



Stock Code: 8440

# **E&E Recycling**

## **Handbook for the 2023 Annual Shareholders Meeting**

**Meeting Date: 26<sup>th</sup> April, 2023**

**Place: Taoyuan, Taiwan**

**---Disclaimer---**

**THIS IS A TRANSLATION OF THE AGENDA FOR THE 2023 ANNUAL SHAREHOLDERS MEETING ("THE AGENDA") OF E&E RECYCLING ("THE COMPANY"). THE TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NO OTHER PURPOSE. THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE AGENDA SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.**

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**E&E Recycling**  
**2023 Annual Shareholders' Meeting**  
**Meeting Procedure**

1. Call the Meeting to Order
2. Chairman Remarks
3. Report Items
4. Proposed Resolutions
5. Proposal of Discussions
6. Extraordinary Motions
7. Adjournment

# **E&E Recycling 2023 Annual Shareholders' Meeting Agenda**

Time : 9:30 a.m., Wednesday, 26<sup>th</sup> April 2023

Place : No.128, Ln. 313, Taizun Rd., Yangmei Dist., Taoyuan City 326,  
Taiwan

1. Call the Meeting to Order
2. Chairman Remarks
3. Report Items
  - (1) 2022 Business Report.
  - (2) 2022 Auditing Committee Review Report.
  - (3) 2022 Employee bonus sharing and Compensation of directors.
  - (4) Amendment of the Rules of Procedure for Board of Directors Meetings.
4. Proposed resolutions
  - (1) Adoption of the 2022 Business Report and Financial Statements.
  - (2) Adoption of the Proposal for Distribution of 2022 profits.
5. Proposal of Discussions
  - (1) Amendment of the Articles of Incorporation.
  - (2) Amendment of the Rules of Procedures for Shareholders' Meetings.
  - (3) Amendment to Regulations Governing the Acquisition and Disposal of Assets.
6. Extraordinary Motions
7. Adjournment

## Report Items

### 1. 2023 Business Report

Explanatory note :

#### I. Business policy

International raw material prices are changing rapidly. The copper index of international raw material market dropped from US\$9,780 per metric ton at the beginning of the year to a minimum of US\$7,545 per metric ton in 2022. Although it rose to US\$8,371 per metric ton by the end of the year, the average drop compared to 2021 was 6%. The company's revenue and profit come from subsidies and sales recycling materials. Thus, the price of raw materials is closely related to the company's profits.

#### II. Business overview

##### A. Recycling and treatment

For the recycling processing of the waste household appliances handled 3.77 million units in 2022, the company processing performance was 550 thousand units, the market shares was 14.58%. For the recycling processing of the waste IT equipment handled 3.09 million units in 2022, the company processing performance was 660 thousand units, the market shares was 21.36%. In 2023, the government will target energy-saving subsidies and tax subsidies policy for refrigerators and air conditioners, thus these two appliance replacements will be increase. Due to the end of the replacement of CRT TVs, the LCD TVs replace of CRT TVs. It is estimated that the annual processing of the waste household appliances will hand around 3.70 million units in 2023, the company processing performance will be 540 thousand units. For the recycling processing of the waste IT equipment, as the market replacement decrease, the estimated of this year will hand around 3.0 million units, the company processing performance will be 590 thousand units.

##### B. Recycling Materials Sale

Although the trend of international raw materials fluctuates up and down by 23%, the revenue of recycling material sales increased by 5% compare with 2021 as the efforts of colleagues. Prospect 2023, continue to update and maintain equipment in factory, cultivate talents, labor-saving equipment to reduce workload and improve capacity.

##### C. Operating results (Consolidated)

Item	Units/NT\$ thousand		
	2022	2021	Growth Rate
Net operating income	876,829	867,833	1.0%
Operating profit	121,320	109,172	11.1%
Net Operating profit	75,908	54,366	39.6%
Net profit before tax	49,572	63,626	-22.1%
Net profit after tax	35,021	51,231	-31.6%

#### III. Future

In terms of business operations, the company's vision will be still focus on "effectively reduce recycling costs and increase the extra value of resources" this year. Improvement of

recycling system in North Taiwan and implement the business model guided by the six-month PSI production plan, will not only meet the necessary of production in Yangmei Plant II, also exchanged goods with peers to achieve the effect of “slowdown bidding recovery and effectively profit”. In order to increase the gross profit margin and increase the profitability of the industry.

