

**Wistron NeWeb Corporation**  
**Procedures for Acquisition or Disposal of Assets**

Article 1 Purpose and Legal Basis

To conform to laws and decrees and enhance the management of WNC's Procedures for Acquisition or Disposal of Assets, these procedures are amended in accordance with Article 36-1 of the Securities and Exchange Act and regulations related to the Financial Supervisory Commission (referred to as "FSC").

Article 2 The term "assets" as used in the Procedures including:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, warrants, investment funds, underlying asset bonds, etc.
2. Real estate (including land, houses and buildings along with investment property) and equipment.
3. Membership certificates.
4. Intangible assets, such as patent rights, copyrights, trademark rights, and franchises.
5. Derivative products.
6. Assets acquired or disposed of by merger, split, acquisition or share transference in accordance with the law.
7. Right-of-use assets.
8. Other important assets.

Article 3 Definitions

- I. Derivative Products: Refers to forward contracts, option contracts, futures contracts, leverage contracts, swap contracts, combinations of the above contracts, or portfolio contracts/structured products embedded with derivative products whose value is derived from particular interest rates, financial instrument prices, product prices, foreign exchange rates, price or rate indexes, credit rating or credit indexes or other variables. The term "forward contracts" does not include insurance contracts, fulfillment contracts, after-sales service contracts, long-term lease contracts and long-term purchase (sale) contracts.
- II. Assets acquired or disposed of by mergers, splits, acquisition, or shares transference in accordance with the law: assets acquired or disposed of by mergers, splits, acquisition, or share transference pursuant to the Enterprise Merger and Acquisition Law, Financial Holding Companies Law, Financial Institutions Merger Law, or other laws; or share transference from other companies (hereinafter referred

- to as “share transference”) by issuing new shares pursuant to Article 156-3 of the Company Act.
- III. The terms “related party” and “subsidiary” as used in these procedures are as defined in the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.
  - IV. The term “the date of occurrence” as used in these procedures in principle means the date of contract signing, the date of payment, the date of consignment trading, the date of transfer, the date of resolution of the Board of Directors, or any other date which can confirm the trading counter party and trading amount (whichever is earlier). If a Company is engaged in investments that require the approval of the competent authority, it shall mean one of the above dates or the date of receipt of the approval letter from the competent authority, whichever is earlier.
  - V. The term “professional appraiser” as used in these procedures means any appraiser specialized in real estate or other lawful appraisers of real estate and equipment.
  - VI. The term “within one year” as used in these procedures means dating back for one year from the date of acquiring or disposing of this asset; the announced period is exempt from being recounted.
  - VII. The term “the most recent financial statement” as used in these procedures refers to the financial statement publicly audited or reviewed by an accountant in accordance with the law before WNC acquires or disposes of assets.
  - VIII. Securities trading centers: Domestic securities trading centers refer to the Taiwan Stock Exchange, while foreign securities trading centers refer to the institutional securities trading centers governed by competent authorities in other countries.
  - IX. Securities underwriters’ business locations: Domestic securities underwriters’ business locations refer to counters established by securities underwriters that are exclusively used for the trading of securities in compliance with the Regulations Governing Securities Trading on the 18 Item Original Version Amended Version Reason Taipei Exchange, while foreign securities underwriters’ business locations refer to financial institutions’ business locations in other countries that are governed by competent securities agencies and engage in securities trading.

Article 3-1

- Professional appraisers and their officers, accountants, attorneys and security underwriters that provide WNC with appraisal reports or opinion papers shall meet the following requirements:
- 1. Has not been sentenced to a term of imprisonment of one year or more for violations of the Securities and Exchange Act, the Company Act, the Insurance Act, the Financial Holding Company Act or the Business Entity Accounting Act, or for committing fraud, breach of trust, misappropriation, or forgery, or offenses

related to their profession. However, this provision does not apply if at least 3 years have passed since the completion of the sentence, expiration of the probation period for a suspended sentence, or receipt of a pardon.

2. Is not a related party or de facto related party of any party to the transaction.
3. If WNC is required to obtain appraisal reports from two or more professional appraisers, the professional appraisers or appraisal officers for each of the reports may not be related parties or de facto related parties of each other.

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

1. Prior to accepting a case to provide an appraisal report or opinion paper, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When writing an appraisal report or opinion paper, they shall plan and implement suitable working procedures in order to formulate a conclusion and use said conclusion as the basis for issuing the report or opinion paper. The working procedures, data collected, and conclusion shall be fully and accurately specified in the working papers of the report or opinion paper.
3. They shall undertake an item-by-item evaluation of the suitability and appropriateness of the data sources, parameters and information used in writing the appraisal report or opinion paper.
4. They shall issue a statement attesting to the professional competence and independence of all personnel who helped prepare the appraisal report or opinion paper, and that the information used in the report/book has been evaluated to be suitable and appropriate and complies with applicable laws and regulations.

