	<p>10. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or by law to be approved by resolution at a shareholders meeting or to be approved by <u>matter</u> at a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.</p> <p>Except for matters that must be submitted to the board of directors for discussion under the preceding paragraph, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or its articles of incorporation. However, the level of delegation or the content or matters to be delegated should be clearly specified, and general authorization is not permitted.</p>	
<p>Article 37</p> <p>Members of the board of directors should faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the company, they should exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of incorporation, they should ensure that all matters</p>	<p>Article 37</p> <p>Members of the board of directors should faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the company, they should exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of incorporation, they should ensure that all matters</p>	<p>1. According to Reference No. 1050018981 and 1070024089 announced by TWSE, the independent directors are also the members for the board of directors, Paragraph 1 of this article covers the content of the Paragraph 2/3; therefore, delete Paragraph 2/3.</p> <p>2. To make the performance assessment of the functional committee be more specific, add</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p>are handled according to the resolutions of board of directors.</p> <p>It is advisable that the Company formulate rules and procedures for board of directors' performance assessments. Each year, in respect of the board of directors and individual directors, it should conduct regularly scheduled performance assessments through self-assessments or peer-to-peer assessments, and may also do so through outside professional institutions or in any other appropriate manner. A performance assessment of the board of directors should include the following aspects, and appropriate assessment indicators should be developed in consideration of the company's needs:</p> <ol style="list-style-type: none"> <li>1. The degree of participation in the company's operations.</li> <li>2. Improvement in the quality of decision making by the board of directors.</li> <li>3. The composition and structure of the board of directors.</li> <li>4. The election of the directors and their continuing professional education.</li> <li>5. Internal controls.</li> </ol> <p>The performance assessments of board members (self-assessments or peer-to-peer assessments) should include the following aspects, with appropriate adjustments made on the basis of the company's needs:</p> <ol style="list-style-type: none"> <li>1. Their grasp of the company's goals and missions.</li> <li>2. Their recognition of director's duties.</li> <li>3. Their degree of participation in the company's operations.</li> </ol>	<p>are handled according to the resolutions of board of directors.</p> <p><u>The resolutions of board of directors involve in the Company's business development and major decision direction, it is required careful consideration and cannot influence the promotion and operation of corporate governance.</u></p> <p><u>Independent directors should perform duty in accordance with relevant laws and the articles of incorporation to protect the Company's and its shareholders' rights.</u></p> <p>It is advisable that the Company formulate rules and procedures for board of directors' performance assessments. Each year, in respect of the board of directors and individual directors, it should conduct regularly scheduled performance assessments through self-assessments or peer-to-peer assessments, and may also do so through outside professional institutions or in any other appropriate manner. A performance assessment of the board of directors (<u>Functional committee</u>) should include the following aspects, and appropriate assessment indicators should be developed in consideration of the company's needs:</p> <ol style="list-style-type: none"> <li>1. The degree of participation in the company's operations.</li> <li>2. Improvement in the quality of decision making by the board of directors.</li> <li>3. The composition and structure of the board of directors.</li> <li>4. The election of the directors and their continuing professional education.</li> <li>5. Internal controls.</li> </ol>	<p>Paragraph 4 to define the required aspects of the functional committee performance assessment.</p> <p>3.To assist the board of directors to understand the status of operation efficiency and competency contribution, it is advisable to take the performance assessment of the board of directors as the reference in determining compensation for individual directors, their nomination and additional office term; therefore, amend Paragraph 5.</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p>4. Their management of internal relationships and communication.  5. Their professionalism and continuing professional education.  6. Internal controls.  <u>It is advisable that the Company conducts performance assessments of a functional committee, covering the following aspects, with appropriate adjustments made on the basis of the company's needs:</u>  <u>1. Their degree of participation in the company's operations.</u>  <u>2. Their recognition of the duties of the functional committee.</u>  <u>3. Improvement in the quality of decision making by the functional committee.</u>  <u>4. The composition of the functional committee, and election and appointment of committee members.</u>  5. Internal control.  <u>The Company is advised to submit the results of performance assessments to the board of directors and use them as reference in determining compensation for individual directors, their nomination and additional office term.</u></p>	<p>The performance assessments of board members (self-assessments or peer-to-peer assessments) should include the following aspects, with appropriate adjustments made on the basis of the company's needs:  1. Their grasp of the company's goals and missions.  2. Their recognition of director's duties.  3. Their degree of participation in the company's operations.  4. Their management of internal relationships and communication.  5. Their professionalism and continuing professional education.  6. Internal controls.  <u>The board of directors of the Company should adjust the composition of the board of directors according to the result of performance assessment.</u></p>	
<p><u>Article 37-2</u>  <u>The board of directors is advised to evaluate and monitor the following aspects of the Company's direction of operation and performance in connection with intellectual properties, to ensure the company develops an intellectual property regulatory system in accordance with the Plan-Do-Check-Act cycle:</u>  <u>1. Formulate intellectual property regulatory policies, objectives and systems that are slightly</u></p>	Added	By referring to the regulations of “Taiwan Intellectual Property Management System” (TIPS) amended by Industrial Development Bureau in August, 2016, add this article according to Reference No. 1090002299 announced by TWSE.

Content of Article after Amendment	Content of Article before Amendment	Description
<p><u>associated with the operational strategies.</u></p> <p>2. <u>Develop, implement and maintain on the basis of scale and form its regulatory systems governing the procurement, protection, maintenance and utilization of intellectual properties.</u></p> <p>3. <u>Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property regulatory system.</u></p> <p>4. <u>Observe internally and externally the risks and opportunities that intellectual property regulation may present and adopt corresponding measures.</u></p> <p>5. <u>Plan for and implement a continuous improvement mechanism to ensure the operation and effects of the intellectual property regulatory regime meet the company's expectations.</u></p>		
<p>Article 38</p> <p>If a resolution of the board of directors violates law, regulations or the company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director, or <u>at the notice of an independent director</u> to discontinue the implementation of the resolution, members of the board should take appropriate measures or discontinue the implementation of such resolution as soon as possible.</p> <p>Upon discovering a likelihood that the company would suffer material injury, members of the board of directors should</p>	<p>Article 38</p> <p>If a resolution of the board of directors violates law, regulations or the company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director, to discontinue the implementation of the resolution, members of the board should take appropriate measures or discontinue the implementation of such resolution as soon as possible.</p> <p>Upon discovering a likelihood that the company would suffer material injury, members of the board of directors should immediately report to the audit</p>	<p>By referring to Article 14-4 of the Securities Exchange Act updated on Jan. 11<sup>th</sup>, 2006, amend the partial text according to Reference No. 0950103919 announced by TWSE.</p>

Content of Article after Amendment	Content of Article before Amendment	Description
immediately report to the audit committee or an independent director <u>member of the audit committee</u> , in accordance with the foregoing paragraph.	committee or an independent director, in accordance with the foregoing paragraph.	
Article 39 The Company should <u>take out</u> directors' liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoings or negligence of a director. The Company should report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has <u>taken out</u> or renewed for directors, at the next board meeting.	Article 39 <u>According to the articles of incorporation or the resolution of the shareholders' meeting</u> , the Company should <u>buy</u> directors' liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoings or negligence of a director. The Company should report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has <u>bought</u> or renewed for directors, at the next board meeting.	According to Reference No. 1070024089 announced by TWSE, in order to make the directors be fully devoted to the position and bring the most benefit, and in compliance with the updated regulations of "Directors and Officers Liability Insurance" in Article 193-1 of the Company Act; therefore, amend this article.
Article 41 The Company should maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or <u>other stakeholders</u> of the company, respect and safeguard their legal rights and interests, and designate a stakeholders section on its website. When any of a stakeholder's legal rights or interests is harmed, the company <u>should</u> handle the matter in a proper manner and in good faith.	Article 41 The Company should maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or <u>interested party</u> of the company, respect and safeguard their legal rights and interests, and designate a stakeholders section on its website. When any of a stakeholder's legal rights or interests is harmed, the company should handle the matter in a proper manner and in good faith.	According to Reference No. 1050018981 announced by TWSE, for term consistency and in compliance with the current regulation to designate a stakeholder's section; therefore, amend the wording of Paragraph 1 of this article.
Article 42 The Company should provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational	Article 42 The Company should provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational	Updated text

Content of Article after Amendment	Content of Article before Amendment	Description
and financial conditions of the company and its decision-making process. When any of their legal rights or interest is harmed, the company should respond with a responsible attitude and assist creditors in obtaining <u>compensation</u> through proper means.	and financial conditions of the company and its decision-making process. When any of their legal rights or interest is harmed, the company should respond with a responsible attitude and assist creditors in obtaining <u>relief</u> through proper means.	
<p>Article 45</p> <p>Disclosure of information is a major responsibility of the Company. The Company should perform its obligations faithfully in accordance with the relevant laws and the related TWSE and TPEx rules.</p> <p><u>The Company is advised to publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.</u></p> <p>The Company should establish an Internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing the information, and establish a spokesperson system so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.</p>	<p>Article 45</p> <p>Disclosure of information is a major responsibility of the Company. The Company should perform its obligations faithfully in accordance with the relevant laws and the related TWSE and TPEx rules.</p> <p>The Company should establish an Internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing the information, and establish a spokesperson system so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.</p>	<p>According to Reference No. 1070024089 announced by TWSE, for the benefit of shareholders to know in advance of the quarterly and annual financial reports, and the financial/business information of each operation status, as the reference for investor decision. Add Paragraph 2 and move the original Paragraph 2 to Paragraph 3.</p>
<p>Article 48</p> <p>The Company should hold an investor conference in compliance with the regulations of the TWSE and TPEx, and should keep an audio or video record of the meeting. The financial and business information disclosed in</p>	<p>Article 48</p> <p>The Company should hold an investor conference in compliance with the regulations of the TWSE and TPEx, and should keep an audio or video record of the meeting. The financial and business information disclosed in</p>	<p>According to Reference No. 1050018981 announced by TWSE, amend the wording of this article in compliance with Paragraph 3 of Article 7, Paragraph 1 of Article 10, and Paragraph 2 of Article 33.</p>



Content of Article after Amendment	Content of Article before Amendment	Description
the investor conference should be disclosed on the <u>MOPS</u> and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE or TPEX rules.	the investor conference should be disclosed on the <u>designated reporting information system</u> and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE or TPEX rules.	
<p>Article 49 The Company <u>website</u> should establish a <u>designated section to disclose and update from time to time</u> the following information regarding corporate governance:</p> <p>1.The board of directors: Such as <u>resume and responsibility for member of the board of directors, diversity policy of the composition for the board of directors, and its implementation status.</u></p> <p>2.Functional committee: Such as <u>resume and responsibility for member of functional committee.</u></p> <p>3.Relevant laws and regulations of corporate management: Such as <u>the Company's articles of incorporation, rules of procedures for board of the directors, organization rules of the functional committee.</u></p> <p>4.Important information related to corporate management: Such as <u>setup the information for corporate governing manager.</u></p>	<p>Article 49 The Company should disclose the following information regarding corporate governance <u>in the fiscal year in accordance with laws and regulations of TWSE :</u></p> <p>1. <u>Corporate governance framework and rules.</u></p> <p>2. <u>Ownership structure and the rights and interests of shareholders, including specific and explicit dividend policy).</u></p> <p>3. <u>Structure, professionalism and independence of the board of directors.</u></p> <p>4. <u>Responsibility of the board of directors and managerial officers.</u></p> <p>5. <u>Composition, duties and independence of the audit committee or supervisors.</u></p> <p>6. <u>Composition, duties and operation of the remuneration committee and other functional committees.</u></p> <p>7. <u>The remuneration paid to the directors, supervisors, general manager and vice general manager in the last two fiscal years, the analysis of the percentage of total remuneration to net profit after tax in the parent company only financial reports or individual financial reports, the policy, standard and package of remuneration payment, the procedure for determination of remuneration and the</u></p>	<p>According to Reference No. 1100024981 announced by TWSE, In order to optimize the disclosure of corporate governance information on the company's website, integrate the original provisions of the items that should be disclosed in accordance with relevant laws and regulations of TWSE, and according to the corporate governance 3.0-sustainable development blueprint plan, it is clearly stipulated that the company website should establish a designated section to disclose corporate governance related information., to facilitate the reference of shareholders and stakeholders.</p>

Content of Article after Amendment	Content of Article before Amendment	Description
	<p><u>connection with the operation performance and future risk.</u></p> <p><u>Under special individual circumstances, remuneration of individual directors and supervisors should be disclosed.</u></p> <p><u>8. The progress of training of directors and supervisors.</u></p> <p><u>9. The rights, relationships, avenues for complaint, concerns, and appropriate response mechanism regarding stakeholders.</u></p> <p><u>10. Details of the events subject to information disclosure required by law and regulations.</u></p> <p><u>11. The enforcement of corporate governance, differences between the corporate governance principles implemented by the company and these Principles, and the reason for the differences.</u></p> <p><u>12. Other information regarding corporate governance.</u></p> <p><u>The Company is advised, according to the actual performance of the corporate governance system, to disclose the plans and measures to improve its corporate governance system through appropriate mechanisms.</u></p>	

## **Annex 3.9: Sustainable Development Best Practice Principles**

### **Faraday Technology Corporation Sustainable Development Best Practice Principles**

#### **Chapter 1: General Overview**

Article1: In order to fulfill the corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, Faraday hereby adopts the Principles of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” to be followed.

Article2: This principles apply to the entire operations of the Company and its business group. The Company should actively fulfill the corporate social responsibility in the course of the business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.

Article3: In fulfilling corporate social responsibility initiatives, the Company should, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.  
The Company should, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.

Article4: To implement corporate social responsibility initiatives, the Company is advised to follow the principles below:

- (1) Exercise corporate governance.
- (2) Foster a sustainable environment.
- (3) Preserve public welfare.
- (4) Enhance disclosure of corporate social responsibility information.

Article5: The Company should take into consideration the correlation between the developments of domestic and international corporate social responsibility principles and corporate core business operations, and the effect of the operation of the Company and its respective business groups as a whole on stakeholders, in establishing the policies, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility programs.  
When a shareholder proposes a motion involving corporate social responsibility, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.

#### **Chapter 2: Exercising Corporate Governance**

Article6: The Company is advised to follow the Corporate Governance Best Practice

Principles for TWSE/GTSM Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the Code of Ethical Conduct for TWSE/GTSM Listed Companies to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 7: The directors of the company shall exercise the due care of good administrators to urge the company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.

The board of directors of the company is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's performance of its corporate social responsibility initiatives:

(1) Identifying the company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines.

(2) Making corporate social responsibility the guiding principle of the company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives.

(3) Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information.

The board of directors should appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue should be concrete and clear.

Article 8 、 The Company is advised to, on a regular basis, organize education and training on the implementation of corporate social responsibility initiatives, including promotion of the matters prescribed in Paragraph 2 of the preceding article.

Article 9 、 For the purpose of managing corporate social responsibility initiatives, the Company is advised to establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis. The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders. It is advised that the employee performance evaluation system be combined with corporate social responsibility policies, and that a clear and effective incentive and discipline system be established.

Article 10 、 The Company should, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.

### **Chapter 3: Fostering Sustainable Environment**

Article11:The Company should follow relevant environmental laws, regulations and international standards to properly protect the environment and should endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article12:The Company is advised to endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article13:The Company is advised to establish proper environment management systems based on the characteristics of their industries. Such systems should include the following tasks:

- (1) Collecting sufficient and up-to-date information to evaluate the impact of the Company's business operations on the natural environment.
- (2) Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
- (3) Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation on a regular basis.

Article14:The Company is advised to establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for their managerial officers and other employees on a periodic basis.

Article15:The Company is advised to take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:

- (1) Reduce resource and energy consumption of products and services.
- (2) Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
- (3) Improve the recyclability and reusability of raw materials or products
- (4) Maximize the sustainability of renewable resources.
- (5) Enhance the durability of products.
- (6) Improve the effectiveness of products and services

Article16:To improve water use efficiency, the Company should properly and sustainably use water resources and establish relevant management measures.

The Company should construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article17:The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt climate related measures.

The Company is advised to adopt standards or guidelines generally used in Taiwan

and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which should include the following:

- (1) Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.
- (2) Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.
- (3) Other indirect emissions: Emissions from corporate activities; emissions that are not indirect energy emissions; but originate from sources owned or controlled by other companies.

The Company is advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The companies' carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.

#### **Chapter 4: Preserving Public Welfare**

Article 18: The Company should comply with relevant laws and regulations, and the international bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

To fulfill its responsibility to protect human rights, the Company should adopt relevant management policies and processes, including:

- (1) Presenting a corporate policy or statement on human rights.
- (2) Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handling processes.
- (3) Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
- (4) In the event of any infringement of human rights, the Company should disclose the processes for handling of the matter with respect to the stakeholders involved.

The Company should comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and should ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company should provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process.

Channels through which a grievance may be raised should be clear, convenient, and unobstructed. The Company should respond to any employee's grievance in an appropriate manner.

Article 19: The Company should provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.

Article20:The Company is advised to provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and should endeavor to curb dangers to employees' safety and health and to prevent occupational accidents. The Company is advised to organize training on safety and health for their employees on a regular basis.

Article21:The Company is advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills.

The Company should establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article22:The Company should establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decisions.

The Company should respect the employee representatives' rights to bargain for the working conditions, and should provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives. The Company should, by reasonable means, inform employees of operation changes that might have material impacts.

Article22-1:The Company is advised to treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. Said company should also develop the relevant strategies and specific measures for implementation.

Article23:The Company should take responsibility for their products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the company should ensure the transparency and safety of their products and services. They further should establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article24:The Company should ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries. The Company should follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, their products and services and should not deceive, mislead, commit fraud or engage in any other acts which would betray consumers'

trust or damage consumers' rights or interests.

**Article25:**The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society. The Company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, should comply with laws and regulations related to the Personal Information Protection.Act for respecting consumers' rights of privacy and should protect personal data provided by consumers.

**Article26:**The Company is advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and should cooperate with their suppliers to jointly implement the corporate social responsibility initiative. The Company is advised to establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, the Company are advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy. When the Company enters into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

**Article27:**The Company should evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance. The Company is advised to, through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc.,dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charitiesand local government agencies relating to community development andcommunity education to promote community development.

## **Chapter 5:Enhancing Disclosure of Corporate Social Responsibility Information**

**Article28:**The Company should disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles and should fully disclose relevant and reliable information relating to their corporate social responsibility initiatives to improve information transparency. Relevant information relating to corporate social responsibility which the company shall disclose includes:

- (1)The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the board of directors.
- (2)The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable



environment and preserving social public welfare.