#### IV. Research and Development

In new business, the completion of the construction of the solar panel on the roof in Yangmei factory II, as gained the experiences from the construction process, will be plan and design for the trail production of independent solar power system in staff quarters and receiving area. The company keeps the faith of “recycling economic” combined with market development, and twelve key strategies for the government “2050 zero carbon emissions”, will build energy storage systems and implement net-zero transformation in order to increase operational contribution.

Chairman : Hong Min Chang

General Manger : Jessie Chuang

Accounting Officer : Jessie Chuang

2. 2022 Audit Committee's review report.

Explanation :

**E&E Recycling**

**Audit Committee Report**

(This English version is only a translation of the Chinese version.)

The Board of Directors has prepared and submitted the 2022 business report, financial statements, and earnings distribution proposal, of which the financial statements have been audited by CPAs of PwC Taiwan, Phoebe Chung and Derek Chen. These have been reviewed by the Audit Committee as correctly portraying the Company's business activities. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, this report is submitted for shareholders' examination

To

2023 Annual Shareholders' Meeting

E & E Recycling :

Audit Committee convener: David Yang  
9<sup>th</sup> February 2023

3. 2022 Employee bonus sharing and Compensation of directors.

Explanation :

- (1) The Article 30 of the Articles of Incorporation refer to the annual profits of Corporation shall set aside two percentages for distribution of remuneration to employees, as well as the choice of stock or cash should be resolved by the Board of Directors. Employees of affiliated companies are also entitled to remuneration to employees. Remuneration to directors is capped at five percentages of profits.
- (2) The net profit before tax was NT\$48,073,795 in 2022. Remuneration of two percentages to employees is proposed to be NT\$1,012,080, and three percentages to Directors and Supervisors is proposed to be NT\$1,518,120 which will be distributed in cash.
- (3) The remuneration will be distributed after shareholders' meeting.

4. Amendment to the Rules of Procedure for Board of Directors Meetings.

Explanation :

In accordance with No.1110383263 letter processing on 5th August 2022 by Financial Supervisory Commission's, for strengthen corporate governance, revision the Rules of Procedure. For the Comparison Table of "The Rules of Procedure for Board of Directors Meeting", please refer to Attachment 3. The previous rules of procedure, please refer to Appendices 1.

## Proposed Resolutions

1. Adoption of the 2022 Business Report and Financial Statements. (Proposal by the Board)

Explanation :

- (1) The board of directors of the company has established the 2022 Financial Statement and consolidated financial statements. After the audit by the accountant KPMG, the review of the reinsurance supervisors is considered to be inconsistent. Please acknowledge.
- (2) For the audit report and above financial statement, please refer to Attachment 1 and 2.

Resolution :



2. Adoption of the Proposal for Distribution of 2022 profits. (Proposal by the Board)

Explanation :

- (1) The cash dividends distributed to the shareholders of the Company during 2022 was NT\$15,200,090 NT\$0.4 per share.
- (2) After approval of the Annual Shareholders Meeting, grants the Chairman full authority to handle set up the ex-dividend record date and related matters. In the event that if the paid-in capital change, it is proposed that the Board of Directors to authorized chairman should able to adjust the cash to be distributed to each share based on the number of actual shares outstanding on the record date for distribution. The dividend will be paid in cash with calculation rounded down (any amount under one NT\$ will be discarded). The remaining fraction will be incorporated into the other income of the company.
- (3) Please see the detailed of 2022 profit distribution plan as follows,

**E & E Recycling**

**Distribution of 2022 Profits**

Unit / New Taiwan Dollars(NT\$)