Article 4 Procedures of Evaluation and Operation for the Acquisition or Disposition of Assets

I. Acquisition or Disposition of Securities

- (1) For securities acquired or disposed of on a centralized exchange market or OTC exchange, the operating department shall submit reasons for the proposed acquisition or disposition, the targeted assets, and price reference, etc. to the responsible department for decision.
- (2) For securities not acquired or disposed of on a centralized exchange market or OTC exchange, the operating department shall submit background information on the transaction such as reasons for the proposed acquisition or disposition, targeted assets, trading counter parties, price of transfer, receipt and payment terms, and price reference to the responsible department for decision.

- II. For acquisition or disposition of real estate, equipment, membership certificates, intangible assets, or right-of-use assets, and assets acquired or disposed of by mergers, splits, acquisition, or share transference in accordance with the law, the undertaking department shall submit reasons for the proposed acquisition or disposition, targeted assets, trading counter parties, price of transfer, receipt and payment terms, and price reference, etc. to the responsible department for decision.
- III. For evaluation of derivative products, the finance manager shall hold periodic meetings with related persons to examine operational strategies and performance. In principle, trading positions and performance shall be reported to the head of treasury management every two weeks, to the head of Finance Division monthly, and to the Chairman of the Board quarterly.
- IV. As for related operations for acquisition or disposition of assets, these shall be handled in accordance with WNC's relevant regulations for the internal control system.

Article 5 Procedures of Ratification and Decision on the Acquisition or Disposition of Assets

- I. Method and Reference Basis for Price Decision
  - (1) For securities purchased and sold on a centralized exchange market or OTC exchange, the price shall be decided according to the market price at the time of transaction. For securities not acquired or disposed of on a centralized exchange market or OTC exchange, the price shall be determined by reference to net value per share, profitability, and future development potential. In addition, the transaction price at the time of decision shall also be noted.
  - (2) The acquisition or disposition of real estate, equipment, or their right-of-use assets shall be carried out by price comparison, price negotiation, or bidding. As to the price of real estate or its right-of-use assets, it shall be determined by reference to the announced current value, appraised current value, and actual transaction prices in the neighborhood of the real estate in question.
  - (3) For acquisition or disposition of memberships, the price shall be integrally evaluated by reference to future anticipated added-value and produced benefit.
  - (4) For acquisition or disposition of intangible assets or their right-of-use assets such as patent rights, copyrights, trademark rights, and franchise rights, the price shall be entirely determined by reference to elements such as future anticipated profit, levels of technology development and innovation, legally protected conditions, circumstances of license and implementation, and production cost or implementation cost. In addition, rights owners and licensees shall also be considered.
- II. Amount and Level of Authorization

The responsible department of WNC shall decide within its authority on the acquisition and disposition of assets in the following situations, provided that matters governed by Article 185 of the Company Act shall be approved by the shareholders' meeting in advance:

  - (1) Acquisition or disposition of securities:
    - (a) The Chairman of the Board is authorized by the Board of Directors to decide and execute projects of less than NT\$150

million. Executed projects are to be reported to the Board of Directors upon completion.

- (b) For acquisition or disposition of securities purchased and sold on the centralized exchange market or OTC exchange, the Chairman of the Board is authorized by the Board of Directors to decide and execute projects of less than NT\$300 million. Executed projects are to be reported to the Board of Directors thereafter.
  - (c) For investment of short-term funds such as government bonds, domestic bond funds, financial debentures, US government bonds, foreign bond funds with high credit ratings and domestic money-market funds, the head of treasury management is authorized to execute single transactions or a daily total amount not reaching NT\$300 million; the approval of the head of Finance Division is required for amounts between NT\$300 million and NT\$500 million; and the approval of the Chairman of the Board is required for amounts exceeding NT\$500 million.
- (2) The acquisition or disposition of real estate or its right-of-use assets shall be approved by the Board of Directors before its execution. The Chairman of the Board is pre-authorized by the Board of Directors to execute projects of less than NT\$150 million, and report to the Board of Directors thereafter.
  - (3) The acquisition or disposition of equipment or its right-of-use assets, or the acquisition of memberships, patents, copyrights, trademarks, franchise rights and other intangible assets or their right-of-use assets: Any projects less than NT\$300 million are to be approved by the Chairman of the Board or other authorized persons. Projects reaching or in excess of NT\$300 million will first require the approval of the Board of Directors.
  - (4) If Article 12 of this procedure is applicable to the transaction counterparty, the rules of Article 12 shall be adopted.
  - (5) The acquisition or disposition of derivative products is authorized for related personnel according to the Transaction Management Procedures of Derivative Products stipulated by WNC and must be reported at the next BOD meeting.