- (3)Goals and measures for realizing the corporate social responsibility initiatives established by the companies, and performance inimplementation.
- (4)Major stakeholders and their concerns.
- (5)Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
- (6)Other information relating to corporate social responsibility initiatives.

Article29:The Company should adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of their implementation of the corporate social responsibility policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:

- (1)The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives.
- (2)Major stakeholders and their concerns.
- (3)Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
- (4)Future improvements and goals.

## **Chapter 6:Supplementary Provisions**

Article30:The Company should at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve their established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.

Article31:The principles should be implemented after the board of directors grants the approval. The same procedure should be followed when the principles have been amended.The principles are established on April 26, 2022.

### Annex 3.10: Comparison Table for Amended Articles of “Rules of Procedure for Shareholder Meetings”

#### Faraday Technology Corporation Comparison Table for Amended Articles of “Rules of Procedure for Shareholders Meetings”

Content of Article after Amendment	Content of Article before Amendment	Description
Article 1 <u>The Rules of procedures for shareholders meetings of the Company, except as otherwise provided by laws and regulations or the articles of the incorporation , should be implemented in accordance with the regulations of the “Rules of Procedure for Shareholders Meetings.”</u>	Article 1 The shareholders meetings of the Company <u>are</u> implemented in accordance with the “Rules of Procedure for Shareholders Meetings.”	Amend the description.
Article 2 <u>Unless otherwise provided by laws or regulations, the Company's shareholders meetings should be convened by the board of directors. Changing the way of convening a shareholders meeting for the Company should be obtained approval from the board of directors no later than sending the shareholders meeting notice. The Company should prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting.</u>	Article 2 <u>Shareholders or their proxies are required to wear an attendance card and submit a sign-in card for sign-in. The number of shares is calculated based on the number of sign-in cards received plus the number of shares whose voting rights are exercised by correspondence or electronically.</u>	Amend this article thoroughly to establish a strong governance system, sound supervisory capabilities, and to strengthen management mechanism for the Company's shareholders meetings as well as convene a shareholders meeting via videoconferencing in compliance with Company Act.

<p><u>The Company should prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company should also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials should also be displayed at the Company and the designated professional shareholder services agent.</u></p> <p><u>The shareholders meeting agenda and supplemental meeting materials in the preceding paragraph, the Company should provide to shareholders for review at the place of the a shareholders meeting by the following ways:</u></p> <ol style="list-style-type: none"> <li><u>1. When convening a physical shareholders meeting, the meeting materials should be distributed on-site at the meeting place.</u></li> <li><u>2. When convening a video-assisted shareholders meeting, the meeting materials should be distributed on-site at the meeting place and be transmitted to the video conference platform by the electrical file.</u></li> <li><u>3. When convening a shareholders meeting via videoconferencing, the</u></li> </ol>		
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<p><u>meeting materials should be transmitted to the video conference platform by the electrical file.</u></p> <p><u>The reasons for convening a shareholders meeting should be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</u></p> <p><u>Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under paragraph 1, Article 185, of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers should be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the matters mentioned above may be raised by an extraordinary motion.</u></p> <p><u>Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.</u></p>		
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<p><u>A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda.</u></p> <p><u>When the circumstances of any subparagraph of paragraph 4, Article 172-1, of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.</u></p> <p><u>Prior to the book closure date before a regular shareholders meeting is held, the Company should publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</u></p> <p><u>Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal should be present in person or by</u></p>		
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<p><u>proxy at the regular shareholders meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, the Company should inform the shareholders who submitted proposals of the proposal screening results, and should list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors should explain the reasons for exclusion of any shareholder proposals not included in the agenda.</u></p>		
<p>Article 3  <u>For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.</u>  <u>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and should deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest should prevail unless a declaration is made to cancel the previous proxy appointment.</u>  <u>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation should be submitted to the Company before two business days of the meeting date. If the cancellation notice is submitted after that</u></p>	<p>Article 3  <u>The chairman should call the meeting to order when the attending shareholders do represent a majority of the total number of issued shares.</u></p>	<p>Amend this article thoroughly to establish a strong governance system, sound supervisory capabilities, and to strengthen management mechanism for the Company's shareholders meetings as well as convene a shareholders meeting via videoconferencing in compliance with Company Act.</p>

<p><u>time, votes cast at the meeting by the proxy should prevail.</u></p> <p><u>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting via videoconferencing, a written notice of proxy cancellation should be submitted to the Company before two business days of the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy should prevail.</u></p>		
<p><u>Article 4 (Principles determining the time and place of a shareholders meeting))</u></p> <p><u>The place for shareholders meeting should be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration should be given to the opinions of the independent directors with respect to the place and time of the meeting. When the Company convenes a shareholders meeting via videoconferencing, the venue for a shareholders meeting in the preceding paragraph has waived.</u></p>	<p><u>Article 4</u></p> <p><u>The shareholders meeting agenda is formulated by the board of directors. The meeting should proceed in the order set by the agenda.</u></p>	<p>Amend this article thoroughly to establish a strong governance system, sound supervisory capabilities, and to strengthen management mechanism for the Company's shareholders meetings as well as convene a shareholders meeting via videoconferencing in compliance with Company Act.</p>
<p><u>Article 5 (Preparation of documents such as the attendance book)</u></p> <p><u>The Company should specify in its shareholders meeting notices the time during which shareholders/solicitors/proxies (collectively, "shareholders") registrations will be accepted, the place to register for attendance, and other matters for attention.</u></p> <p><u>The time during which shareholder attendance registrations will be accepted in</u></p>	<p><u>Article 5</u></p> <p><u>In addition to the proposals listed on the agenda, the other proposal submitted by the shareholders or the amendments or alternatives to the original proposals should be seconded by other shareholders. The equity of the proponent and the seconded party should be up to 1% of the total number of issued common stock shares.</u></p>	<p>Amend this article thoroughly to establish a strong governance system, sound supervisory capabilities, and to strengthen management mechanism for the Company's shareholders meetings as well as convene a shareholders meeting via videoconferencing in compliance with Company Act.</p>

<p><u>the preceding paragraph should be at least 30 minutes before the meeting commences. The place at which attendance registrations are accepted should be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For a shareholders meeting by video conference, the Company should accept shareholder attendance on the video conference platform 30 minutes before the meeting commences. Shareholders who have completed attendance registrations will be deemed to have attended the meeting in person.</u></p> <p><u>Shareholders should attend the shareholders meeting by attendance card, sign-in card, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms should also bring identification documents for verification. This Company should furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. the Company should furnish attending shareholders with the meeting agenda, annual report, attendance card, speaker's slip, ballot paper, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots should also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a</u></p>		
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<p><u>juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</u></p> <p><u>For convening a shareholders meeting by video conference, shareholders who intend to attend the meeting via videoconferencing should register to the Company two business days before the date of the shareholders meeting.</u></p> <p><u>For convening a shareholders meeting by video conference, the Company should upload the meeting agenda, annual report, and other relevant information to the video conference platform of a shareholders meeting at least 30 minutes before the meeting commences, and continuously disclose the meeting data until the end of the meeting.</u></p>		
<p><u>Article 5-1 (Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)</u></p> <p><u>To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:</u></p> <p><u>1.How shareholders attend the virtual meeting and exercise their rights.</u></p> <p><u>2.Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u></p> <p><u>2-1.To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed</u></p>	Article added	Add this article to convene a shareholders meeting via videoconferencing in compliance with Company Act.

<p><u>or on which the meeting will resume.</u></p> <p><u>2-2.Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u></p> <p><u>2-3.In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p><u>2-4.Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></p> <p><u>3.To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</u></p>		
<p>Article 6 (The chairman and non-voting participants of a shareholders meeting) <u>If a shareholders meeting is convened by the board of</u></p>	<p>Article 6 <u>A matter other than a proposal will not be discussed or voted on. The chairman may have a discussion of proposal ended at an appropriate</u></p>	<p>Amend this article thoroughly to establish a strong governance system, sound supervisory capabilities,</p>

<p><u>directors, the meeting should be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson should act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson should appoint one of the managing directors to act as chairman, or, if there are no managing directors, one of the directors should be appointed to act as chairman. Where the chairperson does not make such a designation, the managing directors or the directors should select from among themselves one person to serve as chairman. When a managing director or a director serves as chairman, as referred to in the preceding paragraph, the managing director or director should be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same should be true for a representative of a juristic person director that serves as chairman. It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance should be recorded in the meeting minutes.</u></p>	<p><u>time or may announce the discussion of a proposal closed, if necessary.</u></p>	<p>and to strengthen management mechanism for the Company's shareholders meetings</p>
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<p><u>If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party should chair the meeting. When there are two or more such convening parties, they should mutually select a chairman from among themselves.</u></p> <p><u>The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.</u></p>		
<p>Article 7 (Documentation of a shareholders meeting by audio or video)</p> <p><u>The Company, beginning from the time it accepts shareholder attendance registrations, should make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.</u></p> <p><u>The recorded materials of the preceding paragraph should be retained for at least one year. However, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording should be retained until the conclusion of the litigation.</u></p> <p><u>For convening a shareholders meeting by video conference, the Company should keep records for enrollment, registration, sign-in, question, voting, and vote counting results of shareholders, and should make an uninterrupted audio and video recording for the video conference.</u></p> <p><u>For the information and recorded materials in the preceding</u></p>	<p>Article 7</p> <p><u>Once the discussion of proposal is ended or closed, the chairman may call for a vote.</u></p>	<p>Amend this article thoroughly to establish a strong governance system, sound supervisory capabilities, and to strengthen management mechanism for the Company's shareholders meetings as well as convene a shareholders meeting via videoconferencing in compliance with Company Act.</p>

<p><u>paragraph, the Company should keep in proper custody for the duration; and provide the audio/video data to those who are entrusted with holding video conference for safekeeping. For convening a shareholders meeting by video conference, the Company is advised to make an audio and video recording with back-end operation interface of the video conference platform.</u></p>		
<p><u>Article 8</u>  <u>Attendance at shareholders meetings should be calculated based on numbers of shares. The number of shares in attendance should be calculated according to the shares indicated by the attendance book, sign-in cards handed in, and numbers of shares registered by video conference platform plus the number of shares whose voting rights are exercised by correspondence or electronically.</u>  <u>The chairman should call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.</u>  <u>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total</u></p>	<p><u>Article 8</u>  <u>Except as otherwise provided in the Company Act; the passage of a proposal should require an affirmative vote of a majority of the voting rights represented by the attending shareholders. If the chairman consults all the attending shareholders without any objection raised, the proposal should be deemed as passed, and its effect should be the same as that of voting.</u></p>	<p>Amend this article thoroughly to establish a strong governance system, sound supervisory capabilities, and to strengthen management mechanism for the Company's shareholders meetings as well as convene a shareholders meeting via videoconferencing in compliance with Company Act.</p>

<p><u>number of issued shares, the chairman should declare the meeting adjourned. Those who attend the shareholders meeting via videoconferencing, should register to the Company again according to Article 5.</u></p> <p><u>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders should be notified of the tentative resolution and another shareholders meeting should be convened within one month. Before finishing at the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</u></p>		
<p>Article deleted</p>	<p><u>Article 8-1</u>  <u>When the Company holds a shareholder meeting; it allows the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise should be specified in the shareholder meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.</u></p>	<p>Delete this article and adjust the original article to Article 12</p>

<p>Article 9</p> <p><u>If a shareholders meeting is convened by the board of directors, the meeting agenda should be set by the board of directors. Votes should be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting should proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors. The chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chairman declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors should promptly assist the attending shareholders in electing a new chairman in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders and then continue the meeting. The chairman should allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chairman thinks that a proposal has been</u></p>	<p>Article 9</p> <p><u>Before speaking, an attending shareholder must specify on a speaker's slip the attendance card number, shareholder name, and shareholding. The order in which shareholders speak will be set by the chairman.</u></p>	<p>1. Amend this article thoroughly to establish a strong governance system, sound supervisory capabilities, and to strengthen management mechanism for the Company's shareholders meetings</p> <p>2. Adjust the original article to Article 10.</p>
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<p><u>discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.</u></p>		
<p>Article 10 (Shareholder speech)  <u>Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairman.</u>  <u>A shareholder in attendance who has submitted a speaker's slip but does not actually speak should be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content should prevail.</u>  <u>Except with the consent of the chairman, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech.</u>  <u>When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairman and the shareholder that has the floor; the chairman should stop any violation.</u>  <u>When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only appointed one of the representatives may speak on the same proposal.</u></p>	<p>Article 10  <u>A shareholder (including natural person and legal person) may not speak more than 3 minutes each time, but can be extended for one time with the consent of the chairman; also, each shareholder (including natural person and legal person) may not speak more than twice on the same proposal.</u></p>	<p>Amend this article thoroughly to establish a strong governance system, sound supervisory capabilities, and to strengthen management mechanism for the Company's shareholders meetings as well as convene a shareholders meeting via videoconferencing in compliance with Company Act.</p>



<p><u>After an attending shareholder has spoken, the chairman may respond in person or appoint relevant personnel to respond. For convening a shareholders meeting by video conference, shareholders who attend the meeting via videoconferencing should ask questions in text in the video conference platform after the chairman calls the meeting to order and before the chairman declares the meeting adjourned. Each proposal should not be raised more than twice, and it is limited to 200 words each time. This regulation is not applicable to Paragraph 1 to Paragraph 5.</u></p> <p><u>If the question in the preceding paragraph does not violate the rules or exceed the scope of the agenda item, it is advised to disclose the question in the video conference platform of a shareholders meeting to be well-known.</u></p>		
<p><u>Article 11 (Calculation of voting shares and recusal system)</u></p> <p><u>Voting at a shareholders meeting should be calculated based on the number of shares.</u></p> <p><u>With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights should not be calculated as part of the total number of issued shares.</u></p> <p><u>When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.</u></p>	<p><u>Article 11</u></p> <p><u>If a shareholder attempts to speak beyond the time limit or outside the scope of the proposal at the shareholder meeting and defies the chairman's correction, obstructing the proceedings and refusing to heed calls to stop, the chairman may direct the proctors or security personnel to escort the shareholder from the meeting.</u></p>	<p><u>Amend this article thoroughly to establish a strong governance system, sound supervisory capabilities, and to strengthen management mechanism for the Company's shareholders meetings</u></p>

<p><u>The number of shares for which voting rights may not be exercised under the preceding paragraph should not be calculated as part of the voting rights represented by attending shareholders.</u></p> <p><u>With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage should not be included in the calculation.</u></p>		
<p>Article 12</p> <p><u>A shareholder should be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, Paragraph 2 of the Company Act.</u></p> <p><u>When the Company holds a shareholder meeting, it should adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise should be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and</u></p>	<p>Article 12</p> <p><u>When a meeting is in progress, the chairman may announce a break based on time considerations.</u></p>	<p>1. Amend this article thoroughly to establish a strong governance system, sound supervisory capabilities, and to strengthen management mechanism for the Company's shareholders meetings as well as convene a shareholders meeting via videoconferencing in compliance with Company Act.</p> <p>2. Adjust the original article to Article 17.</p>

<p><u>amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.</u></p> <p><u>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph should deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest should prevail, except when a declaration is made to cancel the earlier declaration of intent.</u></p> <p><u>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or attend a shareholders meeting via videoconferencing, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph should be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means should prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting</u></p>		
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<p><u>rights exercised by the proxy in the meeting should prevail. Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal should require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chairman or a person designated by the chairman should first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, should be entered into the MOPS.</u></p> <p><u>When there is an amendment or an alternative to a proposal, the chairman should present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting should be required.</u></p> <p><u>Vote monitoring and counting personnel for the voting on a proposal should be appointed by the chairman, provided that all monitoring personnel should be shareholders of the Company. Vote counting for shareholders meeting proposals or elections should be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed,</u></p>		
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<p><u>the results of the voting, including the statistical tallies of the numbers of votes, should be announced on-site at the meeting, and a record made of the vote.</u></p> <p><u>When the Company convenes a shareholders meeting by video conference, shareholders who attend the meeting via videoconferencing should vote on each proposal and election through the video conference platform after the chairman call the meeting to order as well as should finish the voting before the chairman announces the vote closed. Overtime will be deemed a waiver.</u></p> <p><u>When convening a shareholders meeting by video conference, the chairman should base on non-recurring count for votes to announce the vote/election results after announcing the vote closed.</u></p> <p><u>When the Company convenes a video-assisted shareholders meeting, shareholders who register to attend the meeting via videoconferencing according to Article 6 intend to attend the meeting in person, he/she should cancel the registration by the same means as he/she registers 2 business days before the date of shareholders meeting.</u></p> <p><u>Shareholders who cancel the registration over the time limit should only attend the meeting via videoconferencing.</u></p> <p><u>For shareholders who do not cancel to exercise voting rights by correspondence or electronic means and attend the shareholders meeting via videoconferencing, except for extraordinary motions, he/she should not exercise the voting</u></p>		
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<u>right to original proposals, should not submit to amend the original proposals, or should not exercise the voting right to amendments to the original proposals.</u>		
<p>Article 13</p> <p><u>The election of directors or supervisors at a shareholders meeting should be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results should be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received. The ballots for the election referred to in the preceding paragraph should be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots should be retained until the conclusion of the litigation.</u></p>	<p>Article 13</p> <p><u>If a force majeure event occurs, the chairman may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.</u></p> <p><u>If the meeting venue is no longer available for continuing use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholder meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholder meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.</u></p>	<p>1. Amend this article thoroughly to establish a strong governance system, sound supervisory capabilities, and to strengthen management mechanism for the Company's shareholders meetings</p> <p>2. Adjust the original article to Article 17.</p>
<p>Article 14</p> <p><u>Matters relating to the resolutions of a shareholders meeting should be recorded in the meeting minutes. The meeting minutes should be signed or sealed by the chairman of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public</u></p>	<p>Article 14</p> <p><u>The matters not addressed in these Rules should be handled in accordance with the Company Act and the Company's Articles of Association.</u></p>	<p>Amend this article thoroughly to establish a strong governance system, sound supervisory capabilities, and to strengthen management mechanism for the Company's shareholders meetings as well as convene a shareholders meeting via videoconferencing in compliance with Company Act</p>