Item	Amount
<b>Accumulated undistributed profit as of the beginning of the period</b>	<b>35,963,890</b>
Plus : Retained earnings after adjustment	847,351
Plus : Net profit after tax in 2022	34,173,509
<b>Listed Item</b>	
Less : Legal Reserve 10%	(3,502,086)
<b>Profit available for distribution of the period</b>	<b>67,482,664</b>
1.Cash Dividends to shareholders (38,000,225 shares)*0.0/per share	0
2. Cash Dividends to shareholders (38,000,225 shares)*0.4/per share	(15,200,090)
<b>Undistributed profit as of the end of 2022</b>	<b>52,282,574</b>

Chairman : Hong Min Chang

General Manger : Jessie Chuang

Accounting Officer : Jessie Chuang

Resolution :

## Proposal of Discussions

### 1. Amendment of the Articles of Incorporation. (Proposal by the Board)

Explanatory:

- (1) In accordance with “Company Act” revised the partial measures of procedures, the company proposes to revise the partial measures of “Articles of Incorporation”. For the Comparison Table of “Articles of Incorporation”, please refer to Attachment 4. The previous Articles please refer to Appendices 2.
- (2) The above was submitted for approval.

Resolution :

### 2. Amendment of the Rules of Procedures for Shareholders’ Meetings. (Proposal by the Board)

Explanatory:

- (1) In accordance with No.1110133385 letter processing on 7<sup>th</sup> March 2022 by Financial Supervisory Commission’s, for Company Act allow listed company to hold virtual shareholders meeting online, revision the Rules of Procedure. For the Comparison Table of “The Rules of Procedures for Shareholders’ Meetings”, please refer to Attachment 5. The previous rules of procedure please refer to Appendices 3.
- (2) The above was submitted for approval.

Resolution :

### 3. Amendment of Regulations Governing the Acquisition and Disposal of Assets. (Proposal by the Board)

Explanatory :

- (1) In accordance with No.11103804655 letter processing on 28th January 2022 by Financial Supervisory Commission’s, as cooperate with practical operation and strengthen related party transaction management to adjust relevant norms, revision the Regulations. For the Comparison Table of “The Rules of Procedures for Shareholders’ Meetings”, please refer to Attachment 6. The previous rules of procedure please refer to Appendices 4.
- (2) The above was submitted for approval.

Resolution :

## Extraordinary Motions

## Adjournment

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To E & E Recycling

**Opinion**

We have audited the accompanying parent company only balance sheets of E & E Recycling. (the “Company”) as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of E & E Recycling as at December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with 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 generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditor’s 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 Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the parent company only financial statements of the current period. 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, we do not provide a separate opinion on these matters. The key audit matters in relation to the parent company only financial statements for the year ended December 31, 2022 are outlined as follows:

1. Evaluation of Current inventories

Refer to Note 4(7) of the parent company only financial statements for the accounting policies on current inventories. Refer to Note 6(5) of the parent company only financial statements for the described in current inventories.

Description

E & E Recycling inventories are measured at the lower of cost and net realizable value. As the basis for estimating the net realizable value of the company's inventories is mainly affected by price fluctuations in international raw materials (copper, iron, aluminum, etc.), and inventory prices fluctuate greatly, there is a risk that the cost of inventories may exceed the net realizable value. Therefore, the evaluation of current inventories is one of the important evaluation items for the accountant to perform the inspection of the individual

financial report of E & E Recycling. Thus, we consider the evaluation of current inventories of E & E Recycling as a key audit matter.

How our audit addressed the matter

The main audit procedures of the accountants for the above key audit matters include assessing the rationality of the company's inventory depreciation or sluggish withdrawal policy, and assessing whether its inventory evaluation has been implemented in accordance with established accounting policies. Understand the basis for evaluating the net realizable value adopted by the company's management to assess the rationality of the net realizable value of the current inventory, evaluate whether the company's management's disclosure of the relevant current inventories is appropriate.

2.Revenue recognition

Refer to Note 4(13) of the parent company only financial statements for the accounting policies on revenue recognition. Refer to Note 6(14) of the parent company only financial statements for the described in Income Significant Accounting Items.