### III. Undertaking Department

The finance unit is responsible for the undertaking of securities and derivative product investments. As for real estate, equipment, intangible assets, membership certificates, right-of-use assets, and assets acquired or disposed by mergers, splits, acquisition or share transference, the units undertaking the disposition and acquisition are departments using the product or asset and any other authorized units.

## Article 6 Announcement and Filing Procedures

- I. If one of the following conditions exists, the acquisition or disposition of WNC's assets shall be announced and filed on the competent authority's designated website in accordance with the nature and stipulated form of the acquisition or disposition within two days of its occurrence (including the date of occurrence) with the relevant data and information:

- (1) Purchase or disposal of real estate or its right-of-use assets from a related party, or purchase/disposal of other assets (excluding real estate and its right-of-use assets) with a related party that reach the amount of 20% of WNC's paid-in capital, 10% of its total assets audited by an accountant, or exceeds NT\$300 million. However, purchase and sale of domestic government bonds, bonds with put or call conditions and subscription or redemption of domestic money market funds issued by securities investment trust enterprises are not subject to this regulation.
  - (2) Mergers, splits, acquisition, or share transfers in progress.
  - (3) Engaging in derivative products transactions in which losses reach the upper limit loss amount of the total or individual contract as stipulated in procedures.
  - (4) Acquisition or disposal of assets that is categorized as equipment for business use or their right-of-use assets, the transaction counterparty of which is not a related party, and for a transaction exceeding NT\$500 million.
  - (5) Real estate acquired by WNC by way of mandating a non-related party to build on its land, mandating a non-related party to build on the land it leased, cooperatively building with a non-related party to share a building, cooperatively building with a non-related party to acquire a proportion of the profits, or cooperatively building with a non-related party to separately sell the units for an anticipated transaction amount exceeding NT\$500 million.
  - (6) With the exception of asset transactions provided in the preceding five items or investment in Mainland China, transaction amounts for a total of 20% of WNC's paid-in capital or a minimum of NT\$300 million; excluding the following:
    - i. Purchase and sale of domestic government bonds or foreign bonds with a credit rating not lower than the sovereign rating of the ROC.
    - ii. Purchase and sale of bonds with put or call conditions and subscription or repurchase of domestic money market funds issued by securities investment trust enterprises.
- II. The transaction amounts in the preceding paragraph are calculated in accordance with the methods provided below:
- (1) Each single transaction amount.
  - (2) The transaction amount accumulated within one year with the same counterparty in the acquisition or disposition of targeted assets of the same nature.
  - (3) The amount accumulated (the amounts for acquisition and disposition are separately accumulated) within one year in the acquisition or disposition of the same real estate or its right-of-use assets in a development plan.
  - (4) The amount accumulated (the amounts for acquisition and disposition are separately accumulated) within one year in the acquisition or disposition of the same securities.
- III. The "within one year" language described in the preceding item means the dating back of one year from the date of the transaction (the announced period is exempt from being counted in again).

- IV. WNC shall, before the tenth of each month, enter the transaction status up to the end of the previous month of the derivative products engaged by WNC and by its subsidiaries not categorized as domestic public companies in accordance with the stipulated form in the competent authority's designated website for filing information.
- V. Where any item required by these Provisions is incorrect or is not included in a public announcement and is thus required to be issued as a supplement, the entire announcement shall be remade and inserted in a public announcement and reported by WNC within two days starting from the date on which the aforementioned issues are discovered.
- VI. Unless otherwise provided by other laws, WNC's acquisition or disposition of assets shall retain the relevant contracts, meeting minutes, registry books, appraisal reports, and the opinion books of the accountants, attorneys, or security underwriters on file for at least 5 years.
- VII. After announcing and filing a transaction in accordance with these provisions, provided that one of the following conditions exists, WNC shall announce and file the relevant data and information on the FSC's designated website within two days of the transaction (including the date of transaction):
  - (1) The relevant contracts of the original transaction have been changed, terminated or cancelled.
  - (2) Mergers, splits, acquisitions, or share transfers have not been completed in accordance with the anticipated timeframe set out in the contracts.
  - (3) Changes after announcement of the transaction.

**Article 7 Scope and Amount of Acquisition or Disposition of Assets**

- I. Apart from acquisition of assets for business use, WNC may acquire real estate, its right-of-use assets, and securities for non-business use. The maximum amounts are set forth as follows:
  - (1) Total investment in real estate or its right-of-use assets for non-business use shall not exceed 40% of the total equity that belongs to business owners of the parent company and long-term liabilities of WNC as certified or audited by an accountant during the most recent period.
  - (2) Total investment in securities shall not exceed the equity that belongs to business owners of the parent company as certified or audited by an accountant during the most recent period.
  - (3) Investment in a single security shall not exceed 40% of the equity that belongs to the business owners of the parent company as certified or audited by the accountant during the most recent period.
- II. For WNC's subsidiaries, maximum amounts for acquisition or disposition of assets shall not violate rules provided below:
  - (1) Acquisition of real estate or its right-of-use assets for non-business use is not allowed.
  - (2) Total investment in securities shall not exceed 40% of the equity that belongs to business owners of the parent company as certified or audited by an accountant during the most recent period.