<p><u>announcement made through the MOPS.</u></p> <p><u>The meeting minutes should accurately record the year, month, day, and place of the meeting, the chairman's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes should be retained for the duration of the existence of the Company.</u></p> <p><u>For convening a shareholders meeting by video conference, the meeting minutes should not only record the matters according to the preceding paragraph, but record the start/end time of a shareholders meeting, how to call a meeting, the chairman and meeting recorder's full name, and the actions taken when malfunction of video conference platform occurs or barrier to attending meeting via videoconferencing occurs because of natural disaster, incident occurring, or force majeure event.</u></p> <p><u>When the Company convenes a shareholders meeting via videoconferencing, in addition to handle according to the preceding paragraph, it should be specified in the shareholders meeting notice. For shareholders who have difficulty in attending the meeting via videoconferencing should provide an alternative measure.</u></p>		
<p><u>Article 15 (Public disclosure)</u>  <u>On the day of a shareholders meeting, the Company should</u></p>	<p><u>Article 15</u>  <u>These Rules and any amendments hereto should be implemented after</u></p>	<p><u>Amend this article thoroughly to establish a strong governance</u></p>

<p><u>compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies, number of shares represented by correspondence or electronically, and should make an express disclosure of the same at the place of the shareholders meeting. For convening a shareholders meeting by video conference, the Company should upload the information as mentioned above to the video conference platform of a shareholders meeting at least 30 minutes before the meeting commences, and continuously disclose the meeting data until the end of the meeting.</u></p> <p><u>When the Company convenes a shareholders meeting via videoconferencing and calls the meeting to order, it should disclose the total number of issued shares represented by shareholders attending the meeting to the video conference platform, and also disclose the statistical tallies of the total numbers of voting rights and shares represented by shareholders attending the meeting during the meeting.</u></p> <p><u>If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under TWSE (or GreTai Securities Market) regulations, the Company should upload the content of such resolution to the MOPS within the prescribed time period.</u></p>	<p><u>being resolved in the shareholder meetings.</u></p>	<p>system, sound supervisory capabilities, and to strengthen management mechanism for the Company's shareholders meetings as well as convene a shareholders meeting via videoconferencing in compliance with Company Act</p> <p>Adjust the original article to Article 22.</p>
<p><u>Article 16 (Maintaining order at the meeting place)</u> <u>Staff handling administrative</u></p>	<p><u>Article 16</u> <u>These Rules were enacted on July 16, 1998 with the 1<sup>st</sup> amendment</u></p>	<p>1.Amend this article thoroughly to establish a strong governance</p>



<p><u>affairs of a shareholders meeting should wear identification cards or arm bands.</u></p> <p><u>The chairman may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they should wear an identification card or armband bearing the word "Proctor."</u></p> <p><u>At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chairman may prevent the shareholder from so doing.</u></p> <p><u>When a shareholder violates the rules of procedure and defies the chairman's correction, obstructing the proceedings and refusing to heed calls to stop, the chairman may direct the proctors or security personnel to escort the shareholder from the meeting.</u></p>	<p><u>made on June 9, 2015.</u></p>	<p>system, sound supervisory capabilities, and to strengthen management mechanism for the Company's shareholders meetings</p> <p>2.Adjust the original article to Article 22</p>
<p><u>Article 17 (Recess and resumption of a shareholders meeting)</u></p> <p><u>When a meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.</u></p> <p><u>If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution</u></p>	<p>Article added</p>	<p>Adjust the original Articles 12 and 13 to this article.</p>

<p><u>to resume the meeting at another venue.</u></p> <p><u>A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.</u></p>		
<p><u>Article 18 (Information disclosure by video conference)</u></p> <p><u>For convening a shareholders meeting by video conference, the Company should immediately disclose the resolution results of each proposal and election to the video conference platform according to regulations after finishing the voting as well as should continuously disclose at least 15 minutes after the chairman declares the meeting adjourned.</u></p>	Article added	Add this article to convene a shareholders meeting via videoconferencing in compliance with Company Act.
<p><u>Article 19 (Location of chairman and meeting recorder for a shareholders meeting via videoconferencing)</u></p> <p><u>When the Company convenes a shareholders meeting via videoconferencing, the chairman and meeting recorder should be at the same location in Taiwan, and the chairman should announce the address of the location during the meeting.</u></p>	Article added	Add this article to convene a shareholders meeting via videoconferencing in compliance with Company Act.
<p><u>Article 20 (Handling for internet disconnection)</u></p> <p><u>For convening a shareholders meeting by video conference, the Company should provide shareholders with simple connection test before the meeting and also provide the relevant services timely before the meeting and during the meeting to assist in handling the technical issue about communications.</u></p> <p><u>For convening a shareholders meeting by video conference,</u></p>	Article added	Add this article to convene a shareholders meeting via videoconferencing in compliance with Company Act.

<p><u>the chairman should not only call the meeting to order but should announce the circumstances that do not have to defer or resume the meeting according to paragraph 4, Articles 44-20 of Regulations Governing the Administration of Shareholder Services of Public Companies. Before the chairman declares the meeting adjourned, when malfunction of video conference platform occurs or barrier to attending meeting via videoconferencing occurs because of natural disaster, incident occurring, or force majeure event that have lasted for over 30 minutes, the meeting should be deferred or resumed within five days. It is not applicable to Article 182 of the Company Act.</u></p> <p><u>For the circumstance in the preceding paragraph, shareholders who do not register to attend the original meeting via videoconferencing should not attend the deferred or resumed meeting.</u></p> <p><u>As to the to-be-deferred or to-be-resumed meeting according to the second paragraph, shareholders who have registered to attend the original shareholders meeting via videoconferencing and have finished the attendance registration do not attend the deferred or resumed meeting, the number of shares in the original shareholders meeting and exercised voting rights and election rights should be included in the total number of shares represented by shareholders attending the meeting, voting rights, and election rights in the deferred or</u></p>		
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<p><u>resumed meeting.</u></p> <p><u>When holding the deferred or resumed shareholders meeting according to the second paragraph, as to proposals that have completed the voting and vote counting as well as have announced the resolution results or a list of elected directors, should not be necessary to re-discuss or adopt a resolution again.</u></p> <p><u>For convening a video-assisted shareholders meeting, if it is unable to be resumed, the number of shares represented by shareholders who attend the meeting via videoconferencing should be deducted from the total number of shares represented by shareholders attending the meeting. If the total number of shares represented by shareholders attending the meeting has a quorum, the shareholders meeting should be to be resumed. Should not be necessary to defer or resume the meeting according to the second paragraph.</u></p> <p><u>For the circumstance in the preceding paragraph, shareholders who attend a shareholders meeting via videoconferencing, the number of shares should be plus the total number of shares represented by shareholders attending the meeting, but have waived his/her rights with respect to all proposals of that meeting.</u></p> <p><u>The Company regulates to defer or resume the meeting according to the second paragraph, and should be based on the original date of the shareholders meeting to deal with relevant predecessor activities according to Paragraph 7,</u></p>		
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<p><u>Active 44-20 of Regulations Governing the Administration of Shareholder Services of Public Companies.</u>  <u>The prescribed time period of shareholders meetings for the publicly owned corporation is regulated according to second half of Article 12 and Paragraph 3, Article 13 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Company as well as paragraph 2, Articles 44-5, Article 44-15, and Paragraph 1, Articles 44-17 of Regulations Governing the Administration of Shareholder Services of Public Companies. The Company should regulate the date to defer or resume a shareholders meeting according to the second paragraph.</u></p>		
<p><u>Article 21 (Handling for digital divide)</u>  <u>When the Company convenes a shareholders meeting via videoconferencing, it should appropriately provide shareholders who have difficulty in attending the meeting via videoconferencing with an alternative measure.</u></p>	Article added	Add this article to convene a shareholders meeting via videoconferencing in compliance with Company Act.
<p><u>Article 22</u>  <u>These Rules should take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto should be effected in the same manner. These Rules were enacted on July 16, 1998 with the 1<sup>st</sup> amendment made on June 9, 2015, and with the 2<sup>nd</sup> amendment on May 24, 2022.</u></p>	Article added	Adjust the original Articles 15 and 16 to this article and add the amended date in compliance with the amendment

### **Annex 3.11: Comparison Table for Amended Articles of “Articles of Incorporation”**

#### **Faraday Technology Corporation Comparison Table for Amended Articles of “Articles of Incorporation”**

<b>Content of Article after Amendment</b>	<b>Content of Article before Amendment</b>	<b>Description</b>
Article 3 The Company’s head office is located in Hsinchu Science Park. If necessary, the Company may establish branches domestically and abroad after the resolution of the board of directors and the approval of the competent authority.	Article 3 The Company’s head office is located in Hsinchu Science <u>Industrial</u> Park. If necessary, the Company may establish branches domestically and abroad after the resolution of the board of directors and the approval of the competent authority.	Amend wording according to “Act for Establishment and Administration of Science Parks”.
Article 4 <u>The Company announcement method may, pursuant to Article 28 of the Company Act.</u>	Article 4 <u>(Deleted)</u>	Amend this article to be followed according to Article 28 of the Company Act.
Article 5 The Company’s authorized capital is NT\$6 billion with 600 million shares issued at NT\$10 par; also, the board of directors is authorized to have the stock shares issued by installments. The issue price of each share is determined by the board of directors in accordance with the Company Act or securities-related law and regulations. Within the total capital amount stated in the preceding paragraph, stock warrants can be issued for an amount of NT\$550 million or less with 55 million shares issued at NT\$10 par. The board of directors is authorized to have the stock shares issued by installments depending on the business operation.	Article 5 The Company’s authorized capital is NT\$6 billion with 600 million shares issued at NT\$10 par; also, the board of directors is authorized to have the stock shares issued by installments. The issue price of each share is determined by the board of directors in accordance with the Company Act or securities-related law and regulations. Within the total capital amount stated in the preceding paragraph, stock warrants can be issued for an amount of NT\$550 million or less with 55 million shares issued at NT\$10 par. The board of directors is authorized to have the stock shares issued by installments depending on the business operation.	Add Paragraph 3 of this article according to Article 167-1, 167-2, and Article 267 of the Company Act.

<u>The transferees that the Company repurchases shares and transfers to the employees, the individuals entitled to the issuance of new shares, issuance of employee stock option certificates and issuance of Restricted Stock Awards, should include the employees that meet certain condition controls or employees of subsidiaries</u>	Paragraph added	
Article 6 The Company's stock shares are ordered, numbered, affixed with the signatures or personal seals of <u>the directors representing the Company</u> , and should be duly certified or authenticated by the competent authority or its authorized issuance agency. The Company after having the stock shares issued may be exempted from printing any share certificate for the shares issued. When issues new shares, the certificate for the total number of shares issued currently may be printed collectively.	Article 6 The Company's stock shares are ordered, numbered, affixed with the signatures or personal seals of <u>three or more</u> directors, and should be duly certified or authenticated by the competent authority or its authorized issuance agency. The Company after having the stock shares issued may be exempted from printing any share certificate for the shares issued. When issues new shares, the certificate for the total number of shares issued currently may be printed collectively.	Amend this article in compliance with the Article 162 of the Company Act.
Article 7 <u>Unless otherwise specified by laws and securities regulations, the shareholders of the Company should handle securities matters such as transfer, pledge, loss report, inheritance, gift, and seal report loss, change, or address change by "Regulations Governing the Administration of Shareholder Services of Public Companies".</u>	Article 7 <u>The assignment/transfer, loss, pledge, and destruction of stocks, if any, should be handled in accordance with the Company Act and relevant law and regulations.</u>	To be more specific of this article, amend this article to be followed in compliance with relevant laws and regulations.
Article 10 The Company's shareholders	Article 10 The Company's shareholders	Add Paragraph 2/3 of this article according to the

<p>meetings include two types of meetings as follows:</p> <p>1.Regular shareholder meeting should be held by the board of directors within six months after the end of each fiscal year.</p> <p>2.Special shareholder meeting should be convened according to law when necessary.</p> <p><u>When the Company holds a shareholder meeting, it should be held by video conference or other methods announced by the central competent authority.</u></p> <p><u>When convening a shareholders meeting by video conference, shareholders who attend the meeting via videoconferencing will be deemed to have attended the meeting in person.</u></p>	<p>meetings include two types of meetings as follows:</p> <p>1.Regular shareholder meeting should be held by the board of directors within six months after the end of each fiscal year.</p> <p>2.Special shareholder meeting should be convened according to law when necessary.</p> <p>Paragraph added</p> <p>Paragraph added</p>	<p>Paragraph 1 of Article 172-2, of the Company Act to be more flexible in holding the Company's shareholder Meetings.</p>
<p>Article 16</p> <p>The Company has seven to eleven directors for a term of three years who have the capacity to be elected in the shareholder meeting and are eligible for a second term.</p> <p>The shareholding ratio of all the directors is in accordance with the regulations of the securities competent authorities. The Company may purchase liability insurance for directors <u>during the term of directors within the scope of their directorial duties by the legal liability for compensation.</u></p> <p>Below omitted</p>	<p>Article 16</p> <p>The Company has seven to eleven directors for a term of three years who have the capacity to be elected in the shareholder meeting and are eligible for a second term.</p> <p>The shareholding ratio of all the directors is in accordance with the regulations of the securities competent authorities. The Company may purchase liability insurance for directors <u>to reduce the risk of directors being sued by shareholders or other related parties for performing their duties according to law.</u></p> <p>Below omitted</p>	<p>For the specific purpose, amend Paragraph 1 of this article in compliance with Article 193 of the Company Act.</p>
<p>Article 16-1</p> <p>According to the provision of</p>	<p>Article 16-1</p> <p>According to the provision of</p>	<p>For specific purpose, amend this article to be</p>



Article 14-4 of the Securities and Exchange Act, the Company has an Audit Committee composed of by all independent directors; <u>the number, term of service, power, rules of procedure for meetings and other matters of the Audit Committee should be additionally stipulated according to the relevant laws and regulations of the “Regulations Governing the Exercise of Powers by Audit Committees of Public Companies” in the Audit Committee Charter.</u>	Article 14-4 of the Securities Exchange Act, the Company has an Audit Committee composed of by all independent directors, <u>and at least one of whom should have accounting or financial expertise. The resolution of the Audit Committee should be agreed by more than half of all the serving members.</u>	followed in compliance with the Securities and Exchange Act and the Company Act.
Article 18 The chairman of the board should be elected by a majority of the directors at a meeting attending by two thirds of the directors. The chairman <u>is internally the chairperson of the shareholders' meeting and the Board of Directors and</u> represents the Company externally. The Board of Directors, depending on operational needs, may have the vice chairperson of the board elected by a majority of the directors at a meeting attending by two thirds of the directors.	Article 18 The chairman of the board should be elected by a majority of the directors at a meeting attending by two thirds of the directors. The chairman represents the Company externally. The Board of Directors, depending on operational needs, may have the vice chairman of the board elected by a majority of the directors at a meeting attending by two thirds of the directors.	Amend partial content of this article in compliance with Article 208 of the Company Act.
Article 23 The Company has more than one president appointed. The <u>appointment, dismissal, and remuneration of the president must be handled by Article 29 of the Company Act.</u>	Article 23 The Company has more than one president appointed. The <u>appointment and dismissal of the president must be approved by a majority of the directors.</u>	Amend this article to be followed and in compliance with Article 29 of the Company Act.
Article 27 The Company should appropriate no less than 10% of the earnings as employee remuneration and no more	Article 27 <u>If there are earnings in the Company's annual final account after making up for all previous losses,</u> The	1. Amend Paragraph 1 ~ 2 and add Paragraph 3 ~ 4 of this article according to Article 235-1 of the Company Act.

<p>than 2% of the earnings as director's remuneration <u>based on the profit status of current year. However, if the Company still has previous losses, then the Company should make up for it.</u> Employee remuneration can be in cash or with stock dividend, and the individuals entitled <u>to cash or</u> to the stock dividends may include employees of controls or subsidiaries that meet certain condition .</p> <p><u>“The profit status of the current year” as used herein paragraph 1, should refer to the profit before tax deducting the distribution of employee remuneration and directors' remuneration in the current year.</u></p> <p><u>The distribution of employee remuneration and directors' remuneration should be made by the board of directors with the attendance of more than two-thirds of the directors and the approval of more than half of the directors present, and should be reported to the shareholders' meeting.</u></p> <p>Paragraph 5 omitted</p> <p>The Company’s dividend distribution policy depends on the Company’s current and future investment environment, capital demand, domestic and foreign competition, capital budget, and other factors, taking into account the interests of shareholders, balancing dividends, and the Company’s long-term</p>	<p>Company should appropriate no less than 10% of the earnings as employee remuneration and no more than 2% of the earnings as director’s remuneration. <u>The distribution of employee remuneration can be paid in cash or with stock dividend.</u> The individuals entitled to the stock dividends may include employees of subsidiaries that meet certain conditions.</p> <p>Paragraph added</p> <p>Paragraph added</p> <p>Paragraph 3 omitted</p> <p>The Company’s dividend distribution policy depends on the Company’s current and future investment environment, capital demand, domestic and foreign competition, capital budget, and other factors, taking into account the interests of shareholders, balancing dividends, and the Company’s long-term</p>	<p>2.Move the original Paragraph 3 of this article to Paragraph 5.</p> <p>3.Move the original Paragraph 4 of this article to Paragraph 6 and in compliance with the requirement of the corporate governance evaluation to define the ratio of distributable earnings (or annual earnings) as distributable dividends.</p>
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<p>financial planning. The board of directors <u>submit</u> the earnings distribution plan to the shareholder meeting <u>for resolutions</u> every year. The Company's current business development is in a growth stage; therefore, business expansion plans and capital demands in the future are inevitable. <u>The dividend distribution amount of the Company should be no less than 50% of the after-tax profit of the current year.</u> The dividend distributed in the current year must be with a cash dividend amount for not less than 10% of the total dividend.</p>	<p>financial planning. The board of directors <u>report</u> the earnings distribution plan to the shareholder meeting every year. The Company's current business development is in a growth stage; therefore, business expansion plans and capital demands in the future are inevitable. The dividend distributed in the current year must be with a cash dividend amount for not less than 10% of the total dividend.</p>	
<p>Article 27-1  <u>The Company should distribute all or part of dividends and bonus in cash authorized by the resolution of the board of directors with the attendance of more than two-thirds of the directors and the approval of more than half of the directors present, and should be reported to the shareholders' meeting. It is not applicable to the regulation of resolution for shareholder's meeting in the provisions of this articles of incorporation.</u></p>	<p>Article added</p>	<p>Add this article in compliance with Article 240 of the Company Act.</p>
<p>Article 30  The initiators resolved in the "Initiator Meeting" to have the Company's Articles of Association established on May 25, 1993.  The 1<sup>st</sup> amendment was made on June 19, 1997.  The 2<sup>nd</sup> amendment was made on December 15, 1997.  The 3<sup>rd</sup> amendment was made</p>	<p>Article 30  The initiators resolved in the "Initiator Meeting" to have the Company's Articles of Association established on May 25, 1993.  The 1<sup>st</sup> amendment was made on June 19, 1997.  The 2<sup>nd</sup> amendment was made on December 15, 1997.  The 3<sup>rd</sup> amendment was made</p>	<p>Add revision date and the number of revisions</p>