Description

E & E Recycling is engaged in waste removal and waste recycling. Operating income is one of the important items in the parent company only financial statements. Whether recognition time is correct and complete has a significant impact on the parent company only financial statements. Therefore, revenue recognition is one of the important evaluation items for our accountant to perform the review of the parent company only financial statements of E & E Recycling.

How our audit addressed the matter

The main audit procedures of the accountants for the above key audit matters include testing the control of the sales and collection cycle, understanding the revenue type, contract and transaction conditions, as to evaluate whether the accounting policy at the time of revenue recognition is appropriate. Sampling tests the original vouchers of sales transactions and samples of sales transactions before and after the end of the year to check whether there are significant sales returns and discounts after the period, as to evaluate whether the accounting treatment for revenue recognition is appropriate. Review the company's revenue recognition policy and compare it with accounting standards, as to confirm the policy complies with the standards.

**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 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 Company's ability to continue as a going concern, 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 the audit committee, are responsible for overseeing the Company's financial reporting process.

## **Auditors' 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 auditors' 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 the generally accepted auditing standards 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 the generally accepted auditing standards in the Republic of China, we exercise professional judgement 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 Company's internal control.
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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 disclosures, 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 audit. We are 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 controls 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 the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

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Derek Chen  
KPMG, Taiwan  
9<sup>th</sup> February 2023

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Chung Tan-Tan

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The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**E&E Recycling,Inc.**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
(In Thousands of New Taiwan Dollars)

**E&E Recycling,Inc.**  
**PARENT COMPANY ONLY BALANCE SHEETS**

ASSETS		2022.12.31		2021.12.31			LIABILITIES AND EQUITY			2022.12.31		2021.12.31	
		AMOUNT	%	AMOUNT	%					AMOUNT	%	AMOUNT	%
<b>Current assets :</b>							<b>Current liabilities :</b>						
1100	Cash and cash equivalents	\$ 132,693	20	137,254	20	2150	Notes payable		\$ 2,858	-		2,415	-
1110	Current financial assets at fair value through profit or loss	53,705	8	33,992	5	2170	Accounts payable		4,701	1		11,974	2
1150	Notes receivable, net	58	-	69	-	2200	Other payables		34,594	6		38,334	6
1170	Accounts receivable, net	67,226	10	68,688	10	2230	Current tax liabilities		8,279	1		9,234	1
1200	Other receivables	50,355	7	51,437	7	2280	Current lease liabilities		16,365	2		14,812	2
130X	Current inventories	56,808	8	68,844	10	2300	Other current liabilities		1,340	-		2,380	-
1410	Prepayments	1,786	-	2,023	-		<b>Total current liabilities</b>		68,137	10		79,149	11
1470	Other current assets	825	-	239	-		<b>Non-current liabilities :</b>						
	<b>Total current assets</b>	363,456	53	362,546	52	2580	Non-current lease liabilities		17,999	3		26,797	4
	<b>Non-current assets :</b>					2640	Net defined benefit liability		11,209	2		12,055	2
1550	Investments accounted for using equity method	101,849	15	104,051	15		<b>Total non-current liabilities</b>		29,208	5		38,852	6
1600	Property, plant and equipment	170,487	25	171,587	25		<b>Total liabilities</b>		97,345	15		118,001	17
1755	Right-of-use assets	33,249	5	40,513	6		<b>Equity attributable to owners of parent :</b>						
1780	Intangible assets	1	-	4	-	3100	Share Capital		380,002	56		380,002	55
1840	Deferred tax assets	1,710	-	1,710	-	3200	Capital surplus		64,195	9		64,195	9
1915	Prepayments for business facilities	5,817	1	3,933	1	3310	Retained earnings :						
1920	Refundable deposits	3,890	1	4,550	1	3350	Legal reserve		67,931	10		62,808	9
	<b>Total non-current assets</b>	317,003	47	326,348	48		Unappropriated retained earnings (accumulated deficit)		70,986	10		63,888	10
							Total retained earnings		138,917	20		126,696	19
							<b>Total equity</b>		583,114	85		570,893	83
<b>Total assets</b>		<b>\$ 680,459</b>	<b>100</b>	<b>688,894</b>	<b>100</b>		<b>Total liabilities and equity</b>		<b>\$ 680,459</b>	<b>100</b>		<b>688,894</b>	<b>100</b>