- (3) Investment in a single security shall not exceed 20% of the equity that belongs to business owners of the parent company as certified or audited by an accountant during the most recent period.

#### Article 8 Control Procedures for Subsidiaries' Acquisition or Disposition of Assets

- I. For the acquisition or disposition of assets by subsidiaries invested in by WNC, Procedures for Acquisition or Disposal of Assets shall be ratified in accordance with relevant regulations and shall be filed with the Board of Directors of WNC after the approval of the subsidiaries' Board of Directors. The same procedures shall apply to any amendment.
- II. For the acquisition or disposition of assets by subsidiaries not categorized as domestic public companies that reach the standards of announcement and filing set forth herein, they shall be announced and filed by WNC with copies to relevant authorities in accordance with the procedures set forth herein.
- III. The standard to announce transactions described in Paragraph 1 of Article 6 is also applicable to subsidiaries, which is based on WNC's paid-in capital or WNC's total assets audited by an accountant.
- IV. WNC shall supervise its subsidiaries in conforming to the Procedures for Acquisition or Disposal of Assets and is responsible for auditing their execution of those procedures.

#### Article 9 Sanctions for Violation of the Procedure

Company employees violating these Procedures will be sanctioned according to the Personnel Administration Regulations and the relevant measures.

#### Article 10 Appraisal Report from Professional Appraisal

In acquiring or disposing of real estate, equipment, or their right-of-use assets of WNC, with the exception of: transactions with a domestic government agency; commissions to others to build on WNC's land; commissions to others to build on land leased by WNC; or acquisition or disposal of equipment or its right-of-use assets for business use, having a transaction amount in excess of 20% of WNC's paid-in capital or NT\$300 million, WNC shall obtain an appraisal report issued by a professional appraiser before the date of occurrence, and comply with the provisions below:

- I. Due to special circumstances, where a limited price, specified price, or special price is deemed as the reference basis of the transaction price, transactions shall be reported to and decided on by the Board of Directors. The above process shall also be adopted in case of any subsequent change in the transaction conditions.
- II. If the transaction amount is more than NT\$1 billion, two or more professional appraisal institutions must be retained for the appraisal.
- III. Unless the appraised value of the acquired assets is higher than its transaction amount or the appraised value of the disposed assets is lower than its transaction amount, an accountant's opinions on the differentiation and appropriateness of the transaction price is required if any one of the conditions below applies:



- (1) The difference between the appraised value of the appraisal institution and the transaction amount is at least 20% of the transaction amount;
  - (2) The difference between the appraised values of two or more appraisal institutions is at least 10% of the transaction amount.
- IV. The time between the issuance of the appraisal report by a professional appraisal firm and the execution of the contract cannot be more than three months. However, if the announced present value of the same period is applicable and is not more than six months, the original appraisal institution may issue the opinion.

#### Article 11 Certified Accountant's Opinions

- I. For acquiring or disposing of securities, WNC shall first obtain the most recent financial report of a comparable company that has been audited by an accountant as the reference for the transaction price before the actual day of transaction. When the transaction amount reaches 20% of WNC's paid-in capital or a minimum of NT\$300 million, an accountant shall be retained to give opinions on the reasonableness of the transaction price before the actual day of transaction. This requirement does not apply to securities which are publicly quoted in an active market or as otherwise provided by FSC regulations.

According to Ref. No. 1070331908 Taiwan-Finance-Securities and under the provision in Article 10 of the Regulations Governing the Acquisition or Disposal of Assets by Public Companies, for a public company acquiring or disposing of securities, the above restriction shall not apply if any of the circumstances below exist:

- (1) Acquisition of securities with cash capital by set up or by establishment of fund raising in accordance with related laws, and the acquisition of security rights in an amount equal to the capital.
- (2) Securities with face value issued by underlying companies participating in stock options in accordance with relevant regulations for cash capital increase.
- (3) Securities issued by participation in the stock option to directly or indirectly invest 100% in invested companies by cash capital increase, or the securities issued by participation in stock options among subsidiaries entirely owned by WNC to subscribe by cash capital increase.
- (4) Listed, over-the-counter, and emerging negotiable securities traded on the securities trading centers or at securities underwriters' business locations.
- (5) Domestic government bonds and bonds under repurchase/resale agreements.
- (6) Publicly offered funds.
- (7) Acquisition or disposition of listed (over-the-counter) stocks in accordance with regulations governing purchase of stocks by tender offer or auction stipulated by the Taiwan Stock Exchange Corporation or the Taipei Exchange.
- (8) Acquisition by participating in stock options of domestic public companies' cash capital increase or purchasing domestic bonds

(including bank debentures), and the securities acquired are not privately placed negotiable securities.