<p>on July 16, 1998.  The 4<sup>th</sup> amendment was made on March 16, 1999.  The 5<sup>th</sup> amendment was made on June 17, 2000.  The 6<sup>th</sup> amendment was made on June 9, 2001.  The 7<sup>th</sup> amendment was made on June 17, 2002.  The 8<sup>th</sup> amendment was made on June 3, 2003  The 9<sup>th</sup> amendment was made on June 15, 2004  The 10<sup>th</sup> amendment was made on June 14, 2005.  The 11<sup>th</sup> amendment was made on June 12, 2006.  The 12<sup>th</sup> amendment was made on June 11, 2007.  The 13<sup>th</sup> amendment was made on June 13, 2008.  The 14<sup>th</sup> amendment was made on June 10, 2009.  The 15<sup>th</sup> amendment was made on June 15, 2010.  The 16<sup>th</sup> amendment was made on June 15, 2011.  The 17<sup>th</sup> amendment was made on June 12, 2012.  The 18<sup>th</sup> amendment was made on June 9, 2015.  The 19<sup>th</sup> amendment was made on June 15, 2016.  <u>The 20<sup>th</sup> amendment was made on May 24, 2022.</u></p>	<p>on July 16, 1998.  The 4<sup>th</sup> amendment was made on March 16, 1999.  The 5<sup>th</sup> amendment was made on June 17, 2000.  The 6<sup>th</sup> amendment was made on June 9, 2001.  The 7<sup>th</sup> amendment was made on June 17, 2002.  The 8<sup>th</sup> amendment was made on June 3, 2003.  The 9<sup>th</sup> amendment was made on June 15, 2004.  The 10<sup>th</sup> amendment was made on June 14, 2005.  The 11<sup>th</sup> amendment was made on June 12, 2006.  The 12<sup>th</sup> amendment was made on June 11, 2007.  The 13<sup>th</sup> amendment was made on June 13, 2008.  The 14<sup>th</sup> amendment was made on June 10, 2009.  The 15<sup>th</sup> amendment was made on June 15, 2010.  The 16<sup>th</sup> amendment was made on June 15, 2011.  The 17<sup>th</sup> amendment was made on June 12, 2012.  The 18<sup>th</sup> amendment was made on June 9, 2015.  The 19<sup>th</sup> amendment was made on June 15, 2016.</p>	
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## Annex 3.12: Comparison Table for Amended Articles of “Rules for Election of Directors”

### Faraday Technology Corporation

#### Comparison Table for Amended Articles of “Rules for Election of Directors”

Content of Article after Amendment	Content of Article before Amendment	Description
Article 1 <u>The appointment of directors of the Company should be handled in accordance with these Regulations, unless other laws and regulations or the Articles of Incorporation.</u>	Article 1 <u>The election of directors of the Company should be handled in accordance with these Regulations.</u>	Amend this article according to “Sample Template for XXX Co., Ltd. Procedures for Election of Directors” announced by TWSE.
Article 2 <u>The appointment of directors of the Company should take into account the overall composition of the board of directors. The composition of the board of directors should consider diversity, and formulate an appropriate diversity policy based on its own operation, operation type and development needs. It is advised to include but not limited to the following two standards:</u> <u>1. Basic requirement and values: Gender, age, nationality, and culture, etc.</u> <u>2. Professional knowledge and skills:</u> Professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc. The members of the board of directors should generally have the necessary knowledge, skills, and competency to perform their duties. Their overall abilities should be as follows: <u>1. The ability to make judgement about operations.</u>	Article 2 <u>The election of directors of the Company should be conducted at the shareholder meeting.</u>	According to Reference No. 1040001716 announced by TWSE, amend this article thoroughly in compliance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” on the regulations for diversity of the board of directors and refer to Article 26-3 of the Securities and Exchange Act on the regulations for independence of directors.

Content of Article after Amendment	Content of Article before Amendment	Description
<u>2.Accounting and financial analysis ability.</u> <u>3.Management ability.</u> <u>4.Crisis management ability</u> <u>5.Knowledge of the industry</u> <u>6.International market view</u> <u>7.Leadership ability</u> <u>8.Decision-making ability</u> <u>More than half of the directors should be persons who neither a spousal relationship nor a relationship within the second degrees of kinship with any other director.</u> <u>The board of directors of the Company should consider to adjust the composition of the board of directors based on the results of the performance evaluation.</u>		
<p>Article 3  <u>The qualifications of the independent directors of the Company should in compliance with the Regulations of Articles 2, 3, 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.</u>  <u>The appointment of independent directors of the Company should in compliance with the regulations of Articles 5, 6, 7, 8, 9 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”, and should be conducted in accordance with Article 24 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.”</u></p>	<p>Article 3  <u>The order cumulative voting system is adopted for the election of directors of the Company. The number of votes exercisable in respect of one share should be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or many be split for election of two or more candidates.</u></p>	<p>1. According to the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” issued by the Securities and Futures Bureau of the Financial Supervisory Commission, it is clearly specified here that the qualifications and selection of independent directors should follow the regulations.</p> <p>2. Adjust the original article to Article 5 and amend the text.</p>
<p>Article 4  <u>The election of directors of the Company should be conducted</u></p>	<p>Article 4  <u>The ballots should be Prepared by the board of</u></p>	<p>1. According to Reference No. 0950103919 announced by TWSE, by</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p><u>in accordance with the procedures of the candidate nomination system specified in Article 192-1 of the Company Act.</u></p> <p><u>When the number of directors fall below five due to the dismissal of a director for any reason, the company should hold a by-election to fill the vacancy at the latest shareholders meeting. However, if the vacancy of directors reaches one-third of the total number prescribed in the Company's articles of incorporation, the Company should convene an extraordinary shareholders meeting within 60 days from the date of the occurrence to hold a by-election to fill the vacancy.</u></p> <p><u>If the number of independent directors falls below that required under the proviso, paragraph 1 of Article 14-2 of the Securities and Exchange Act, then a by-election should be held at the latest shareholders meeting to fill the vacancy; when all independent directors are dismissed en masse, then a shareholder meeting should be held within 60 days from the date of the occurrence to hold a by-election to fill the vacancy.</u></p>	<p><u>directors of the Company with the attendance card number and the number of voting rights clearly stated.</u></p>	<p>the regulation of Article 192-1 of the Company Act, election for directors of the public companies, for those who adopt a candidate nomination system should be specified in the Company's articles of incorporation; there are certain procedures of candidate nomination system specified in the same article.</p> <p>2. In order to avoid the directors and independent directors to be dismissed partially or dismissed enmasse, which affects the execution and supervision of the company's business, specify the by-election for vacancies of directors and independent directors by referring to the Company Act, the Securities and Exchange Law, and other regulations.</p> <p>3. Adjust the original article to Article 6 and amend the text.</p>
<p>Article 5</p> <p><u>The election of directors of the Company should adopt a cumulative voting system, and each share has the same voting rights as the number of directors to be elected and may be cast for a single candidate or split among multiple candidates.</u></p>	<p>Article 5</p> <p><u>Before the election begins, the chairman should appoint a number of persons (with shareholder status) to perform the respective duties of vote monitoring and counting personnel.</u></p>	<p>1. Move from the original Article 3.</p> <p>2. Amend this article in compliance with Reference No. 1040001716 announced by TWSE, according to the Reference No. 10202067100 issued by Department of Commerce, Ministry of Economic Affairs, the</p>

Content of Article after Amendment	Content of Article before Amendment	Description
		<p>Company Act has provided no rules or limitations with respect to the preparation of the ballots to be used for the election of directors of a company limited by shares and so the preparation of the ballots is allowed to remain a matter within the autonomy domain of the company to be decided in the sole discretion of the company.</p> <p>3.Adjust the original article to Article 9 and amend the text.</p>
<p>Article 6</p> <p><u>The board of directors should prepare ballots equal to the number of to-be-elected directors. The number of voting rights associated with each ballot should be specified on the ballots, which should then be distributed to the attending shareholders at the shareholders meeting. The names of the electors may be replaced by the attendance certificate number printed on the ballot.</u></p>	<p>Article 6</p> <p><u>The votes of directors should be elected by independent directors and non-independent directors together, and the votes should be counted and elected separately.</u></p>	<p>1. Move from the original Article 4.</p> <p>2.Amend this article for clarification according to “Sample Template for XXX Co., Ltd.Procedures for Election of Directors” announced by TWSE.</p>
<p>Article 7</p> <p><u>The number of directors will be as specified in the Articles of Incorporation of the Company, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same</u></p>	<p>Article 7</p> <p><u>The directors of the Company will be elected in the shareholder meeting among the competent shareholders according to the number determined by the Articles of Incorporation of the Company, according to the statistical results of the ballot papers, the candidates with more voting power represented by the votes obtained should be successively elected as</u></p>	<p>Amend this article for clarification according to “Sample Template for XXX Co., Ltd. Procedures for Election of Directors” announced by TWSE.</p>



Content of Article after Amendment	Content of Article before Amendment	Description
number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairman drawing lots on behalf of any person not in attendance.	<u>independent director or director.</u> When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairman drawing lots on behalf of any person not in attendance.	
<p>Article 8</p> <p>Ballots with one of the following <u>conditions</u> are invalid:</p> <p>1. Those who do not use ballot prepared by a convener.</p> <p>2. <u>A blank ballot is placed in the ballot box.</u></p> <p>3. <u>The writing is unclear and indecipherable or has been altered.</u></p> <p>4. <u>The list for filled-in candidates is not consistent with the list of director candidates after checking.</u></p> <p>5. <u>Other words are entered in addition to the voting rights.</u></p>	<p>Article 8</p> <p>Ballots with one of the following <u>circumstances</u> are invalid:</p> <p>1. Those who do not use ballot prepared by a convener.</p> <p>2. <u>The ballots are not placed inside the ballot box.</u></p> <p>3. <u>A blank ballot is placed in the ballot box.</u></p> <p>4. <u>The number of candidates filled on the ballot exceeds the prescribed quota.</u></p> <p>5. <u>The list for filled-in candidates is not consistent with the list of director candidates after checking.</u></p> <p>6. <u>Other words or marks are entered in addition to the voting rights.</u></p> <p>7. <u>The number of voting rights that have been filled in is altered.</u></p> <p>8. <u>The writing is unclear and indecipherable.</u></p> <p>9. <u>The total votes casted by the voters exceed the total voting rights held by the voters.</u></p>	Amend this article in compliance according to “Sample Template for XXX Co., Ltd. Procedures for Election of Directors” and with Reference No. 1090009468 announced by TWSE. The election of directors of listed companies shall adopt a candidate nomination system from 2021, and shareholders shall select and appoint directors from the list of candidates for directors.
<p>Article 9</p> <p><u>Before the election begins, the chairman shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the</u></p>	<p>Article 9</p> <p><u>The ballot boxes for the election of directors should be set up by the board of directors and publicly checked by the vote monitoring personnel before voting commences.</u></p>	<p>1. Merge the original Article 5 into this article for combined description.</p> <p>2. Amend this article for clarification according to “Sample Template for XXX Co., Ltd. Procedures for Election</p>

Content of Article after Amendment	Content of Article before Amendment	Description
board of directors and publicly checked by the vote monitoring personnel before voting commences.		of Directors” announced by TWSE.
Article 10 The voting rights shall be <u>calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chairman on the site. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</u>	Article 10 The results of election with <u>name and shareholder’s name and number</u> shall be announced by the chairman on the site <u>and the Company should mail the certificate of election to the elected candidates afterwards.</u>	Amend this article according to Reference No. 1040001716 announced by TWSE and add Paragraph 2 about safe custody of ballot paper for the sake of prudence.
Article 11 The board of directors of the <u>Company should issue notification to the persons elected as directors.</u>	Article 11 The elected candidate who <u>do not comply with the provisions of Paragraphs 3 and Paragraph 4 of Article 26-2 to Article 26-3 of the Securities Exchange Act should be deemed invalid.</u>	Amend this article according to “Sample Template for XXX Co., Ltd. Procedures for Election of Directors” announced by TWSE.
Article 12 These Regulations and any amendments hereto should be implemented after being resolved in the shareholder meeting. These Regulations were formulated on June 17, 2002. The first amendment to the Regulations was made on June 11, 2007. The 2 <sup>nd</sup> amendment to the Regulations was made on June 9, 2015. The 3 <sup>rd</sup> amendment to the Regulations was made on July 7, 2021. <u>The 4<sup>th</sup> amendment to the</u>	Article 12 These Regulations and any amendments hereto should be implemented after being resolved in the shareholder meeting. These Regulations were formulated on June 17, 2002. The first amendment to the Regulations was made on June 11, 2007. The 2 <sup>nd</sup> amendment to the Regulations was made on June 9, 2015. The 3 <sup>rd</sup> amendment to the Regulations was made on July 7, 2021.	Add revision date and the number of revisions

Content of Article after Amendment	Content of Article before Amendment	Description
<u>Regulations was made on May 24, 2022.</u>		
Delete this article	Article 13 <u>Matters not specified in these Regulations should be handled in accordance with the Company Act and other relevant law and regulations, as well as the provisions of the Company's Articles of Incorporation.</u>	Since Article 1 has already included the content of the original Article 13, delete it.

### Annex 3.13: Comparison Table for Amended Articles of “Operational Procedures for Loaning of Funds to Others”

#### Faraday Technology Corporation Comparison Table for Amended Articles of “Operational Procedures for Loaning of Funds to Others”

Content of Article after Amendment	Content of Article before Amendment	Description
<p>Article 2: Entities to which the Company may loan funds Under Article 15 of the Company Act, the Company should not loan funds to any of its shareholders or any other person except under the following circumstances:</p> <ol style="list-style-type: none"> <li>1. Where an inter-company or inter-firm business transaction calls for a loan arrangement;</li> <li>2. Where an inter-company or inter-firm short-term financing facility is necessary, <u>provided that such financing amount should not exceed 40 percent of the lender's net worth.</u></li> </ol> <p>The term "short-term" as used in the preceding paragraph means one year, or where the Company's operating cycle exceeds one year, then one operating cycle.</p> <p><u>The term "financing amount" as used in Paragraph 1, Subparagraph 2 of this Article means the cumulative balance of the public company's short-term financing.</u></p> <p><u>The restriction in Paragraph 1, Subparagraph 2 should not apply to inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to the Company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares. However, the Company should still prescribe limits on the aggregate amount of such loans and on the amount of</u></p>	<p>Article 2: Entities to which the Company may loan funds Under Article 15 of the Company Act, the Company should not loan funds to any of its shareholders or any other person except under the following circumstances:</p> <ol style="list-style-type: none"> <li>1. Where an inter-company or inter-firm business transaction calls for a loan arrangement;</li> <li>2. Where an inter-company or inter-firm short-term financing facility is necessary.</li> </ol> <p>The term "short-term" as used in the preceding paragraph means one year, or where the Company's operating cycle exceeds one year, then one operating cycle.</p>	<p>Amend this article according to 7 March 2019 Order No. Financial-Supervisory-Securities-Auditing-1080304826 of the Financial Supervisory Commission.</p>

<p><u>such loans permitted to a single borrower, and should specify limits on the durations of such loans.</u>  <u>When a responsible person of the Company violates Paragraph 1 or the proviso of the preceding paragraph, the responsible person should bear joint and several liability with the borrower for repayment; if the Company suffers damage, the responsible person also should be liable for damages.</u></p>		
<p>Article 3: Definition of terms "Subsidiary" and "parent company" as referred to in the Operational Procedures should be as determined under the Statement of Financial Accounting Standards No. 5 and No. 7 published by Accounting Research and Development Foundation. The term "announce and report" as used in the Operational Procedures means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).  <u>"Date of occurrence" in the Operational Procedures means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the loan of funds, whichever date is earlier.</u></p>	<p>Article 3: Definition of terms "Subsidiary" and "parent company" as referred to in the Operational Procedures should be as determined under the Statement of Financial Accounting Standards No. 5 and No. 7 published by Accounting Research and Development Foundation. The term "announce and report" as used in the Operational Procedures means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).</p>	<p>To ensure that the information are disclosed publicly, add the term definitions of "Date of the event" in the second paragraph according to 6 July 2012 Order No. Financial-Supervisory-Securities-Auditing-1010029874 of the Financial Supervisory Commission</p>
<p>Article 7: Handling procedure</p> <p>Paragraph 1 and 2: Omitted  The Company's loaning funds to others should take into full consideration each independent director's opinion. <u>If an independent director expresses any dissent or reservation, it should be noted in the minutes of the board of directors meeting.</u></p> <p>Omitted below</p>	<p>Article 3: Handling procedure</p> <p>Paragraph 1 and 2: Omitted  The Company's loaning funds to others should take into full consideration each independent director's opinion. <u>Independent directors' opinions specifically expressing assent or dissent and their reasons for dissent should be included in the minutes of the board of directors' meeting.</u></p> <p>Omitted below</p>	<p>Revise the wording of Paragraph 3 according to Article 14 of Securities and Exchange Act</p>

<p>Article 21</p> <p>The Operational Procedures should be obtained the approval from the audit committee and the board of directors as well as be submitted to the shareholders meeting for approval, and subsequent amendments thereto should be effected in the same manner.</p> <p>When the Operational Procedures are submitted to the board of directors for discussion, it should be taken into full consideration each independent director's opinion. <u>If an independent director expresses any dissent or reservation, it should be noted in the minutes of the board of directors meeting.</u></p> <p><u>When adopting or amending its Operational Procedures for Loaning Funds to Others should require the approval of one-half or more of all audit committee members, and furthermore should be submitted for a resolution by the board of directors, and the provisions of Paragraph 2 should not apply.</u></p> <p><u>If the approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee should be recorded in the minutes of the board of directors meeting.</u></p> <p><u>The terms "all audit committee members" in Paragraph 3 and "all directors" in the preceding paragraph should be counted as the actual number of persons currently holding those positions.</u></p>	<p>Article 21</p> <p>The Operational Procedures should be obtained the approval from the audit committee and the board of directors as well as be submitted to the shareholders meeting for approval, and subsequent amendments thereto should be effected in the same manner.</p> <p>When the Operational Procedures are submitted to the board of directors for discussion, it should be taken into full consideration each independent director's opinion. <u>Independent directors' opinions specifically expressing assent or dissent and their reasons for dissent should be included in the minutes of the board of directors' meeting.</u></p>	<p>1. Revise the wording of Paragraph 2 according to Article 14-3 of Securities and Exchange Act.</p> <p>2. Add Paragraph 3 to 5 according to Article 14-5 of Securities and Exchange Act.</p>
<p>Article 22</p> <p>The Operational Procedures were enacted on June 3, 2003 with the 1<sup>st</sup> amendment made on June 10, 2009, the 2<sup>nd</sup> amendment made on June 15, 2010, the 3<sup>rd</sup> amendment made</p>	<p>Article 22</p> <p>The Operational Procedures were enacted on June 3, 2003 with the 1<sup>st</sup> amendment made on June 10, 2009, the 2<sup>nd</sup> amendment made on June 15,</p>	<p>Add revision date and the number of revisions</p>

on June 11, 2013, the 4 <sup>th</sup> amendment made on June 9, 2015, <u>and the 5<sup>th</sup> amendment made on May 24, 2022.</u>	2010, the 3 <sup>rd</sup> amendment made on June 11, 2013, and the 4 <sup>th</sup> amendment made on June 9, 2015.	
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### **Annex 3.14: Comparison Table for Amended Articles of “Operational Procedures for Endorsements/Guarantees”**

