

HOTAI FINANCE CO., LTD.  
Rules of Procedures for Board Meetings

Established on January 27, 2015

The 1st amendment was made on October 26, 2017

The 2nd amendment was made on August 7, 2018

The 3rd amendment was made on March 18, 2020

The 4th amendment was made on November 11, 2020

The 5th amendment was made on May 4, 2023

The 6th amendment was made on March 12, 2024

The 7th amendment was made on January 14, 2025

- Article 1 To establish a healthy governance system for the Board of Directors (the “Board”), improve the supervisory function and reinforce the management systems, the Company established the Rules of Procedures according to Article 2 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” for observation.
- Article 2 The Company shall adopt rules of procedure for meetings of its Board; the main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements for Board meetings shall be handled in accordance with these Rules of Procedures.
- Article 3 A Board meeting shall be convened at least once every quarter.  
The reasons for calling a Board meeting shall be notified to each Director and supervisor at least seven days in advance. In emergency circumstances, however, a meeting may be called on at any time.  
Matters in subparagraphs under paragraph 1, Article 12 of the Rules of Procedures shall be set out in the reasons for the meeting, and shall not be proposed as an extempore motion. The notice to convene a Board meeting may be made in writing, via fax, or by electronic means.
- Article 4 The Board of the Company designates the **corporate governance unit** as the agenda working group.  
The agenda working group shall prepare agenda items for Board meetings and provide comprehensive pre-meeting materials to be sent together with the notice of the meeting. A Director of the opinion that the pre-meeting materials provided are insufficiently comprehensive may request the agenda working group to supplement the materials. If a Director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the Board.
- Article 5 When a Board meeting is held, an attendance book shall be made ready for signature by Directors attending the meeting and thereafter made available for future reference.  
All Directors shall attend Board meetings in person; if attendance in person is not possible, they may, pursuant to the Company's Articles of Incorporation, appoint another Director to attend as their proxy. Attendance via tele- or video-conference is deemed as

attendance in person.

A Director appointing another Director to attend a Board meeting in his or her place shall, in each case, give to that Director a written proxy stating the scope of authorization with respect to the reasons for the meeting.

Regarding the proxy in the preceding two paragraphs, a proxy may only be engaged by one person.

Article 6 The venue and time for the Board meeting of the Company shall be the location of the Company and during office hours or a venue and time that are convenient for Directors to attend and suitable for the Board meeting.

Article 7 Where a Board meeting is called by the Chairman, the meeting shall be chaired by the chairperson. However, where the first meeting of each newly elected Board is called by the Director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the Directors were elected, the meeting shall be chaired by that Director; if there are two or more Directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.

Where a Board meeting is called by a majority of Directors on their own initiative in accordance with paragraph 4, Article 203 or paragraph 3, Article 203-1 of the Company Act, the Directors shall choose one person by and from among themselves to chair the meeting. If the Chairman is on leave or is unable to exercise its authority due to other reasons, the Chairman may designate a Director to act on its behalf. If the Chairman did not designate a proxy, a Director shall be elected among the Directors to act on the Chairman's behalf.

Article 8 When convening a Board meeting of the Company, the managing department shall prepare relevant data for the attending Directors to refer to at any time.

When holding a Board meeting, the Company may, as necessary for the agenda items of the meeting, notify personnel of relevant departments or subsidiaries to attend the meeting as non-voting participants.

When necessary, the Company may also invite certificated public accounts, attorneys, or other professionals to attend as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place. Other persons who are not invited by the Board shall not be present at the meeting. At the time of the meeting, if over half of the Directors attended, the chairperson of the Board meeting shall call the meeting to order.

At the time of the meeting, if half of all Directors are not in attendance, the chairperson may announce to delay the meeting on the day, and the meeting may be postponed up to two times. If the quota is not met after being postponed two times, the chairperson may reconvene the meeting according to the procedures stated in paragraph 2 under Article 3. All Directors referred to in the preceding paragraph and subparagraph 2, paragraph 2, Article 16 shall be subject to those who are in office.

Article 9 The Company shall record on audio or video tape the entire proceedings of a Board meeting and preserve the recordings for at least five years, in electronic form or otherwise.

If, before the end of the preservation period referred to in the preceding paragraph, any litigation arises in connection with a resolution of a Board meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.

Where a Board meeting is held via tele- or video conferencing, the audio and visual documentation of the meeting form a part of the meeting minutes and shall be well preserved during the existence of the Company.

Article 10 Agenda items for regular Board meetings shall include at least the following:

(I) Reports:

1. Minutes of the last meeting and actions arising.
2. Reporting on important financial and business matters.
3. Reporting on internal audit activities.
4. Other important matters to be reported.

(II) Discussions and ratifications:

1. Items discussed and continued from the last meeting.
2. Items for discussion at this meeting.

(III) Extempore motions

Article 11 The Board meeting of the Company shall proceed according to the agenda stated in the meeting notice. However, it may be changed when receiving consent from over half of the attending Directors.

Without the consent from over half of the attending Directors, the chairperson may not directly announce to adjourn a meeting.

During the Board meeting, if the Directors in presence are less than half of the attending Directors, the chairperson shall announce the suspension of the meeting upon the proposal of a Director in presence, and the requirements in paragraph 5, Article 8, shall apply.

During the Board meeting, if the chairperson is unable to hold the meeting due to other reasons or if the chairperson fails to comply with the requirements under paragraph 2 and announces the adjournment of the meeting, requirements under paragraph 3, Article 7, the election of its proxy may apply.