- (9) In line with Article 11-1 of the Securities Investment Trust and Consulting Act, to purchase funds before they are established, or the purchase/repurchase of domestic privately placed funds. Since investment strategies other than margin transactions on securities and products related to securities held that are not written off were already specified in a trust deed, the rest have the same investment scope as publicly placed funds.
- II. In acquiring or disposing of intangible assets, their right-of-use assets, or membership certificates by a public company with a transaction amount of at least 20% of WNC's paid-in capital or a minimum of NT\$300 million, except for transactions with domestic government agencies, an accountant shall be retained to express opinions on the reasonableness of the transaction price before the date of occurrence.
- III. For public companies that acquire or dispose of assets through court auction procedures, the requirement for an appraisal report or accountant opinion may be replaced with certified documents issued by the court.

Article 11-1 The transaction amount mentioned in the above two articles shall be calculated in accordance with Paragraph 2 of Article 6. The "within one year" this paragraph describes means dating back for one year from the actual date of transaction. Transactions that have obtained an accountant's opinion or an appraisal report issued by an independent professional appraisal firm are exempt from being counted again.

#### Article 12 Transactions with Related Parties

WNC, while acquiring or disposing of assets with related parties, shall carry out related resolution processes and evaluate the reasonableness of transaction conditions in accordance with this procedure. When the amount of a transaction reaches 10% of WNC's total assets, an accountant's opinion or an appraisal report issued by an independent professional appraisal firm shall also be obtained.

While acquiring or disposing of real estate or its right-of-use assets from related parties or when acquiring or disposing of other assets or their right-of-use assets from related parties with a transaction amount that reaches 20% of WNC's paid-in capital, 10% of WNC's total assets, or NT\$300 million, except for purchase and sale of domestic government bonds, bonds with put or call conditions, and subscription or repurchase of domestic money market funds issued by securities investment trust enterprises, the information listed below shall be approved by the Audit Committee and submitted to the Board of Directors for approval before signing contracts and making payment:

- I. Reasons, necessity, and the anticipated benefit of acquisition or disposal of the assets.
- II. Reasons for determination of the related persons as the transaction party.
- III. While acquiring real estate or its right-of-use assets from a related party, provide relevant information for evaluating the reasonableness of the anticipated transaction conditions pursuant to the provisions of Articles 13 and 14.

- IV. Date and price of original acquisition by the relevant party, transaction counterparty, and the relationship of WNC to the related party.
- V. A month-by-month forecast of cash receivables for one year from the anticipated date of contract execution, with an evaluation of the necessity of the transaction and the reasonableness of the fund usage.
- VI. An accountant's opinion or an appraisal report issued by an independent professional appraisal firm.
- VII. Restrictions and other important agreed-upon items of the transaction.

When WNC, its subsidiaries or other subsidiaries whose issued stocks or total capital are directly or indirectly owned by WNC in full, conduct trades with one another regarding any of the following items, the Chairman or other persons authorized by the Chairman are authorized by the Board of Directors to decide and execute projects of less than NT\$300 million and then report this at the next BOD meeting. Projects reaching or in excess of NT\$300 million first require the approval of the Board of Directors.

- I. Acquiring or disposing of equipment, or its right-of-use assets, for operational use.
- II. Acquiring or disposing of real estate, or its right-of-use assets, for operational use.

If WNC or any of its subsidiaries that are not domestic public companies conduct the type of transaction listed in Paragraph 2, and the amount of the transaction is at least 10% of WNC's total assets, WNC shall submit all information listed in the subparagraphs under Paragraph 2 to the Shareholders' meetings for approval before signing the transaction contract and sending payment. However, transactions between WNC and its subsidiaries or transactions between WNC subsidiaries are exempt from this requirement. Transaction amounts shall be calculated in accordance with Paragraph 2 of Article 6. The "within one year" described in Paragraph 2 of Article 6 means back dating one year from the date of the transaction. Transactions that have been approved by the shareholders' meetings or those approved by the Audit Committee and submitted to the Board of Directors for approval are exempt from being recounted.