#### **Faraday Technology Corporation Comparison Table for Amended Articles of “Operational Procedures for Endorsements/Guarantees”**

<b>Content of Article after Amendment</b>	<b>Content of Article before Amendment</b>	<b>Description</b>
<p>Article 4: Definition of terms</p> <p>1. "Subsidiary" and "parent company" as referred to in the Operational Procedures should be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Where the Company's financial reports are prepared according to the International Financial Reporting Standards, "net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>2. The term "announce and report" as used in the Operational Procedures means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).</p> <p>3. "Date of occurrence" in the Operational Procedures means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the <u>endorsement</u></p>	<p>Article 4: Definition of terms</p> <p>1. "Subsidiary" and "parent company" as referred to in the Operational Procedures should be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Where the Company's financial reports are prepared according to the International Financial Reporting Standards, "net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>2. The term "announce and report" as used in the Operational Procedures means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).</p> <p>3. "Date of occurrence" in the Operational Procedures means the transaction_date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the</p>	<p>Revise the wording of Paragraph 3 in the consideration that endorsement/guarantee do not be classified as transaction.</p>



<u>/guarantee</u> , whichever date is earlier.	<u>transaction</u> , whichever date is earlier.	
<p>Article 6: Hierarchy of decision-making authority and delegation thereof</p> <p>Paragraph 1 ~ 3: Omitted</p> <p>The endorsement/guarantee matter of the Company should take into full consideration each independent director's opinion. <u>If an independent director expresses any dissent or reservation, it should be noted in the minutes of the board of directors meeting.</u></p> <p>Omitted below</p>	<p>Article 6: Hierarchy of decision-making authority and delegation thereof</p> <p>Paragraph 1 ~ 3: Omitted</p> <p>The endorsement/guarantee matter of the Company should take into full consideration each independent director's opinion. <u>Independent directors' opinions specifically expressing assent or dissent and their reasons for dissent should be included in the minutes of the board of directors' meeting.</u></p> <p>Omitted below</p>	<p>Revise the wording of Paragraph 2 according to Article 14-3 of Securities and Exchange Act.</p>
<p>Article 11: Information disclosure</p> <p>1. The Company should announce and report the previous month's balance of endorsements/guarantees of itself and its subsidiaries by the 10<sup>th</sup> day of each month.</p> <p>2. The Company whose balance of endorsements and guarantees reaches one of the following levels should announce and report such event within two days commencing immediately from the date of occurrence:</p> <p>2-1: The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>2-2: The balance of endorsements/guarantees by the Company and its subsidiaries for a single</p>	<p>Article 11: Information disclosure</p> <p>1. The Company should announce and report the previous month's balance of endorsements/guarantees of itself and its subsidiaries by the 10<sup>th</sup> day of each month.</p> <p>2. The Company whose balance of endorsements and guarantees reaches one of the following levels should announce and report such event within two days commencing immediately from the date of occurrence:</p> <p>2-1: The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>2-2: The balance of endorsements/guarantees by the Company and its subsidiaries for a single</p>	<p>Amend Subparagraph 3 of Paragraph 2 to specifically define the long-term investment.</p>

<p>enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>2-3: The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, <u>the book value of investment by using equity method</u>, and balance of loans to, such enterprise reaches 30 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>2-4: The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>Omitted below</p>	<p>enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>2-3: The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, <u>long-term investment</u> , and balance of loans to, such enterprise reaches 30 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>2-4: The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in its latest financial statement.</p> <p>Omitted below</p>	
<p>Article 16</p> <p>The Operational Procedures should be submitted to the shareholders meeting for approval after obtaining the approval from the audit committee and the board of directors, and subsequent amendments thereto should be effected in the same manner. When the Operational Procedures are submitted to the board of directors for discussion, it should be taken into full consideration each independent director's opinion. <u>If an independent expresses</u></p>	<p>Article 16</p> <p>The Operational Procedures should be submitted to the shareholders meeting for approval after obtaining the approval from the audit committee and the board of directors, and subsequent amendments thereto should be effected in the same manner. When the Operational Procedures are submitted to the board of directors for discussion, it should be taken into full consideration each independent director's opinion. <u>Independent directors' opinions</u></p>	<p>1.Amend the wording of Paragraph 2 according to Article 14-3 of Securities and Exchange Act.</p> <p>2.Add Paragraph 3 to 5 according to Article 14-5 of Securities and Exchange Act.</p>

<p><u>any dissent or reservation, it should be noted in the minutes of the board of directors meeting.</u></p> <p><u>When adopting or amending the Operational Procedures for Endorsements/Guarantees should require the approval of one-half or more of all audit committee members, and furthermore should be submitted for a resolution by the board of directors, and the provisions of Paragraph 2 should not apply.</u></p> <p><u>If the approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee should be recorded in the minutes of the board of directors meeting.</u></p> <p><u>The terms "all audit committee members" in Paragraph 3 and "all directors" in the preceding paragraph should be counted as the actual number of persons currently holding those positions.</u></p>	<p><u>specifically expressing assent or dissent and their reasons for dissent should be included in the minutes of the board of directors' meeting.</u></p>	
<p>Article 17</p> <p>The Operational Procedures were enacted on June 3, 2003 with the 1<sup>st</sup> amendment made on June 11, 2007, the 2<sup>nd</sup> amendment made on June 10, 2009, the 3<sup>rd</sup> amendment made on June 15, 2010, the 4<sup>th</sup> amendment made on June 11, 2013, the 5<sup>th</sup> amendment made on June 9, 2015, and the 6<sup>th</sup> amendment made on May 24, 2022.</p>	<p>Article 17</p> <p>The Operational Procedures were enacted on June 3, 2003 with the 1<sup>st</sup> amendment made on June 11, 2007, the 2<sup>nd</sup> amendment made on June 10, 2009, the 3<sup>rd</sup> amendment made on June 15, 2010, the 4<sup>th</sup> amendment made on June 11, 2013, and the 5<sup>th</sup> amendment made on June 9, 2015.</p>	<p>Add revision date and the number of revisions</p>

### **Annex 3.15: Comparison Table for Amended Articles of “Procedures for Acquisition or Disposal of Assets”**

#### **Faraday Technology Corporation Comparison Table for Amended Articles of “Procedures for Acquisition or Disposal of Assets”**

<b>Content of Article after Amendment</b>	<b>Content of Article before Amendment</b>	<b>Description</b>
<p>Article 6: Appraisal procedures and the means of price determination</p> <p>1. The company acquiring or disposing of marketable securities should, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company should additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>2. Real property, equipment or other right-of-use assets The acquisition or disposal of real property should refer to publicly announced present</p>	<p>Article 6: Appraisal procedures and the means of price determination</p> <p>1. The company acquiring or disposing of marketable securities should, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company should additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA should do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial</p>	<p>1. Handle in compliance with Reference No. 1110002112 announced by TWSE.</p> <p>2. Consider that Paragraph 3 of this article has already amended that an opinion issued by external experts is required to follow the self-regulation of their industrial association, and it has already covered the to-be-executed procedure of an opinion issued by accountant; therefore, delete the wording listed in Subparagraph 1 ~ 3 of Paragraph 1, “If the CPA needs to use the report of an expert as evidence, the CPA should do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.”</p> <p>3. Based on that each industrial association which external experts belong to should have related laws and regulations, to specify the procedures and duties of external experts to be followed, amend the preface of Paragraph 3, expect handle each matter in accordance with the original Paragraph 2, but should handle in compliance with self-regulation of their industrial associations.</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p>value, assessed present value, and actual sold price for the real property in the neighborhood. The acquisition or disposal of equipment should collect relevant price information in advance, and either price comparison, bargain process, or tender process should be performed.</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, should obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and should further comply with the following provisions:</p> <p>2-1. 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 should be submitted for approval in advance by the board of directors; the same procedure should also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>2-2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more</p>	<p>Supervisory Commission (FSC).</p> <p>2. Real property, equipment or other right-of-use assets</p> <p>The acquisition or disposal of real property should refer to publicly announced present value, assessed present value, and actual sold price for the real property in the neighborhood. The acquisition or disposal of equipment should collect relevant price information in advance, and either price comparison, bargain process, or tender process should be performed.</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, should obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and should further comply with the following provisions:</p> <p>2-1. 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 should be submitted for approval in advance by the board of directors; the same procedure should also be followed</p>	<p>4. Revise the wording of Subparagraph 2 of Paragraph 3 in view of an aforesaid opinion on reasonableness issued by an expert according to the Procedures, accepting a case and executing cases that issue an appraisal report or a reasonableness opinion do not indicate the auditing work of financial statements.</p> <p>5. Take into consideration of the actual appraisal status for data sources, the parameters, and the information used by an external expert, refer to the related wording about data source, the appropriateness and reasonableness listed in the Regulations Governing the Preparation of Financial Reports by Securities Issuers relevant regulations and provisions of Statement of Valuation Standards published by the ROC Accounting Research and Development Foundation (ARDF); therefore, amend Subparagraph 3 and 4 of Paragraph 3 to meet the actual situation.</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p>professional appraisers should be obtained.</p> <p>2-3. 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 should be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>2-3-1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>2-3-2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>2-4. 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.</p> <p>3. Intangible assets, right-of-use assets, or memberships</p> <p>The acquisition or disposal of memberships should collect relevant price information in</p>	<p>whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>2-2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers should be obtained.</p> <p>2-3. 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 should 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 (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>2-3-1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>2-3-2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>2-4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the</p>	

Content of Article after Amendment	Content of Article before Amendment	Description
<p>advance, and either price comparison or bargain process should be performed. The acquisition or disposal of intangible assets should also collect relevant price information in advance, and carefully evaluate relevant laws and contract content to determine the transaction price. Where the company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company should engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> <p>4. Other major assets The acquisition or disposal of claims of financial institutions, derivatives, assets or other major assets in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law should collect relevant price information in advance according to transaction underlying asset, and carefully evaluate relevant laws and contract content to determine the transaction price.</p> <p>5. The Company should handle the acquisition or disposal of financial derivatives in compliance with the provisions of Chapter 4 of the Procedures.</p> <p>6. The acquisition or disposal of</p>	<p>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.</p> <p>3. Intangible assets, right-of-use assets, or memberships The acquisition or disposal of memberships should collect relevant price information in advance, and either price comparison or bargain process should be performed. The acquisition or disposal of intangible assets should also collect relevant price information in advance, and carefully evaluate relevant laws and contract content to determine the transaction price. Where the company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company should engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA should comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p> <p>4. Other major assets The acquisition or disposal of claims of financial institutions, derivatives, assets or other major assets in connection with mergers, demergers,</p>	

Content of Article after Amendment	Content of Article before Amendment	Description
<p>assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law should be handled in compliance with the provisions of Chapter 5 of the Procedures.</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions should meet the following requirements:</p> <p>1. May not have previously received a final and unappeasable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 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.</p> <p>2. May not be a related party or de facto related party of any party to the transaction.</p> <p>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different</p>	<p>acquisitions, or transfer of shares in accordance with law should collect relevant price information in advance according to transaction underlying asset, and carefully evaluate relevant laws and contract content to determine the transaction price.</p> <p>5. The Company should handle the acquisition or disposal of financial derivatives in compliance with the provisions of Chapter 4 of the Procedures.</p> <p>6. The acquisition or disposal of assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law should be handled in compliance with the provisions of Chapter 5 of the Procedures.</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions should meet the following requirements:</p> <p>1. May not have previously received a final and unappeasable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of</p>	



Content of Article after Amendment	Content of Article before Amendment	Description
<p>professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph should <u>base on the self-regulation of their industrial associations to</u> comply with the following:</p> <ol style="list-style-type: none"> <li>1.Prior to accepting a case, they should prudently assess their own professional capabilities, practical experience, and independence.</li> <li>2.When <u>executing</u> a case, they should appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion should be fully and accurately specified in the case working papers.</li> <li>3.They should undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</li> <li>4.They should issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and reasonable</u>, and that they have complied with applicable laws and</li> </ol>	<p>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.</p> <ol style="list-style-type: none"> <li>2.May not be a related party or de facto related party of any party to the transaction.</li> <li>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.</li> </ol> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph should comply with the following:</p> <ol style="list-style-type: none"> <li>1.Prior to accepting a case, they should prudently assess their own professional capabilities, practical experience, and independence.</li> <li>2.When <u>auditing</u> a case, they should appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion should be fully and accurately specified in the case working papers.</li> <li>3.They should undertake an I item-by-item evaluation of the <u>comprehensiveness, accuracy,</u> and reasonableness of the sources of data used, the</li> </ol>	

Content of Article after Amendment	Content of Article before Amendment	Description
<p>regulations.</p> <p>Omitted below</p>	<p>parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4.They should issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</p> <p>Omitted below</p>	
<p>Article 8: Public announcement and reporting procedures Under any of the following circumstances, the Company acquiring or disposing of assets should publicly announce and report the relevant information on the designated website of Financial Supervisory Commission (hereinafter referred to as “FSC”) in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>Paragraph 1 ~ 5: Omitted</p> <p>6.Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this should not apply to the following circumstances:</p>	<p>Article 8: Public announcement and reporting procedures Under any of the following circumstances, the Company acquiring or disposing of assets should publicly announce and report the relevant information on the designated website of Financial Supervisory Commission (hereinafter referred to as “FSC”) in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>Paragraph 1 ~ 5: Omitted</p> <p>6.Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this should not apply to the following circumstances:</p>	<p>1.Handle in compliance with Reference No. 1110002112 announced by TWSE.</p> <p>2.Take into consideration that the company has been exempt from publicly announcing and reporting the trading of domestic government bonds, therefore, amend Item 1, Subparagraph 6 of paragraph 1, make the relaxation that the trading of foreign bonds that a credit rating is not lower than domestic government bonds and also exempt from public announcement and reporting.</p> <p>3.Take into consideration that the nature of foreign government bonds is simple, and their credit ratings are usually better than those of ordinary foreign corporate bonds, and that the product nature of exchange traded notes (ETNs) is similar to that of exchange traded funds (ETFs);therefore, amend Item</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p>(1) Trading of domestic government bonds <u>or foreign government bonds that a credit rating is not lower than domestic government bonds.</u></p> <p>(2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds, ordinary corporate bonds, and general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds or</u> <u>subscription or redemption of Exchange Traded Note (ETN),</u> or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>Omitted below</p>	<p>(1) Trading of domestic government bonds</p> <p>(2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds, and general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>Omitted below</p>	<p>1, Subparagraph 6 of Paragraph 1, make the relaxation that professional investors are exempt from making an announcement for their subscription to foreign government bonds and their subscription to or redemption of ETNs in the primary market.</p>
<p>Article 14: Resolution procedure When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a</p>	<p>Article 14: Resolution procedure When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a</p>	<p>1. Handle in compliance with Reference No. 1110002112 announced by TWSE.</p> <p>2. Move the current Paragraph 3~5 of this article to Paragraph 2 ~ 4 of the amended article.</p> <p>3. Add Paragraph 5 to strengthen</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p>related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and the board of directors:</p> <p>Paragraph 1 ~ 7: Omitted</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may pursuant to Article 5, Paragraph 1, Subparagraph 4 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> <li>1.Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</li> <li>2.Acquisition or disposal of real</li> </ol>	<p>related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and the board of directors:</p> <p>Paragraph 1 ~ 7: Omitted</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph should be made in accordance with Article 8, Paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted to <u>the audit committee and</u> the board of directors according to <u>these regulations of Guidelines</u> need not be counted toward the transaction amount. With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the</p>	<p>the transaction management of related parties, ensure the right that a minority of shareholders express an opinion on transactions between the Company and the related party, and under the circumstances of trading with major related parties should submit to the shareholders meeting for approval in advance according to the major international capital market regulations as well as consider the overall intercompany business planning needs to loosen the restriction due to the proviso that intercompany transactions do not need to submit to the shareholders meeting for resolutions according to the exemption regulations of the major international capital market.</p> <p>4.Move the current Paragraph 2 of this article to Paragraph 6 of amended Article and correct the calculation of transaction amount that should be included in transactions that have been approved by the shareholders meeting in accordance with the added Paragraph 5.</p>

Content of Article after Amendment	Content of Article before Amendment	Description
<p>property right-of-use assets held for business use.</p> <p>When a matter is submitted for discussion by the board of directors pursuant to Paragraph 1, the board of directors should take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it should be recorded in the minutes of the board of directors meeting.</p> <p>The resolution of the audit committee listed in Paragraph 1 should first be approved by one-half or more of all audit committee members and then be submitted to the board of directors for a resolution, and should be subject to mutatis mutandis application of Article 5, Paragraphs 4 and 5.</p> <p><u>When there is first transaction between the Company and any subsidiaries that are not domestic public companies, and the transaction amount reaches 10 percent or more of the Company's total assets, the Company may not proceed to enter into a transaction contract or make a payment until the information set out in Paragraph 1 are submitted to the shareholders meeting for approval. This should not apply to the transaction between the Company and its parent or subsidiaries, or between its subsidiaries.</u></p> <p>The calculation of the transaction amounts referred to in Paragraph 1 and the preceding paragraph should be made in accordance with Article 8, Paragraph 2 herein, and "within</p>	<p>Company's board of directors may pursuant to Article 5, Paragraph 1, Subparagraph 4 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> <li>1.Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</li> <li>2. Acquisition or disposal of real property right-of-use assets held for business use.</li> </ol> <p>When a matter is submitted for discussion by the board of directors pursuant to Paragraph 1, the board of directors should take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it should be recorded in the minutes of the board of directors meeting.</p> <p>The resolution of the audit committee listed in Paragraph 1 should first be approved by one-half or more of all audit committee members and then be submitted to the board of directors for a resolution, and should be subject to mutatis mutandis application of Article 5, Paragraphs 4 and 5.</p>	

Content of Article after Amendment	Content of Article before Amendment	Description
<p>the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted to the <u>shareholders meeting, approved by the board of directors, and recognized by the audit committee</u> according to the <u>Procedures</u> need not be counted toward the transaction amount.</p>		
<p>Article 35 The Procedures were enacted on June 3, 2003, with the 1<sup>st</sup> time amendment made on June 12, 2006, the 2<sup>nd</sup> time amendment made on June 11, 2007, the 3<sup>rd</sup> time amendment made on June 10, 2009, the 4<sup>th</sup> time amendment made on June 15, 2010, the 5<sup>th</sup> time amendment made on June 15, 2011, the 6<sup>th</sup> time amendment made on June 12, 2012, the 7<sup>th</sup> time amendment made on June 6, 2014, the 8<sup>th</sup> time amendment made on June 9, 2015, the 9<sup>th</sup> time amendment made on June 15, 2017, the 10<sup>th</sup> time amendment made on June 13, 2019, <u>and the 11<sup>th</sup> time amendment made on May 24, 2022.</u></p>	<p>Article 35 The Procedures were enacted on June 3, 2003, with the 1<sup>st</sup> time amendment made on June 12, 2006, the 2<sup>nd</sup> time amendment made on June 11, 2007, the 3<sup>rd</sup> time amendment made on June 10, 2009, the 4<sup>th</sup> time amendment made on June 15, 2010, the 5<sup>th</sup> time amendment made on June 15, 2011, the 6<sup>th</sup> time amendment made on June 12, 2012, the 7<sup>th</sup> time amendment made on June 6, 2014, the 8<sup>th</sup> time amendment made on June 9, 2015, the 9<sup>th</sup> time amendment made on June 15, 2017, and the 10<sup>th</sup> time amendment made on June 13, 2019.</p>	<p>Add revision date and the number of revisions</p>

## **Appendix 4.1**

### **FARADAY TECHNOLOGY CORPORATION Rules of Procedure for Shareholder Meetings**

Article 1 The shareholder meetings of the Company are implemented in accordance with the “Rules of Procedure for Shareholder Meetings.”