Article 12 The following items shall be submitted for discussion by the Board:

- (I) The business plan of the Company.
- (II) The annual financial report and the Q2 financial report that is audited and certified by CPAs.
- (III) Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act (the “Act”), and an assessment of the effectiveness of the internal control system.
- (IV) Formulation or amendment to the procedures for handling major financial activities, such as asset acquisition or disposal, derivatives trading, loans to others, and endorsements or guarantees to others according to Article 36-1 of

the Act.

- (V) The offering, issuance, or private placement of any equity-type securities.
- (VI) The election or discharge of the Chairman.
- (VII) The appointment and dismissal of chief financial or accounting officer or chief internal auditor.
- (VIII) 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 following Board meeting for retroactive recognition.
- (IX) Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or Board meeting, or any such significant matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NT\$100 million or more, or at an amount equal to or greater than 1% of net operating revenue or 5% of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current Board meeting is convened. Amounts already submitted to and passed by a resolution of the Board are exempted from inclusion in the calculation.

When the Company has established Independent Directors according to the Articles, it shall comply with the following specifications:

At least one Independent Director shall attend each Board meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the Board under paragraph 1, each Independent Director shall attend in person; if an Independent Director is unable to attend in person, he or she shall appoint another Independent Director to attend as his or her proxy. If an Independent Director expresses any objection or reservation about a matter, it shall be recorded in the Board meeting minutes. An Independent Director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

Article 13 When the chairperson is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chairperson may announce the discussion closed and bring the matter to vote.

When a proposal comes to a vote at a Board meeting, if the chairperson puts the matter before all Directors present at the meeting and none voices an objection, the matter is deemed approved. If the chairperson puts the matter before all Directors present at the meeting and there are voices and objections, the matter shall be brought to vote.

For the voting method, the chairperson may choose one from the following subparagraphs or use; however, if any attendant raises any dissenting opinion, the determination shall be subject to the opinions of the majority.

(I) Show of hands or using a voting machine.

(II) Roll-call vote.

(III) Vote by ballot.

(IV) Voting method selected by the Company.

"All directors present at the meeting" in the preceding two paragraphs does not include Directors prohibited from exercising voting rights pursuant to paragraph 1, Article 15.

Article 14 Except as otherwise stated in the Securities and Exchange Act or in the Company Act, a resolution on a matter at a Board meeting requires the approval of a majority of the Directors present at the meeting that shall be attended by a majority of all Directors.

When there is an amendment or alternative to a proposal, the chairperson shall 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 among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

If vote monitoring and counting personnel for the voting on a proposal are required, they shall be appointed by the chairperson, provided that all monitoring personnel shall be Directors of the Company.

The results of the vote shall be reported on-site, and a record of the vote made.

Article 15 If any Director or a juristic person represented by a Director is an interested party with respect to any agenda item, the Director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, the Director may not participate in the discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another Director's proxy to exercise voting rights on that matter.

Where the spouse or a blood relative within the second degree of kinship of a Director, or a Company which has a controlling or subordinate relation with a Director, is an interested party with respect to an agenda item, such Director shall be deemed to be an interested party with respect to that agenda item.

The provisions of paragraph 2, Article 180 of the Company Act, as applied mutatis mutandis under paragraph 4, Article 206 of that Act, apply to resolutions of Board meetings when a Director is prohibited from exercising voting rights according to the requirements.

Article 16 Minutes shall be prepared for the discussions at Board meetings. The meeting minutes shall record the following:

- (I) Session, time, and place of meeting.
- (II) Name of the chairperson.
- (III) Attendance of Directors at the meeting, specifying the names and number of members present, excused, and absent.
- (IV) Names and titles of those attending the meeting as non-voting participants.
- (V) Name of minutes taker.
- (VI) Matters reported on.
- (VII) Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by Directors, supervisors (not applicable if the Audit Committee is in place), experts, or other persons; the name of any Director that is an interested party as referred to in paragraph 1 of the preceding Article, an explanation of the important aspects of the relationship of interest, the reasons why the Director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.
- (VIII) Extempore motions: the name of the mover; the method of resolution and the result for each motion; a summary of the comments made by Directors, supervisors (not applicable if the Audit Committee is in place), experts, or other persons; the name of any Director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the Director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.
- (IX) Other matters required to be recorded.

Any of the following matters in relation to a resolution passed at a Board meeting shall be stated in the meeting minutes and, within two days of the meeting, be published on an information reporting website designated by the competent authority:

- I. Any matter about which an Independent Director expresses an objection or reservation that has been included in records or stated in writing.
- II. Any matter that has not been passed by the Audit Committee but has been adopted with the approval of two-thirds or more of all Directors without having been passed by the Audit Committee.

The attendance book forms a part of the minutes for each Board meeting and shall be

well preserved during the existence of the Company.

The minutes of a Board meeting shall bear the signature or seal of both the meeting chairperson and the minutes taker; a copy of the minutes shall be distributed to each Director and supervisor within 20 days after the meeting and well preserved as important company records during the existence of the Company.

The production and distribution of the meeting minutes referred to in paragraph 1 may be done in electronic form.

Article 17 Apart from items to be submitted to the Board for discussion in paragraph 1, Article 12, when the Board is in recess, if the Board authorizes the exercise of the Board's powers according to laws and regulations or the Articles of the Company, the level of authorization, content or matters shall be accurate, and a general authorization is not allowed.

Article 18 The establishment and the amendment of the Rules of Procedures shall be agreed upon by the Board of the Company.