I. Operating Procedures

1. For purposes of determining whether a transaction counterparty is a related party, the Company shall comply with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretation Bulletins endorsed by the Financial Supervisory Commission. In making such determination, the Company shall consider not only the legal form of the relationship but also its substance. Any party meeting any of the following criteria shall be deemed a related party in substance unless it can be established that no control or significant influence exists:
   (1) An affiliated enterprise as defined in Chapter VI-1 of the Company Act, and its directors, supervisors, and managerial officers.
   (2) A company or institution under the control of the same head office as the issuer, together with its directors, supervisors, and managerial officers.
   (3) Personnel holding the position of manager or above within the head office.
   (4) A company or institution identified as an affiliated enterprise in information publicly disclosed or published by the issuer.
2. The Finance Department shall establish and maintain a register of related parties and shall periodically review and update such register to reflect any additions or removals.
3. Related party transactions between the Company and its related parties include:
   (1) Sales of goods or services;
   (2) Purchases of goods or services;
   (3) Asset transactions and long-term investments;
   (4) Financing arrangements;
   (5) Endorsements and guarantees; and
   (6) Other transactions, including commissions and technology licensing arrangements.
4. The processing of orders for sales to and purchases from related parties, together with the administration of accounts receivable and accounts payable arising from such transactions, shall be conducted in accordance with the Company's applicable internal control procedures.
5. All transactions with related parties shall be conducted under clearly defined pricing and payment terms. The transaction purpose, pricing, contractual terms, economic substance and legal form, and the related procedures shall not materially deviate from, or be manifestly less reasonable than, comparable arm's-length transactions with unrelated parties or prevailing market practices.

6. Where business transactions with related parties involve special circumstances or commercially justifiable preferential terms that differ from those offered to ordinary suppliers, such preferential pricing or payment terms may be granted pursuant to reasonable contractual arrangements. In all other circumstances, pricing and payment terms shall be consistent with those applicable to ordinary suppliers.
7. Any service or technology licensing arrangement with a related party shall be governed by a written agreement executed by both parties specifying the scope of services, service fees, contract term, payment terms, after-sales support, and other relevant conditions. Such agreement shall be submitted for approval by the President or the Chairman prior to execution. All contractual terms shall be consistent with ordinary commercial practices and the Company's applicable internal control procedures.
8. The Company's accounting personnel shall, no later than the end of each month, reconcile the balances of purchases, sales, accounts receivable, and accounts payable with each related party for the preceding month. Any discrepancies shall be investigated promptly, and appropriate reconciliation statements shall be prepared.
9. Any asset transaction, derivatives transaction, merger, demerger, acquisition, or share transfer between the Company and a related party shall be conducted in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and the Company's Procedures for Acquisition or Disposal of Assets.
10. Any endorsement or guarantee provided between the Company and a related party shall be handled in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies and the Company's Procedures for Endorsements and Guarantees.
11. Any financing arrangement between the Company and a related party shall be handled in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies and the Company's Procedures for Loaning of Funds to Others.
12. Where any financial or business transaction with a related party is subject to approval by the Board of Directors, the Board shall give full consideration to the views of all directors. Each director's affirmative or dissenting opinion, together with the reasons for any dissent, shall be recorded in the minutes of the Board meeting.
13. A director who has a personal interest in any matter before the Board that may prejudice the interests of the Company shall recuse himself or herself from participating in the discussion and voting on such matter and shall not act as proxy for another director in exercising voting rights.

14. Any material transaction between the Company and a related party shall be appropriately disclosed in the notes to the Company's financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretive Bulletins endorsed by the Financial Supervisory Commission.
15. This Policy shall take effect upon approval by the Board of Directors. Any amendment hereto shall be subject to the same approval procedure.

II. Key Control Points

1. Whether the Company's register of related parties is complete and accurate.
2. Whether transactions arising from business dealings between the Company and its related parties are materially inconsistent with, or manifestly unreasonable in comparison with, ordinary transactions conducted between the Company and non-related parties.
3. Whether the accounting personnel periodically reconcile with related parties the balances of mutual purchases, sales, accounts receivable, and accounts payable.
4. Whether all agreements entered into between the Company and its related parties have been duly approved by the personnel vested with the requisite authority.
5. Whether any material transaction between the Company and its related parties has been approved by the Board of Directors, after full consideration of the opinions of all Directors, and whether any explicit opinions of approval or dissent, together with the reasons for dissent, have been duly recorded in the minutes of the Board of Directors meeting.
6. Whether any asset transaction, derivatives transaction, merger, demerger, acquisition, or share transfer conducted between the Company and its related parties has been carried out in accordance with the Company's Procedures for Acquisition or Disposal of Assets.
7. Whether any endorsement or guarantee provided between the Company and its related parties has been handled in accordance with the Company's Procedures for Endorsements and Guarantees.
8. Whether any lending of funds between the Company and its related parties has been handled in accordance with the Company's Procedures for Lending Funds to Others.
9. Whether, upon the occurrence of any material transaction between the Company and its related parties, the relevant information has been appropriately disclosed in the notes to the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretive Bulletins endorsed by the Financial Supervisory Commission.

III. Reference Documents

1. The Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretive Bulletins endorsed by the Financial Supervisory Commission.
2. The Regulations Governing the Preparation of Financial Reports by Securities Issuers.
3. The Procedures for Acquisition or Disposal of Assets.
4. The Procedures for Endorsements and Guarantees.
5. The Procedures for Lending Funds to Others.
6. The Securities and Exchange Act.
7. The Corporate Governance Best Practice Principles.