Article 2 Shareholders or their proxies are required to wear an attendance card and submit a sign-in card for sign-in. The number of shares is calculated based on the number of sign-in cards received plus the number of shares whose voting rights are exercised by correspondence or electronically.

Article 3 The chairman should call the meeting to order when the attending shareholders do represent a majority of the total number of issued shares.

Article 4 The shareholder meeting agenda is formulated by the board of directors. The meeting should proceed in the order set by the agenda.

Article 5 In addition to the proposals listed on the agenda, the other proposal submitted by the shareholders or the amendments or alternatives to the original proposals should be seconded by other shareholders. The equity of the proponent and the seconded party should be up to 1% of the total number of issued common stock shares.

Article 6 A matter other than a proposal will not be discussed or voted on. The chairman may have a discussion of proposal ended at an appropriate time or may announce the discussion of a proposal closed, if necessary.

Article 7 Once the discussion of proposal is ended or closed, the chairman may call for a vote.

Article 8 Except as otherwise provided in the Company Act; the passage of a proposal should require an affirmative vote of a majority of the voting rights represented by the attending shareholders. If the chairman consults all the attending shareholders without any objection raised, the proposal should be deemed as passed, and its effect should be the same as that of voting.

Article 8-1 When the Company holds a shareholder meeting; it allows the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised

by correspondence or electronic means, the method of exercise should be specified in the shareholder meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

Article 9 Before speaking, an attending shareholder must specify on a speaker's slip the attendance card number, shareholder name, and shareholding. The order in which shareholders speak will be set by the chairman.

Article 10 A shareholder (including natural person and legal person) may not speak more than 3 minutes each time, but can be extended for one time with the consent of the chairman; also, each shareholder (including natural person and legal person) may not speak more than twice on the same proposal.

Article 11 If a shareholder attempts to speak beyond the time limit or outside the scope of the proposal at the shareholder meeting and defies the chairman's correction, obstructing the proceedings and refusing to heed calls to stop, the chairman may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 12 When a meeting is in progress, the chairman may announce a break based on time considerations.

Article 13 If a force majeure event occurs, the chairman may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continuing use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholder meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholder meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 14 The matters not addressed in these Rules should be handled in accordance with the Company Act and the Company's Articles of Association.

Article 15 These Rules and any amendments hereto should be implemented after being resolved in the shareholder meetings.



Article 16 These Rules were enacted on July 16, 1998 with the 1<sup>st</sup> amendment made on June 9, 2015.

## **Appendix 4.2**

### **FARADAY TECHNOLOGY CORPORATION Articles of Incorporation**

#### **Chapter 1: General Rules**

Article 1: The Company is organized in accordance with the provisions of the Company Act. The name of the Company is “智原科技股份有限公司” in Chinese and “FARADAY TECHNOLOGY CORPORATION” in English.

Article 2: The Company’s business operation is as follows:

I. CC01080 Electronic component manufacturing business

II. I501010 Product design business

III. F401010 International trade business

IV. I301020 Data processing services business

V. I301010 Information software service business

Research, development, design services, production, manufacturing, and sales of the following products:

I. Application-specific integrated circuit (ASIC) design

II. Application-specific integrated circuit (ASIC) design Intellectual Property and System Platform (IP & System Platform)

III. ASIC Electronic Design Automation Tools (ASIC EDA TOOLS)

Article 2-1: When the Company is a shareholder of unlimited liability in another company, the total amount of the Company’s investment in such other company is not subject to the requirement of not exceeding 40% of the amount of its own paid-in capital by Article 13 of the Company Act.

Article 3: The Company’s head office is located in Hsinchu Science Park. If necessary, the Company may establish branches domestically and abroad after the resolution of the board of directors and the approval of the competent authority.

Article 4: (Deleted)

#### **Chapter 2: Shares**

Article 5: The Company’s authorized capital is NT\$6 billion with 600 million shares issued at NT\$10 par; also, the Board of Directors is authorized to have the stock shares issued by installments. The issue price of each share is determined by the Board of Directors in

accordance with the Company Act or securities-related law and regulations.

Within the total capital amount stated in the preceding paragraph, stock warrants can be issued for an amount of NT\$550 million or less with 55 million shares issued at NT\$10 par. The board of directors is authorized to have the stock shares issued by installments depending on the business operation.

Article 5-1: Employee stock warrants that are issued by the Company with a subscription price lower than the closing price of common stock shares issued by the Company on the issuance date should be issued with the consent of two thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares.

To transfer shares to employees at less than the average actual share repurchase price, the Company must have obtained the consent of two thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares.

Article 6: The Company's stock shares are ordered, numbered, affixed with the signatures or personal seals of three or more directors, and should be duly certified or authenticated by the competent authority or its authorized issuance agency. The Company after having the stock shares issued may be exempted from printing any share certificate for the shares issued. When issues new shares, the certificate for the total number of shares issued currently may be printed collectively.

Article 7: The assignment/transfer, loss, pledge, and destruction of stocks, if any, should be handled in accordance with the Company Act and relevant law and regulations.

Article 8: (Deleted)

Article 9: The entries of stock assignment/transfer in the shareholders' roster should not be altered within 60 days prior to the convening date of a regular shareholder meeting, or within 30 days prior to the convening date of a special shareholder meeting, or within 5 days prior to the base date fixed by the Company for distribution of dividends, bonus, or other benefits.

### **Chapter 3: Shareholder Meetings**

Article 10: The Company's shareholder meetings include two types of meetings as follows:

I. Regular shareholder meeting should be held by the Board of Directors within six

months after the end of each fiscal year.

II. Special shareholder meeting should be convened according to law when necessary.

Article 11: The chairman of the board should chair the shareholder meeting. If the chairman of the board asks for leave or is unable to exercise his/her powers, one of the directors should be appointed to act on his/her behalf. If the chairman of the board has not appointed a representative, the directors should elect one person among them to act as the chairman.

Article 12: Shareholders should be informed of the date, place, and reason for a regular shareholders meeting to be convened 30 days in advance, and for a special shareholders meeting to be convened 15 days in advance.

Article 13: When the shareholders cannot attend the shareholder meeting for any reasons, they should provide the proxy form issued by the Company with the scope of authorization specified and then entrust a representative to attend the shareholder meeting. The procedures for attending a shareholder meeting by proxy should be handled in accordance with Article 177 of the Company Act and the provisions of the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” issued by the competent authority.

Article 14: Except in the circumstances otherwise provided for in Article 157, Paragraph 3 and Article 179 of the Company Act, the shareholders of the Company should have one voting power in respect of each share in his/her/its possession.

Article 15: Resolutions at a shareholders meeting should, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

#### **Chapter 4 :Board Directors, Audit Committee, and Managerial Officers**

Article 16: The Company has seven to eleven directors for a term of three years who have the capacity to be elected in the shareholder meeting and are eligible for a second term. The shareholding ratio of all the directors is in accordance with the regulations of the securities competent authorities. The Company may purchase liability insurance for directors to reduce the risk of directors being sued by shareholders or other related parties for performing their duties according to law.

The Company’s independent directors among the number of directors specified in the preceding paragraph must be not less than three persons, and must be not less than one fifth of the number of directors. The board of directors is authorized to pay remuneration to the directors according to their level of participation in the operation

of the Company and the value of their contribution, and with reference to the industry level. A candidate nomination system is adopted for the election of directors and independent directors, the shareholders are to elect the directors from the candidate list in the meeting. Regarding the independent directors' professional qualifications, shareholdings, part-time restrictions, nomination and selection methods, and other matters to be complied with, it should be handled in accordance with the relevant regulations of the securities competent authority.

Article 16-1: According to the provision of Article 14-4 of the Securities Exchange Act, the Company has an Audit Committee composed of by all independent directors, and at least one of whom should have accounting or financial expertise. The resolution of the Audit Committee should be agreed by the majority of all serving members.

Article 17: The board of directors is formed by directors with the powers illustrated as follows:

- I. Preparation of the business plan.
- II. The surplus earnings distribution or loss off-setting proposal
- III. Propose capital increase or decrease proposal.
- IV. Formulate important rules and contracts.
- V. Appoint and dismiss the General Manager of the Company.
- VI. The establishment and abolition of branches.
- VII. Prepare budgets and final accounts.
- VIII. Review of capital expenditures.
- IX. Other powers entrusted according to the Company Act or resolutions of the shareholder meetings.

Article 18: The chairman of the board should be elected by a majority of the directors at a meeting attending by two thirds of the directors. The chairman represents the Company externally. The board of directors, depending on operational needs, may have the vice chairman of the board elected by a majority of the directors at a meeting attending by two thirds of the directors.

Article 19 The board meeting of the Company, unless otherwise provided by the Company Act, should be convened by the chairman. Unless otherwise provided by the Company Act, resolutions of the board of directors should be adopted by a majority of the directors at a meeting attended by a majority of the directors. The board directors should be notified of the upcoming board meeting in writing, by email, or by fax.

Article 20: The chairperson of the board should preside the board meetings. When the chairperson of the board is on leave or cannot exercise his/her powers for any reason, the vice chairman should act in place of the chairperson. If there is not a vice chairman elected or the vice chairman is also on leave or cannot exercise his/her powers for any reason,

the chairman should appoint one of the directors to act. If no such designation is made by the chairman, the directors should select one person among themselves to serve as chairman. The directors should attend the meeting in person, but may be represented by another director if they cannot attend the meeting in person for any reason. The representation stated in the preceding paragraph is limited to one proxy per director only.

Article 21: (Deleted).

Article 22: (Deleted).

Article 23: The Company has more than one general manager appointed. The appointment and dismissal of the general managers must be approved by a majority of the directors.

Article 24: The general managers should manage the company's business operation in accordance with the resolution of the board of directors.

## **Chapter 5 Accounting**

Article 25: The Company's fiscal year is from January 1 to December 31. The final statements must be prepared at the end of each fiscal year.

Article 26: The Company's board of directors should, in accordance with the provisions of Article 228 of the Company Act, have the following books and reports prepared at the end of each fiscal year and should present them in the shareholder meetings for resolutions.

1. Business report
2. Financial statements
3. Surplus earnings distribution and loss off-setting proposal

Article 27: If there are earnings in the Company's annual final account after making up for all previous losses, an amount no less than 10% of the earnings should be appropriated as employee remuneration and no more than 2% of the earnings should be appropriated as director remuneration. The distribution of employee remuneration can be paid in cash or with stock dividend. The individuals entitled to the stock dividends include the employees of subsidiaries that meet certain conditions. The Company's annual surplus earnings, if any, will be distributed in the following order:

- I. Withheld taxes
- II. Loss off-setting
- III. Appropriated 10% of the earnings as legal reserve
- IV. Appropriated or reversed special reserve lawfully.

- V. The balance amount plus the unappropriated retained earnings is for the shareholder dividend. Except for the reserved amount is to be distributed in the future, the shareholder dividend is distributed according to the resolutions reached in the shareholder meeting.

The Company's dividend distribution policy depends on the Company's current and future investment environment, capital demand, domestic and foreign competition, capital budget, and other factors, taking into account the interests of shareholders, balancing dividends, and the Company's long-term financial planning. The board of directors is to submit the earnings distribution plan to the shareholder meeting for resolutions every year. The Company's current business development is in a growth stage; therefore, business expansion plans and capital demands in the future are inevitable. The dividend distributed in the current year must be with a cash dividend amount for not less than 10% of the total dividend.

## **Chapter 6 Supplemental Provisions**

Article 28: The Company's charters and enforcements rules should be formulated separately.

Article 29: Matters not specified in the Articles of Association should be handled in accordance with the provisions of the Company Act.

Article 30: The initiators resolved in the "Initiator Meeting" to have the Company's Articles of Association established on May 25, 1993.

The 1<sup>st</sup> amendment was made on June 19, 1997

The 2<sup>nd</sup> amendment was made on December 15, 1997

The 3<sup>rd</sup> amendment was made on July 16, 1998

The 4<sup>th</sup> amendment was made on March 16, 1999

The 5<sup>th</sup> amendment was made on June 17, 2000

The 6<sup>th</sup> amendment was made on June 9, 2001

The 7<sup>th</sup> amendment was made on June 17, 2002

The 8<sup>th</sup> amendment was made on June 3, 2003

The 9<sup>th</sup> amendment was made on June 15, 2004

The 10<sup>th</sup> amendment was made on June 14, 2005

The 11<sup>th</sup> amendment was made on June 12, 2006

The 12<sup>th</sup> amendment was made on June 11, 2007

The 13<sup>th</sup> amendment was made on June 13, 2008

The 14<sup>th</sup> amendment was made on June 10, 2009

The 15<sup>th</sup> amendment was made on June 15, 2010

The 16<sup>th</sup> amendment was made on June 15, 2011

The 17<sup>th</sup> amendment was made on June 12, 2012

The 18<sup>th</sup> amendment was made on June 9, 2015

The 19<sup>th</sup> amendment was made on June 15, 2016



## **Appendix 4.3**

### **FARADAY TECHNOLOGY CORPORATION**

#### **Rules for Election of Directors**

- Article 1 The election of directors of the Company should be handled in accordance with these Regulations.
- Article 2 The election of directors of the Company should be conducted at the shareholder meeting.
- Article 3 The order cumulative voting system is adopted for the election of directors of the Company. The number of votes exercisable in respect of one share should be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or many be split for election of two or more candidates.
- Article 4 The ballots should be prepared by the board of directors of the Company with the attendance card number and the number of voting rights clearly stated.
- Article 5 Before the election begins, the chairman should appoint a number of persons (with shareholder status) to perform the respective duties of vote monitoring and counting personnel.
- Article 6 The votes of directors should be elected by independent directors and non-independent directors together, and the votes should be counted and elected separately.
- Article 7 The directors of the Company will be elected in the shareholder meeting among the competent shareholders according to the quota determined by the Articles of Association of the Company, according to the statistical results of the ballot papers, the candidates with more voting power represented by the votes obtained should be successively elected as independent directors or directors. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they should draw lots to determine the winner, with the chairman drawing lots on behalf of any person not in attendance.
- Article 8 Ballots are invalid under any of the following circumstances:
- I. Those who do not use the ballots prepared by a convener.
  - II. The ballots are not placed inside the ballot box.
  - III. A blank ballot is placed in the ballot box.

- IV. The number of candidates filled on the ballot exceeds the prescribed quota.
- V. The list for filled-in candidates is not consistent with the list of director candidates after checking.
- VI. Other words or marks are entered in addition to the number of voting rights..
- VII. The number of voting rights that have been filled in is altered.
- VIII. The writing is unclear and indecipherable.
- IX. The total votes casted by the voters exceed the total voting rights held by the voters.

Article 9 The ballot boxes for the election of directors should be set up by the board of directors, which should be examined by the scrutineers in public before voting.

Article 10 The chairman of the meeting should declare the results of election on the spot with the account name and shareholder account name of the elected candidates announced; also, the Company should mail the certificate of election to the elected candidates afterwards.

Article 11 The elected candidate who do not comply with the provisions of Paragraphs 3 and Paragraph 4 of Article 26-2 to Article 26-3 of the Securities Exchange Act should be deemed invalid.

Article 12 These Regulations and any amendments hereto should be implemented after being resolved in the shareholder meeting. These Regulations were formulated on June 17, 2002. The first amendment to the Regulations was made on June 11, 2007. The 2<sup>nd</sup> amendment to the Regulations was made on June 9, 2015. The 3<sup>rd</sup> amendment to the Regulations was made on July 7, 2021.

Article 13 Matters not specified in these Regulations should be handled in accordance with the Company Act and other relevant law and regulations, as well as the provisions of the Company's Articles of Incorporation.

## Appendix 4.4

### **FARADAY TECHNOLOGY CORPORATION Operational Procedures of Loaning of Funds to Others**

#### Article 1 Purpose and basis

The operational procedures of loaning of funds to others (“the Procedure”) are promulgated pursuant to Article 36-1 of the Securities and Exchange Act, “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” (“the Regulations”), and other relevant laws and regulations.

#### Article 2 Entities to which the Company may loan funds

Under Article 15 of the Company Act, the Company should not loan funds to any of its shareholders or any other person except under the following circumstances:

1. Where an inter-company or inter-firm business transaction calls for a loan arrangement;
2. Where an inter-company or inter-firm short-term financing facility is necessary.

The term "short-term" as used in the preceding paragraph means one year. However, where the company's operating cycle exceeds one year, then one operating cycle.

#### Article 3 Definition of terms

“Subsidiary” and “parent company” as referred to in this Operational Procedure should be as determined under the Statement of Financial Accounting Standards No. 5 and No. 7 published by Accounting Research and Development Foundation. The term “announce and report” as used in the Operational Procedures means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).