Article 13 Company purchases of real estate or its right-of-use assets from a related party shall comply with the below methods for evaluation of the reasonableness of transaction costs:

- I. Based upon the related party's transaction price plus necessary interest on funds and the cost to be borne by the buyer according to the law. The "necessary interest on funds" is imputed as the weighted average interest rate of the funds borrowed by WNC in the year of purchase of the asset.
- II. Total loan value appraised by a financial institution if such object has been mortgaged to the financial institution for loan purposes provided that the actual cumulative amount loaned by the financial institution for the object shall reach 70% or more of the appraised total value and the loan period is more than one year. However, this shall not apply if the financial institution and either party to the transaction are related parties.
- III. Where the land and buildings on the property are combined in a single purchase or lease, the cost of the transaction may be calculated by

separately evaluating the cost of the land and buildings based on either of the above methods.

- IV. When WNC purchases real estate or its right-of-use assets from a related party, in addition to evaluating the cost of the real estate or its right-of-use assets pursuant to the provisions prescribed in the preceding three paragraphs, an accountant shall be retained to review and provide a professional opinion.
- V. Where one of the following situations exists during a purchase of real estate or its right-of-use assets from a related party, the transaction is exempt from application of the preceding four paragraphs; however, Article 12 shall still apply:
  - (1) The related party acquired the real estate or its right-of-use assets by inheritance or as a gift.
  - (2) Between the signing date of the related party receiving the real estate or its right-of-use assets and the signing date of the current transaction, 5 years have passed.
  - (3) Acquisition of real estate by a joint construction contract executed with the related party or commissioned to the related party with self-owned land or rented land.
  - (4) Acquisition of real estate or its rights of use for operational use by WNC, its subsidiaries, or other subsidiaries whose issued stocks or total capital are directly or indirectly owned by WNC in full.

Article 14 Where the evaluations of WNC pursuant to the first to third paragraphs in the preceding Article are lower than the transaction price, the provisions of Article 15 shall apply; however, if any of the below circumstances exist and accompanying objective evidence is provided, a professional real estate appraiser's opinion is obtained, and an accountant's professional opinion is also obtained, the restrictions shall not apply:

- I. Where the related party has purchased a piece of undeveloped land or leased land for construction, and the evidence provided meets one of the following conditions:
  - (1) The total value of the undeveloped land, evaluated based on the methods referred to in the preceding paragraph, and the buildings, calculated based on the related party's construction cost plus reasonable construction profit, is more than the actual transaction price. The said "reasonable construction profit" shall be the average operating gross profit ratio of the construction department of the related party within the last three years or the most recent gross profit ratio of the construction industry published by the Ministry of Finance, whichever is lower.
  - (2) In comparison with the sale prices of other floors/levels of the same property or properties of neighboring regions in transactions conducted within one year by non-related parties, with an area similar in size and after appraisal of the price difference of floors/levels or regions in accordance with real estate sale transaction or rental practices, the transaction conditions are found to be similar.
- II. WNC provides evidence to prove that the transaction conditions for purchase of real estate or for renting its rights of use from a related party correspond with those of other trades involving non-related

parties in the immediate vicinity and within one year, with a similar size.

“Transactions of non-related parties in the immediate vicinity” in the preceding paragraph shall mean transactions of real estate on the same or a nearby street with a distance of less than 500 meters from the real estate in question. The term “similar size” means that in the case of transactions of non-related parties, the size is not less than 50% of the real estate in question. “Within one year” means dating back for one year from the date of acquisition of this real estate or its right-of-use assets.

- Article 15 When WNC acquires real estate or its right-of-use assets from a related party and the evaluations reached pursuant to Articles 13 and 14 are lower than the transaction price, the procedures below shall be followed:
- I. Allocate the difference between the transaction price of real estate or its right-of-use assets and the evaluated cost as a special reserve.
  - II. The members of the Audit Committee handle the matter pursuant to Article 218 of the Company Act.
  - III. Report the allocation and handling of the items in the aforementioned two subparagraphs at the shareholders’ meeting and disclose the detailed transaction contents in the annual report and the prospectus.

The special reserve allocated in accordance with the preceding paragraph shall not be used until and unless a devaluation loss on the asset purchased or rented at a high price has been rendered or such asset has been disposed of or the rental contract of such asset has been terminated or proper compensation has been received or the original status has been restored or other evidence has been provided that proves the transaction is not unreasonable and the approval of the competent authority has been granted. For real estate or its right-of-use assets acquired from related parties, should evidence of illegal transactions be discovered, it shall be processed in accordance with the regulations stated in the previous two paragraphs

- Article 16 Transaction of Derivative Products
- If engaging in derivative products transactions, WNC shall pay attention to the control of the following risk management and audit issues and shall incorporate these Procedures:
- I. Trading principles and policies shall include the types of derivative product transactions that can be conducted, operational or hedge strategies, division of responsibilities, main points for evaluating performance, total amount of contracts which can be entered in the transaction of derivative products, and the upper loss limit for all contracts and for individual contracts.
  - II. Risk management measures.
  - III. Internal audit system
  - IV. Methods of periodic evaluation and management of irregularities.