#### Article 4 Evaluation standards for loaning funds to others

Where funds are lent to a company or business with business relationship with the Company, such loans should be granted in accordance with Subparagraph 2 of Paragraph 1 in Article 5. Loans may be granted due to short-term financing needs only under one of the following circumstances:

1. A company in which the Company directly and indirectly holds 50% or more of its shares and a short-term financing is needed for business purpose.
2. Where short-term financing is required for a company or business due to purchase of materials or operating turnover needs.
3. Where the loans are approved by the board of directors of the Company.

Article 5 The aggregate amount of loans and the maximum amount permitted to a single borrower

1. The total amounts of loans to others should not exceed 10% of the net worth on the most current financial statements of the Company.
2. Where funds are lent to a company or business with the business with the Company, the total amount of such loan should not exceed 5% of the net worth on the most current financial statements of the Company, and the amount of an individual loan should not exceed 5% of the net worth on the most current financial statements of the Company.
3. Where funds are lent to a company or business with short-term financing needs, the total financing amount should not exceed 5% of the net worth on the most current financial statements of the Company, and the individual financing amount should not exceed 5% of the net worth on the most current financial statements of the Company.

Article 6 Loan term and interest calculation

1. The loaning funds of the Company should be based on the principle of short-term financing, and it should not exceed for more than one year.
2. The interest rate of the loaning funds in the preceding paragraph should not be lower than the maximum interest rate for short-term borrowings from financial institutions by the Company. Interest accrual should be monthly interest payment as a principle; inform the borrower to pay the interest within one week from the promised interest payment date.

Article 7 Handling procedures

When the Company handles loaning funds to others, the borrower should fill out a loan application form, detailing the loan amount, term, purpose, repayment method and the content of the full amount of collateral to be provided, and attach the borrower's basic information and financial data as well as other related information that should be submitted to the financial division of the Company. The handling personnel should evaluate the necessity and reasonableness of loaning funds to others, the borrower's credit information and risk assessment, and the impact on the company's operational risks, financial status and shareholders' rights and interests in accordance with the operating procedures, and should obtain collateral when necessary, submit to the president and the chairman for approval, and handle after submitting to the board of directors for approval and resolution.

Loans of funds between the Company and its parent company or subsidiaries, or between its subsidiaries, should be submitted to a resolution by the board of directors pursuant to the preceding paragraph, and the chairman may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the board of directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down. The

mentioned “certain monetary limit” on authorization for loans extended by the Company or any of its subsidiaries to any single entity should not exceed 10% of the net worth on the most current financial statements of the lending company, except in cases of companies in compliance with Article 2, Paragraph 3.

When the Company loans funds to others, it should take each independent director’s opinions into full consideration, and their specific opinions on expressing assent or dissent and reasons for dissent should be included in the meeting minutes of the board of directors.

When the Company submits its fund-lending transaction for discussion by the board of directors in accordance with Regulations, the Company should first require the approval of one-half or more of all audit committee members. If the approval of one-half or more of all audit committee members as required is not obtained, it may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee should be recorded in the minutes of the board of directors meeting.

#### Article 8 Credit investigation

1. For the first-time borrower, the borrower should issue the change registration approval letter and change registration form from Ministry of Economic Affairs, and all the necessary financial information to facilitate credit investigation.
2. If it is a continuing borrower, in principle, a credit investigation is carried out once a year. If it is a major case, a credit investigation will be conducted once half a year depending on the actual needs.
3. If the borrower is in good financial condition and the annual financial statement has been entrusted to an accountant to handle the financing visa, the investigation report with the credit reference date of more than one year but less than two years can still be used, and at the same time refer to the audit visa report by the accountant.

#### Article 9 Loan approval

1. After credit investigation and/or evaluation, if the borrower has a poor credit rating and the Company does not intend to lend, the handling personnel should submit the refusal reason for approval and sign off to the borrower as soon as possible.
2. For cases in which the credit investigation result shows good credit rating, and the purpose of the loan is necessary and reasonable, the handling personnel should fill in a credit report to evaluate the reason, usage, purpose, case amount, benefit, value of collateral provided, credit and operation; moreover, assess the impact on the Company’s operational risks, financial status and shareholders’ equity. After setting the interest rate and term, submit it to the president and the chairman for approval, and handle after submitting a resolution to the board of directors.

#### Article 10 Inform the borrower

After the loan case is signed and approved, the handling personnel should inform the borrower as soon as possible by letter or telegram, detailing the borrowing conditions of the Company, including the amount, term, interest rate, collateral and guarantor, etc. The borrower is requested to sign the contract within the deadline. After completing Guarantee quality (mortgage) setting and Guarantor's guarantee procedures, and loan granted by credentials.

#### Article 11 Contract signing and identity verification

1. For loan cases, the handling personnel should formulate the terms of the contract, which should be reviewed by the supervisors and sent to the legal counsel meeting for review, and then the contracting procedures should be completed.
2. The content of the contract should be consistent with the approved loan conditions. After the borrower and the joint guarantor sign and seal the contract, the handling personnel should complete the guarantee procedures.

#### Article 12 Preservation

1. If there is collateral in the lending conditions, then the borrower should provide collateral and go through the procedures to set up a pledge or mortgage to ensure the Company's creditor rights.
2. Except for land and marketable securities, all the collaterals should be insured with fire insurance, ships and vehicles should be insured with full insurance, and the insurance amount should not be less than the mortgage value of the collateral. The insurance policy should be annotated in compliance with the Company's original approval loan conditions. If the building number has not been adjusted, and its address should be marked with the seated location and place number.
3. The handling personnel should pay attention to inform the borrower to continue to apply for insurance before the expiration of the insurance period.

#### Article 13 Grant

After the loan case is approved and the borrower signs the contract and sends the deposit receipt (or installment repayment) promissory note, the collateral mortgage (pledge) setting registration is completed. After all the procedures are checked but no error found, then it is ready for grant.

#### Article 14 The follow-up control measures for loan amount and overdue claims handling procedures

1. After loan disbursement, should often pay attention to the financial, business and related credit status of the borrower and the guarantor. If there is collateral provided, then should pay close attention to whether there is any change of the guaranteed value. The Company should inform the borrower two months before

the loan due date for paying off the principal and interest by the appointed date or going through the extension procedures. In case of any major changes, the chairman should be informed immediately, and then proceeds the proper treatment according to the instructions.

2. When the borrower repays the loan at or before the loan due date, it should first calculate the interest payable and repay the loan together with the principal before canceling the creditor's rights certificates such as the promissory note loan and returning it to the borrower or canceling the mortgage right.
3. The borrower should repay the principal and interest immediately at the loan due date.

#### Article 15 Document filing and storage

The Company should prepare a memorandum book for its fund-lending activities and truthfully record the following information: borrower, amount, date of approval by the board of directors, lending/borrowing date, and matters to be carefully evaluated for reference.

For the loan cases by the handling personnel, after the loan is granted, it should sequentially filing the creditor's rights certificates, such as the contract, promissory note, as well as collateral documents, insurance policies, and business correspondence, keep in storage bag. After indicating the contents of the storage and the customer name, submit it to the supervisor for inspection. Once the inspection is correct, then seal it. Seal the perforation with the seal of the undertaker and supervisor, and keep it after recording in the custody log book.

#### Article 16 Information disclosure

1. The Company should announce and report the previous month's loan balances of its head office and subsidiaries by the 10th day of each month.
2. The Company whose loans of funds reach one of the following levels should announce and report such event within two days commencing immediately from the date of occurrence:
  - (1) The aggregate balance of loans to others by the Company and its subsidiaries reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.
  - (2) The balance of loans by the Company and its subsidiaries to a single enterprise reaches 10 percent or more of the Company's net worth as stated in its latest financial statement.
  - (3) The amount of new loans of funds by the Company or its subsidiaries reaches NT\$10 million or more, and reaches 2 percent or more of the Company's net worth as stated in its latest financial statement.
3. The Company should evaluate the status of its loans of funds and reserve sufficient allowance for bad debts, and should adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures.

#### Article 17 Penalty

When the Company's managers and personnel in charge have violated the Regulations and Procedures, then auditors or responsible officers should immediately report the relevant violations to the president and chairman of the board. Both the president and the chairman of the board should also impose the proper penalties on the relevant personnel up to the seriousness of the circumstances.

#### Article 18 Procedures for controlling and managing loans of funds to others by subsidiaries

1. Where a subsidiary of the Company intends to make loans to others, the Company should instruct it to formulate its own Operational Procedures for Loaning Funds to Others in compliance with the Regulations, and it should comply with the Procedures when loaning funds.
2. When the subsidiary makes loans to others, it should provide relevant information to the parent company, and proceed the fund loaning operation after considering the opinions of relevant personnel of the parent company.
3. After loan disbursement, the subsidiary should regularly report the follow-up status of the loan amount to the parent company.

#### Article 19 Audit

The Company's internal auditors should audit the operating procedures and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They should promptly notify each audit committee in writing of any material violation found.

#### Article 20 Changes of the circumstances

Due to changes of the circumstances, an entity for which a loan is made does not meet the requirements of the Regulations or the loan balance exceeds the limit, the Company should adopt rectification plans and submit the rectification plans to each audit committee, and should complete the rectification according to the time frame set out in the plan.

Article 21 The Procedure should be approved by the audit committee and the board of directors, and submitted to the shareholder's meeting for approval. The same should apply to any amendments to the procedures. When the operating procedure is submitted to the board of directors for discussion, it should take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent should be included in the minutes of the board of director's meeting.



Article 22 This procedure was formulated on June 3, 2003.  
The 1<sup>st</sup> amendment was made on June 10, 2009.  
The 2<sup>nd</sup> amendment was made on June 15, 2010.  
The 3<sup>rd</sup> amendment was made on June 11, 2013.  
The 4<sup>th</sup> amendment was made on June 9, 2015.

## Appendix 4.5

### **FARADAY TECHNOLOGY CORPORATION** **Operational Procedures for Endorsements/Guarantees**

Article 1: The Procedures for making of endorsements/guarantees (“the Procedure”) are promulgated pursuant to Article 36-1 of the Securities and Exchange Act, “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” (“the Act”).

#### Article 2 Application scope

The term “endorsements/guarantees” as used in the Procedures refers to the following:

1. Financing endorsements/guarantees, including:
  - (1) Bill discount financing
  - (2) Endorsement or guarantee made to meet the financing needs of another company
  - (3) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.
2. Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the Company itself or another company with respect to customs duty matters.
3. Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.

Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company should also comply with the Procedures.

#### Article 3 Entitles for which the Company makes endorsements/guarantees

The Company may make endorsements/guarantees for the following companies:

1. A company with which the Company does business.
2. A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.
3. A company that directly and indirectly holds more than 50 percent of the voting shares in the Company.

Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the Company, provided that this restriction should not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

Where the Company fulfills its contractual obligations by providing mutual

endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, such endorsements/guarantees may be made free of the restriction of the preceding two paragraphs.

Capital contribution referred to in the preceding paragraph should mean capital contribution directly by the Company, or through a company in which the public company holds 100% of the voting shares.

For circumstances in which an entity for which the Company makes any endorsement/guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, relevant follow-up monitoring and control measures should be expressly prescribed.

#### Article 4 Definition of terms

1. “Subsidiary” and “parent company” as referred to in the Procedures should be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Where the Company’s financial reports are prepared according to the International Financial Reporting Standards, “net worth” in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
2. The term “announce and report” as used in the Procedures means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).
3. “Date of occurrence” in these Regulations means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.

#### Article 5 The ceilings on amount of endorsement/guarantee

The Company’s aggregate endorsement/guarantee amount and the amount of its endorsements/guarantees for any single entity are as follows:

1. The cumulative aggregate amount of endorsements/guarantees should not exceed 30% of the net worth on the most current financial statements of the Company certified or reviewed by a certified public accountant.
2. The amount of endorsements/guarantees provided by the Company for any single

entity should not exceed 10% of the net worth on the most current financial statements of the Company certified or reviewed by a certified public accountant.

3.The cumulative aggregate amount of endorsements/guarantees provided by the Company and its subsidiaries should not exceed 40% of the net worth on the most recent financial statements of the Company certified or reviewed by a certified public accountant.

4.The amount of endorsements/guarantees by the Company and its subsidiaries for any single enterprise should not exceed 20% of the net worth on the most recent financial statements of the Company certified or reviewed by a certified public accountant.

5.When the endorsement/guarantee amount should not exceed the business transaction amount between the parties, the said business transaction amount refers to the purchase or sales amount in the latest quarter between the two parties, whichever is higher. “Business transaction amount” as used herein refers to the amount of purchase or sale between the parties, whichever is higher.

#### Article 6 Decision-making and delegation level

1.Before making an endorsement/guarantee or cancellation, the Company should follow the procedure in compliance with the Regulations, handle after the approval of the resolution of the board of directors; however, to meet the timeliness need, the chairman empowered by the board of directors to grant endorsements/guarantees within a specific limit, for subsequent submission to and ratification by the next board of directors' meeting.

2.Where the Company needs to exceed the limits set out in the Procedure to satisfy its business requirements, and where the conditions set out in the Procedure are complied with, it should obtain approval from the board of directors and half or more of the directors should act as joint guarantors for any loss that may be caused to the company by the excess endorsement/guarantee. It should also amend the Procedure accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the company should adopt a plan to discharge the amount in excess within a given time limit.

3.Before making any endorsement/guarantee pursuant to Article 3, Paragraph 2, a subsidiary in which the Company holds, directly or indirectly, 90% or more of the voting shares should submit the proposed endorsement/guarantee to the Company's board of directors for a resolution, provided that this restriction should not apply to

endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

Where the Company makes endorsements/guarantees for others, it should take into full consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent should be included in the minutes of the board of director's meeting.

In accordance with the regulations, before submitting the endorsements/guarantees transactions to the board of directors for discussion, should be approved by one-half or more of all audit committee members. If the approval of one-half or more of all audit committee members as required is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee should be recorded in the minutes of the board of directors meeting.

#### Article 7 Handling procedure

1. When the Company handles endorsements/guarantees to others, the borrower should fill out a loan application form, detailing the loan amount, term, purpose, repayment method and the content of the full amount of collateral to be provided, and attach the borrower's basic information and financial data as well as other related information that should be submitted to the financial division of the Company.
2. When the financial unit receives the application of the endorsed guarantee company, it should conduct an evaluation according to Article 8 of the Regulations, and submit the evaluation record together with the letter and promissory note to the president and chairman of the board for approval and proceed in compliance with Article 8 of the Regulations.
3. The promissory note that has been approved for endorsement should be returned to the endorsed guarantee company after completing the following procedures:
  - (1) Stamped with the company seal
  - (2) Photocopy the front and back of the endorsed promissory note and keep it for future reference.
  - (3) Record the endorsement guarantee items in the reference book to control the endorsement amount.
4. The promissory note that does not agree for endorsement should be sent to the endorsed guarantee company together with the promissory note after the finance division has explained the reasons for not endorsement.
5. When the Company handles the endorsement and guarantee matters and needs to obtain collateral after evaluation, it should go through the procedures for setting up the pledge or mortgage to ensure the Company's creditor rights.

Except for land and marketable securities, all the collaterals should be insured with fire insurance, ships and vehicles should be insured with full insurance, and the insurance amount should not be less than the mortgage value of the collateral.

The insurance policy should be annotated in compliance with the Company's original approval loan conditions. If the building number has not been adjusted, and its address should be marked with the seated location and place number.

The handling staff should pay attention to inform the borrower to continue to apply for insurance before the expiration of the insurance period.

6. The Company should prepare a memorandum book for its endorsement/guarantee activities and record in detail the following information for the record: the entity for which the endorsement/guarantee is made, the amount, the date of passage by the board of directors or of authorization by the chairman of the board, the date the endorsement/guarantee is made, and the matters to be carefully evaluated under Article 8 of the Regulations.

#### Article 8 Reviewing procedure

Before making an endorsement/guarantee for others, the Company should carefully evaluate whether the endorsement/guarantee is in compliance with these Regulations and the Procedures, and should request the endorsed company to provide the Ministry of Economic Affairs' change registration approval letter and the necessary financial information to evaluate the following items:

1. Assess the necessity and reasonableness of the endorsement/guarantees in relation to the financial and business conditions of the endorsed company.
2. Carry out a credit investigation based on the information provided by the endorsed company to assess the risk of the endorsements/guarantees.
3. Whether the accumulated amount of endorsements/guarantees is still within the limit and the impact on the Company's business operations, financial condition, and shareholders' equity.
4. Measure the Company's risk-taking level for endorsements/guarantees, and assess whether collateral must be obtained and appraisal of the value thereof.

#### Article 9 Procedures for controlling and managing endorsements/guarantees by subsidiaries

1. When a subsidiary of the Company intends to provide endorsement/guarantees to others, for the sake of the necessity of and reasonableness, the Company should instruct it to formulate its own Operational Procedures for Endorsements/Guarantees in compliance with the Regulations, and it should comply with the Procedures when making endorsements/guarantees.
2. When the subsidiary company handles the endorsement/guarantee, it should provide

relevant information to the parent company, and carry out the endorsement/guarantee operation after considering the opinions of the relevant personnel of the parent company.

3. Subsidiaries should regularly report the follow-up status of endorsement to the parent company.

#### Article 10 Procedures for use and custody of corporate chops

The Company should use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements/guarantees. The chop should be kept in the custody of a designated person approved by the board of directors and may be used to seal or issue negotiable instruments only in prescribed procedures. When making a guarantee for an overseas company, the Company should have the Guarantee Agreement signed by a person authorized by the board of directors.

#### Article 11 Information disclosure

1. The Company should announce and report the previous month's endorsement/guarantee balances of its head office and subsidiaries by the 10th day of each month.
  2. The Company whose endorsement/guarantee reaches one of the following levels should announce and report such event within two days commencing immediately from the date of occurrence:
    - (1) The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement.
    - (2) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.
    - (3) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, long-term investment in, and balance of loans to, such enterprise reaches 30 percent or more of the Company's net worth as stated in its latest financial statement.
    - (4) The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Company's net worth as stated in its latest financial statement.
- The Company should announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such

subsidiary is required to announce and report pursuant to Paragraph 4 of the preceding paragraph.

3. The Company should evaluate or record the contingent loss for

endorsements/guarantees, and should adequately disclose information on endorsements/guarantees in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures.

#### Article 12 Penalty

When the Company's managers and personnel in charge have violated the Regulations and Procedures, then auditors or responsible officers should immediately report the relevant violations to the president and chairman of the board. Both the president and the chairman of the board should also impose the proper penalties on the relevant personnel up to the seriousness of the circumstances.

#### Article 13 Audit

The Company's internal auditors should audit the operating procedures of endorsements/guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They should promptly notify each audit committee in writing of any material violation found.