- Article 17 If engaging in the transaction of derivative products, WNC shall carry out the following risk management measures:

- I. The scope of risk management shall include the risk management of credit, market prices, liquidity, cash flow, operations, and law.
- II. Personnel for the dealing, confirmation, and settlement of derivative products transactions shall not be the same.
- III. Personnel in charge of the evaluation, supervision, and control of risk-related matters shall respectively belong to different departments from those in the preceding item and shall report to the Board of Directors or to high-level managers who are not responsible for setting policies for transactions or positional authorities.
- IV. The position held in the trading of derivative products shall be evaluated at least once a week, while hedging transactions made for business purposes shall be evaluated at least twice a month, and the evaluation reports shall be provided to high-level managers authorized by the Board of Directors.
- V. Other important risk management measures.

Article 18 Principles of Supervision and Management of the Board of Directors

- I. Assign high-level managers to oversee the supervision and control of derivatives transaction risks at all times.
- II. Periodically evaluate whether the results of derivative transactions conform to the formulated operational policies and whether the attendant risks of these transactions is within the capabilities of WNC.

Principles of Supervision and Control of High-Level Managers Authorized by the Board of Directors:

- I. Periodically evaluate whether the risk management measures currently being used are suitable and whether they conform to the Rules and Procedures for Derivative Transactions stipulated by WNC.
- II. Supervise transactions and profit-and-loss status. Any irregularities must be reported to the Board of Directors, at which time independent director(s) should attend and express the opinion of the Board of Directors.

Article 19 WNC shall prepare a registry for transactions of derivative products with the type, amount, and date of resolution by the Board of Directors, and the items shall be carefully evaluated in accordance with Article 17 item 4, Article 18 Paragraph 1 item 2, and Article 18 Paragraph 2 item 1, and published in detail in the registry.

WNC's internal auditors shall check the suitability of internal controls of derivative transactions periodically and inspect monthly compliance of the trading departments with the Procedures to Engage in the Transaction of Derivative Products in order to compile an audit report. The Audit Committee shall be notified of any severe breaches in writing.

Article 20 Mergers, Splits, Acquisitions and Share Transfer

Prior to the convening of the Board of Directors for resolution, WNC engaging in a merger, split, acquisition, or share transfer shall retain accountants, attorneys, or securities underwriters for opinions on the reasonableness of the share conversion rates, acquisition price, or the cash or other assets distributed to shareholders and submit the opinions at a BOD meeting for approval. However, it is not necessary to obtain the opinions of the aforementioned

professionals when WNC merges with subsidiaries of which WNC directly or indirectly owns all of their issued stock or capital, or when two subsidiaries of which WNC directly or indirectly owns all of their issued stock or capital merges with each other.

Article 21 Prior to convening the shareholders' meeting, WNC participating in a merger, split, or acquisition shall prepare a public document addressed to the shareholders stating the significant stipulations of the merger, split, or acquisition plan and related matters and deliver it to the shareholders along with the expert opinions of the preceding Article and the notice of the shareholders' meeting to provide the shareholders. This shall serve as a basis of reference for deciding whether to approve of or reject the merger, split, or acquisition plan in addition to other conditions that do not require a shareholders' meeting for a resolution of matters of mergers, splits, or acquisitions pursuant to other laws.

If the shareholders' meeting of WNC and any company participating in a merger, split, or acquisition is unable to convene or to pass such a resolution due to the inability to achieve a quorum or sufficient voting shares or because of other legal restrictions or the plan is rejected at the shareholders' meeting, WNC shall immediately make a public announcement of the reasons for such occurrence, the follow-up measures to be taken, and the anticipated date for convening of future shareholders' meetings.

Article 22 Except as provided by law or under special circumstances where advance permission has been obtained from the competent authority, WNC shall convene Board meetings and the shareholders' meetings and pass resolutions regarding the merger, split, or acquisition and relevant matters on the same day along with the other companies participating in the merger, split, acquisition, or share transfer.

WNC shall prepare the following information in written records and retain it for 5 years for audit purposes:

- I. Basic identification data for personnel including 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, split, acquisition, or transfer of another company's shares prior to disclosure of the information.
- II. 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.
- III. Important documents and minutes including merger, split, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

WNC shall, within two days from the passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the competent authority for recordation.

Article 23 All persons participating in or knowing of WNC merger, split, acquisition or share transfer plan shall submit a written undertaking of nondisclosure. Prior

to public disclosure of the merger, split, acquisition, or share transfer information, such persons may not externally divulge any contents of the merger, split, acquisition or share transfer plan, nor may they purchase or sell in their own capacity or in the name of another person any shares, and any other equity securities of any Company connected with the merger, split, acquisition, or share transference plan.