#### Article 14 Changes of the circumstances

Due to changes of the circumstances, an entity for which an endorsement/guarantee is made does not meet the requirements of the Regulations or the loan balance exceeds the limit, the Company should adopt rectification plans and submit the rectification plans to each audit committee, and should complete the rectification according to the timeframe set out in the plan.

Article 15 Where a subsidiary of the Company intends to make endorsements/guarantees for others, should formulate its own "Operational Procedures for endorsements/guarantees" in compliance with the Regulations, and it should comply with the Procedures when making endorsements/guarantees.

Article 16 The Procedure should be approved by the audit committee and the board of directors, and submitted to the shareholders' meeting for approval. The same should apply to any amendments to the procedures. When this operating procedure is submitted to the board of directors for discussion, it should take into full consideration each independent



director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent should be included in the minutes of the board of director's meeting.

Article 17 This procedure was formulated on June 3, 2003.

The 1<sup>st</sup> amendment was made on June 11, 2007.

The 2nd amendment was made on June 10, 2009

The 3rd amendment was made on June 15, 2010.

The 4th amendment was made on June 11, 2013.

The 5th amendment was made on June 9, 2015.

## **Appendix 4.6**

### **FARADAY TECHNOLOGY CORPORATION Procedures for Acquisition or Disposal of Assets**

#### **Chapter 1: General Principles**

##### **Article 1: Basis**

The Procedures are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” (hereinafter referred to as "the Act").

##### **Article 2: Applicable scope**

The Company should handle the acquisition or disposal of assets in compliance with the Procedures.

##### **Article 3: Asset scope**

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. Intangible assets (including patents, copyrights, trademarks, and franchise rights).
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.

##### **Article 4: Terms used in the Procedures are defined as follows:**

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, and long-term purchase (sales) contracts.

2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; 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 should apply.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. Securities exchange: "Domestic securities exchange" refers to the TWSE; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
8. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

## **Chapter 2 :Acquisition or disposal of assets**

Article 5: The units responsible for implementation, delegation degree/level:

In acquiring or disposing of the assets, the Company should manage in accordance with the following degree of authority delegated and procedures:

1. The acquisition or disposal of long-term marketable securities of the Company and its subsidiaries, the transaction amount is less than NT\$300 million, evaluation reports should be submitted by finance and related divisions and be handled after the approval of the chairperson; the transaction amount reaches NT\$300 million or

more, should be handled after the approval of the board of the directors.

2. The acquisition or disposal of short-term marketable securities investment of the Company and its subsidiaries, except for trading for bonds under repurchase and resale agreements and bond domestic/foreign bond funds, the transaction amount is less than NT\$500 million, should be submitted by finance division and be handled after the approval of the chairperson; the transaction amount reaches NT\$500 million or more, should be handled after the approval of the board of the directors.
3. The relevant data of the acquisition or disposal of real property should be submitted by the management division, and be handled after the approval of the chairperson.
4. The acquisition or disposal of equipment, memberships, intangible assets, and right-of-use assets should be handled in accordance with the regulations of the Company's internal control system, purchasing, and expense payment approval authority regulations.
5. The acquisition or disposal of derivatives should be handled according to the provisions of Chapter 4 of the Procedures.
6. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law should be handled according to the provisions in Chapter 5 of the Procedures.

The Company's transaction involving major assets or derivatives should be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.

When a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors should take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it should be recorded in the minutes of the board of directors meeting.

When the procedures for the acquisition and disposal of assets are adopted or amended they should be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.

If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee should be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in the preceding paragraph and "all directors" in the preceding paragraph should be counted as the actual number of persons currently holding those positions.

#### Article 6: Appraisal procedures and the means of price determination

1. The company acquiring or disposing of marketable securities should, prior to the date

of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company should additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA should do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of marketable securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

## 2. Real property or equipment or other right-of-use assets

The acquisition or disposal of real property should refer to publicly announced present value, assessed present value, and actual sold price for the real property in the neighborhood. The acquisition or disposal of equipment should collect relevant price information in advance, and either price comparison, bargain process, or tender process should be performed.

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, should obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and should further comply with the following provisions:

- (1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction should be submitted for approval in advance by the board of directors; the same procedure should also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
- (2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers should 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 should 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 (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

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

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

(4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

### 3. Intangible assets or right-of-use assets thereof or memberships

The acquisition or disposal of memberships should collect relevant price information in advance, and either price comparison or bargain process should be performed. The acquisition or disposal of intangible assets should also collect relevant price information in advance, and carefully evaluate relevant laws and contract content to determine the transaction price.

Where the company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company should engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA should comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

### 4. Other major assets

The acquisition or disposal of claims of financial institutions, derivatives, assets or other major assets in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law should collect relevant price information in advance according to transaction underlying asset, and carefully evaluate relevant laws and contract content to determine the transaction price.

### 5. The Company should handle the acquisition or disposal of financial derivatives in

compliance with the provisions of Chapter 4 of the Procedures.

6. The acquisition or disposal of assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law should be handled in compliance with the provisions of Chapter 5 of the Procedures.

Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions should meet 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 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 any party to the transaction.
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.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph should comply with the following:

1. Prior to accepting a case, they should prudently assess their own professional capabilities, practical experience, and independence.
2. When examining a case, they should appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion should be fully and accurately specified in the case working papers.
3. They should undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They should issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

The calculation of the transaction amounts in this article should be done in accordance

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

#### Article 7: Data retention

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

#### Article 8: Announcement and Reporting Procedures

Under any of the following circumstances, a public company acquiring or disposing of assets should publicly announce and report the relevant information on the designated website of Financial Supervisory Commission (hereinafter referred to as FSC) in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this should not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
2. Merger, demerger, acquisition, or transfer of shares.
3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
  - (1) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
  - (2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
5. Acquisition or disposal by the company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction



counterparty is not a related party, and the transaction amount is less than NT\$500 million.

6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this should not apply to the following circumstances:

(1) Trading of domestic government bonds.

(2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.

(3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above should be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

“Mainland China area investment” as used in Paragraph 1 refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area. “Within the preceding year” as mentioned Paragraph 2 refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

The company should compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries

that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

#### Article 9: Content of Announcement and Reporting

The Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information should be made by the FSC's related regulations.

#### Article 10: Corrections and Changes of Announcement and Reporting

When the Company at the time of public announcement makes an error or omission in an item required by regulations of Article 8 to be publicly announced and so is required to correct it, all the items should be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

Where any of the following circumstances occurs with respect to a transaction that the company has already publicly announced and reported in accordance with Article 8, a public report of relevant information should be made on the information reporting website designated by the FSC 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 11: Control procedures for the acquisition and disposal of assets by subsidiaries

The Company should see to it that its subsidiaries adopt and implement the procedures for the acquisition or disposal of assets in compliance with the provisions of the Securities and Exchange Act of the competent authority and in accordance with local laws and regulations.

The subsidiaries of the Company should handle the acquisition or disposal of assets in compliance with "Procedures for Acquisition or Disposal of Assets."

Information required to be publicly announced and reported in accordance with the provisions of Article 8 on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan should be reported by the Company.

#### Article 12: Total amount and limit of assets

Total amounts of real property and right-of-use assets thereof or securities acquired by the Company and each subsidiary for non-business use, and limits on individual securities are as follows:

1. There is no limit on the quota of assets acquired by the Company and each subsidiary, such as the asset types of land, building, and machine equipment for business use.
2. Total amounts of real property acquired by the Company for non-business use should not exceed 20% of shareholder equity in the latest financial statement of the Company; total amount of real property acquired by each subsidiary for non-business use should not exceed 20% of shareholder equity in the latest financial statement of the subsidiary.
3. The cumulative total investment of short-term securities for the purpose of short-term fund procurement should not exceed 50% of shareholder equity in the latest financial statement of the Company; the net value of marketable securities acquired for the same company should not exceed 20% of shareholder equity in the latest financial statement of the Company, the investment as listed in this subparagraph by each subsidiary should not respectively exceed 20% and 10% of shareholder equity in the latest financial statement of the subsidiary.
4. The cumulative total investment of long-term securities should not exceed 60% of shareholder equity in the latest financial statement of the Company; the amount of marketable securities acquired for the same company should not exceed 30% of shareholder equity in the latest financial statement of the Company. For the subsidiary that belongs to investment holding company, there is no limit to the investment as listed in this paragraph. For the rest subsidiaries that engage in the investment as listed in the paragraph, it should not respectively exceed 20% and 10% of shareholder equity in the latest financial statement of the subsidiary.

### **Chapter 3: Related Party Transactions**

#### Article 13: Applicable scope

When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company should also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding two Chapter 2 and this Chapter.

The calculation of the transaction amount referred to in the preceding paragraph should be made in accordance with the fourth paragraph of Article 6 herein.

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

#### Article 14: Resolution procedure

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

- 1.The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- 2.The reason for choosing the related party as a transaction counterparty.
- 3.With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 15 and Article 16.
- 4.The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
- 5.Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- 6.An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- 7.Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph should be made in accordance with Article 8, Paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted to the audit committee and approved by the board of directors according to the Regulations need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between

a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 5, Paragraph 1, Subparagraph 4 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

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

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

When a matter is submitted for discussion by the board of directors pursuant to Paragraph 1, the board of directors should take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it should be recorded in the minutes of the board of directors meeting. The resolution of the audit committee listed in Paragraph 1 should first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and should be subject to mutatis mutandis application of Article 5, Paragraph 4 and 5.

#### Article 15: Appraisal procedure

The Company that acquires real property or right-of-use assets thereof from a related party should evaluate the reasonableness of the transaction costs by the following means:

1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.

2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution should have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan should have been 1 year or more. However, this should not apply where the financial institution is a related party of one of the transaction counterparties.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be

separately appraised in accordance with either of the means listed in the preceding paragraph.

The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs should also engage a CPA to check the appraisal and render a specific opinion.

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

1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
4. The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

Article 16: When the results of the Company's appraisal conducted in accordance with Paragraph 1 and Paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter should be handled in compliance with Article 17. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction should not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
  - (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" should be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry

of Finance, whichever is lower.

(2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.

2. Where 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 completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

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

Article 17: Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding two articles are uniformly lower than the transaction price, the following steps should be taken:

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

The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value

of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

When the Company obtains real property or right-of-use assets thereof from a related party, it should also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.

## **Chapter 4: Engaging in Derivatives Trading**

### **Article 18: Trading principles and strategies:**

1. The types of derivatives trading should be limited to "Derivatives" listed in Article 3 of the Procedures.

As to the related matters of bond margin, should be handled by the provisions of the Procedures.

2. Management or hedging strategy

The foreign exchange position should be requested first for overall offset flattening and net position as the operation basis. Engaging in derivatives trading is mainly used for hedging purpose. The transaction product to be chosen should be subject to avoid the risk from the business operation of the Company. In addition, the counterparty should choose the financial institution that has a business relation with the Company as possible, to avoid from the occurrence of credit risk.

3. Authorization/Delegation

Fund management by finance division: Be responsible for foreign exchange management system, such as collecting the information of foreign exchange market, judging trends and risks, being familiar with financial product and trading skills. By the instruction of financial manager, manage the foreign exchange position by authorization, and avoid risk according to company policy.

General accounting by finance division: Be responsible for transaction confirmation, settlement and data entry.

Audit division: Measure, monitor, and control the risk of finance division transaction, should report to the audit committee and the board of directors when material weakness occurs.

4. Essentials of performance evaluation

Any trading on financial derivatives should be recorded specifically in transaction list by the day in order to master the status of profit and loss; and should keep the settlement of exchange gains and losses monthly, quarterly, half-yearly, and yearly.

5. Transaction quota



The amount of total contracts on derivatives trading of the Company should not exceed NT\$2 billion.

6.Loss limit

The maximum loss limit on total trading contacts are US\$2 million, and the loss limit on individual contract are US\$0.2 million.

Article 19: Operating procedures

1.Delegation level

Delegation level when the Company engages in derivatives trading: Execute transaction after the approval of the chairman.

2.Execution unit and transaction flow

(1)Execute transaction: Financial personnel in charge of transaction should proceed transaction to financial institution after submitting to the chairman for approval in accordance to the provision of the preceding paragraph. After each transaction, based on the transaction report from financial institution, should fill out the transaction slip immediately, give clear indication of transaction, get the approval of responsible manager, and submit the statistics data and copy of transaction slip to general accountant.

(2)Transaction confirmation: General accountant in charge of settlement and data entry should confirm the transaction according to the copy of the transaction slip, then proceed settlement and data entry by the confirmed number of transaction. Personnel in charge of funding management should make a summary report and submit to general accountant as the basis of accounting evaluation.

(3)The Company should report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with the Procedures.

Article 20: Risk management measures

1.Risk management scope

(1)Credit risk management: Credit risk is controlled by restricting the counterparties that the Company deals with those who having banking relationship with the Company. After transaction, the personnel in charge of data entry should immediately login the quota control table and regularly do reconciliation with correspondent bank.

(2)Market price risk management: The personnel in charge of data entry should check if the transaction amount meets the specified limit of the Procedures at all times. General accountant should conduct market evaluation at all times, and be

aware of the possible loss and profit impact on the holding position by the price volatility of future market.

(3)Liquidity/Cash flow risk management: Liquidity risk should be controlled by restricting the financial institution to those who have adequate facility, sufficient information, sizable trading capacity and capability when choosing financial product. The trader should also be aware of cash flow of the Company at all times, to ensure enough cash for Delivery Versus Payment (DVP).

(4)Operational risk management: Should indeed follow the delegation quota and operation flow.

(5)Legal risk management: Any document in respect of signing with banks, in principal of being signed by the finance division, should be signed after seeking advice from legal counsel if necessary.

2.Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.

3.Risk measurement, monitoring, and control personnel should be assigned to a different department that the personnel in the preceding subparagraph and should report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.

4.Derivatives trading positions held should be evaluated at least once per week; however, positions for hedge trades required by business should be evaluated at least twice per month. Evaluation reports should be submitted to senior management personnel authorized by the board of directors.

#### Article 21: Internal audit system

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

#### Article 22: Regular evaluation method and exception handling

Investment transaction positions should be evaluated at market price by the finance division once per week; hedge trades should be evaluated once every two weeks, and list trading position, contract period, or with profit-loss evaluation and future management focus. The board of directors should designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk; periodically evaluate whether derivatives trading performance is consistent with

established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance. Senior management personnel authorized by the board of directors should periodically evaluate whether the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the company. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures should be adopted and a report immediately made to the audit committee and the board of directors; where a company has independent directors, an independent director should be present at the meeting and express an opinion.

#### Article 23: Public Disclosure of Information

1. When losses from derivatives trading reach the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company, the Company should publicly announce and report the relevant information on the FSC's designated website within 2 days counting inclusively from the date of occurrence of the event.
2. The Company should report the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

Article 24: The Company engaging in derivatives trading should establish a log book in which details of the types and amounts of derivatives trading engaged in, board of director approval dates, and the matters required to be carefully should be recorded in detail in the log book.

### **Chapter 5: Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares**

Article 25: The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, should engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued

by an expert may be exempted in the case of a merger by a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

Article 26: The Company participating in a merger, demerger, acquisition, or transfer of shares should prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction should not apply.

Where the shareholders meeting of the Company and other 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 and other companies participating in the merger, demerger or acquisition should immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

Article 27: The Company and other company participating in a merger, demerger, or acquisition should convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

The Company and other company participating in a transfer of shares should call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company should 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, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, the Company should report (in the prescribed format and via the Internet-based information system) the information set out in Subparagraphs 1 and 2 of the preceding paragraph to the FSC 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 should sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs.

Article 28: The Company and those who participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares should issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

Article 29: 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 should 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.

Article 30: The contract for participation by the Company in a merger, demerger, acquisition, or of shares should record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and should 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.

Article 31: After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies should carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

Article 32: Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company should sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 28, Article 29, and Article 32.

## **Chapter 6: Additional Provisions**

### **Article 33: Penalty**

The directors and managers of the Company violate the Procedures or Regulations that cause material damage to the Company, should be dismissed by resolution of the board of directors.

Relevant executive personnel of the Company violate the Procedures or Regulations, should be dealt with the relevant regulations of performance review and regulations concerning rewards and disciplinary.

**Article 34:** The Procedures should be passed by the audit committee and the board of directors, and should be effective after being submitted to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company should submit the director's dissenting opinion to the audit committee.

When the Procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors should take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it should be recorded in the minutes of the board of directors meeting.

The resolution of the audit committee in the first paragraph should be approved by one-half or more of all audit committee members.

If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee should be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" and "all directors" in the preceding paragraph should be counted as the actual number of persons currently holding those positions.

**Article 34-1:** For the calculation of 10 percent of total assets under the Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers should be used.

In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent should be substituted.

Article 35: The Procedures were enacted on June 3, 2003 with the 1<sup>st</sup> amendment made on June 12, 2006; 2<sup>nd</sup> amendment made on June 11, 2007; 3<sup>rd</sup> amendment made on June 10, 2009; 4<sup>th</sup> amendment made on June 15, 2010; 5<sup>th</sup> amendment made on June 15, 2011; 6<sup>th</sup> amendment made on June 12, 2012; 7<sup>th</sup> amendment made on June 6, 2014; 8<sup>th</sup> amendment made on June 9, 2015; 9<sup>th</sup> amendment made on June 15, 2017; 10<sup>th</sup> amendment made on June 13, 2019.



## Appendix 4.7

### **FARADAY TECHNOLOGY CORPORATION** **Maximum and Minimum Shareholding of Board Directors**

1.The statutory shareholdings of the directors of the 11th terms of the Company are as follows:

The number of common stock shares issued by the Company: 248,550,313 shares

The statutory shareholdings of all directors should be 12,000,000 shares.

2.As of March 26, 2022, the book closure date of the regular shareholder meeting, the shareholding of all directors is as follows:

<b>Title</b>	<b>Name</b>	<b>Shareholding</b>	<b>%</b>
Chairman	United Microelectronics Corporation Representative : Chia-Tsung Hung	34,240,213	13.77
Director	United Microelectronics Corporation Representative : Ying-Sheng Shen	34,240,213	13.77
Director	Unimicron Technology Corporation Representative : Cheng-Li Huang	120,000	0.05
Director	Kuo-Yung Wang	371,990	0.15
Director	Shih-Chin Lin	180,000	0.07
Director	Wen-Ju Tseng	62,915	0.03
Independent director	Ning-Hai Jin	—	—
Independent director	Ping-Kuan Lo	—	—
Independent director	Wan-fen Zhou	—	—
Total shareholdings of all directors		34,975,118	14.07

Note: The Company has established an Audit Committee, so it is not subject to the requirements of statutory shareholdings.