Article 24 In the event WNC participates in a merger, split, acquisition, or share transfer, the share conversion rate or the acquisition price may not be arbitrarily changed except in the situations outlined below, and the reasons for the change shall be outlined in the merger, split, acquisition, or share transfer contract:

- I. Cash capital increase, issuance of convertible corporate bonds, distribution of stock dividends, and issuance of corporate bonds with warrants, preferred shares with warrants, subscription warrants, and other equity securities.
- II. Actions affecting Company finances or operations, such as disposal of major assets.
- III. Occurrence of major disasters, major technological transformations, or other events affecting Company stockholder equity or Company securities prices.
- IV. Adjustment of treasury shares duly redeemed by any Company participating in the merger, split, acquisition, or share transference.
- V. Increase, decrease, or change in the entities or number thereof participating in the merger, split, acquisition, or share transference.
- VI. Other conditions for change having been provided for in the contract and publicly disclosed.

Article 25 When WNC participates in a merger, split, acquisition, or share transfer, the contract shall specify the rights and obligations of the companies participating in the merger, split, acquisition, or share transfer and shall also specify the following particulars:

- I. Handling of breach of agreement.
- II. Principles for handling of equity securities already issued by, or treasury stock already redeemed by WNC (or companies) acquired in the merger.
- III. The quantity of treasury stock that a participating Company may redeem after the recorded date of calculation of the share conversion ratio and relevant handling principles.
- IV. The handling methods for increase, decrease, or change in the participating entities.
- V. The scheduled timetable for execution of the plan and the schedule for completion.
- VI. The relevant procedures for handling failure to complete within such schedule, such as the anticipated date for convening of the shareholders' meeting(s) pursuant to applicable laws.

Article 26 Following public disclosure of information regarding WNC's participation in a merger, split, acquisition, or share transfer, if WNC has the intention of undergoing a further merger, split, acquisition, or share transfer with another Company, any procedures or legal actions already carried out by WNC under the original merger, split, acquisition, or share transfer plan shall be carried out anew except for situations where the number of participating companies



decreases and the companies' shareholders' meeting has made a resolution and authorized the Board of Directors with the right of modification. In this situation WNC is exempt from convening a shareholders' meeting for further resolution.

Article 27 If the companies participating in the merger, split, acquisition, or share transfer are categorized as non-public companies, WNC shall enter into an agreement with them in accordance with the provisions of Articles 22, 23, and 26.

Article 28 Other Items

- I. Matters not provided herein shall be governed by the relevant laws and regulations and the relevant regulations of WNC. If the Procedures for Acquisition and Disposition of Assets in the original order are amended by the competent authority, WNC shall apply the provisions in the new order.
- II. When these Procedures are submitted to the Board of Directors for discussion, the Board shall take each independent director's opinion fully into consideration.
- III. These Procedures shall be approved by the Audit Committee pursuant to related regulations and submitted to the Board of Directors for resolution and shall become effective after approval by the shareholders' meeting. If there is a record or a written statement of any director holding a dissenting opinion, WNC shall submit the information on the director's dissenting opinion to the Audit Committee.
- IV. For all matters of WNC requiring the approval of the Board of Directors pursuant to these Procedures or other laws, if there is a record or a written statement of a director holding a dissenting opinion, WNC shall submit the information on the director's dissenting opinion to the Audit Committee.
- V. When WNC reports transactions of acquisition or disposition of assets pursuant to the preceding paragraph to the Board of Directors for discussion, the Board shall fully take each independent director's opinion into consideration.
- VI. If WNC plans to engage in the transaction of major assets or of derivative products, the plan shall be approved by at least half the members of the Audit Committee and submitted to the Board of Directors for resolution.
- VII. If any such above plan is not approved by at least half the members of the Audit Committee, the plan shall be approved by at least two-thirds of the Board of Directors, and the resolution of the Audit Committee shall be recorded in the Board of Directors minutes.
- VIII. The Audit Committee members in paragraph 6 and the directors in the preceding paragraph shall be calculated according to the number of persons actually serving in office.

Article 29 The Procedures were enacted on April 18, 2000.  
The first amendment was approved on April 19, 2001.  
The second amendment was approved on November 27, 2001.  
The third amendment was approved on July 25, 2002.  
The fourth amendment was approved on May 22, 2003.  
The fifth amendment was approved on June 14, 2006.

*In case of any discrepancies between the Chinese version and this English translation, the Chinese version shall prevail.*

The sixth amendment was approved on June 15, 2007.

The seventh amendment was approved on June 17, 2011.

The eighth amendment was approved on June 12, 2012.

The ninth amendment was approved on June 11, 2013.

The tenth amendment was approved on June 6, 2014.

The eleventh amendment was approved on June 16, 2017.

The twelfth amendment was approved on June 15, 2018.

The thirteenth amendment was approved on June 5, 2019.

The fourteenth amendment was approved on June 10, 2022.