# E&E Recycling, Inc.

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		2022 /4th		2021 /4th	
		AMOUNT	%	AMOUNT	%
4000	<b>Total operating revenue</b>	\$ 875,488	100	862,127	100
5000	<b>Total operating costs</b>	<u>766,637</u>	<u>88</u>	<u>763,480</u>	<u>89</u>
5900	<b>Gross profit (loss) from operations</b>	108,851	12	98,647	11
6000	<b>Operating expenses :</b>				
6200	Administrative expenses	40,748	5	43,602	5
6300	Research and development expenses	<u>133</u>	<u>-</u>	<u>5,618</u>	<u>1</u>
	<b>Total operating expenses</b>	<u>40,881</u>	<u>5</u>	<u>49,220</u>	<u>6</u>
6900	<b>Net operating income (loss)</b>	<u>67,970</u>	<u>7</u>	<u>49,427</u>	<u>5</u>
7000	<b>Non-operating income and expenses :</b>				
7100	Total interest income	1,129	-	856	-
7010	Total other income	1,364	-	758	-
7020	Other gains and losses, net	(19,511)	(2)	7,710	1
7050	Finance costs, net	(676)	-	(755)	-
7070	Share of profits of subsidiaries and associates	<u>(2,202)</u>	<u>-</u>	<u>4,822</u>	<u>1</u>
	<b>Total non-operating income and expenses</b>	<u>(19,896)</u>	<u>(2)</u>	<u>13,391</u>	<u>2</u>
7900	<b>Profit (loss) from continuing operations before tax</b>	48,074	5	62,818	7
7950	<b>Total tax expense (income)</b>	<u>13,900</u>	<u>2</u>	<u>10,627</u>	<u>1</u>
	<b>Profit (loss)</b>	<u>34,174</u>	<u>3</u>	<u>52,191</u>	<u>6</u>
8300	<b>Other comprehensive income :</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss:</b>				
8311	Remeasurement of defined benefit obligation	847	-	(960)	-
8349	Income tax benefit (expense) related to items that will not be reclassified subsequently	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8300	<b>Other comprehensive income, net</b>	<u>847</u>	<u>-</u>	<u>(960)</u>	<u>-</u>
8500	<b>Total comprehensive income</b>	<u><u>\$ 35,021</u></u>	<u><u>3</u></u>	<u><u>51,231</u></u>	<u><u>6</u></u>
	<b>Basic earnings per share</b>				
9750	<b>Total basic earnings per share</b>	<u><u>\$ 0.90</u></u>		<u><u>1.37</u></u>	
9850	<b>Total diluted earnings per share</b>	<u><u>\$ 0.90</u></u>		<u><u>1.37</u></u>	



**E&E Recycling, Inc.**  
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**  
(In Thousands of New Taiwan Dollars)

	Retained earnings					
	Share Capital	Capital surplus	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Total equity
<b>BALANCE, JANUARY 1, 2021</b>	\$ 380,002	64,195	60,447	26,418	86,865	531,062
Appropriations of earnings :						
Legal reserve	-	-	2,361	(2,361)	-	-
Cash dividends to shareholders	-	-	-	(11,400)	(11,400)	(11,400)
Net income in 2021	-	-	-	52,191	52,191	52,191
Other comprehensive income (loss) in 2021, net of income tax	-	-	-	(960)	(960)	(960)
Total comprehensive income (loss) in 2021	-	-	-	51,231	51,231	51,231
<b>BALANCE, DECEMBER 31, 2021</b>	380,002	64,195	62,808	63,888	126,696	570,893
Appropriations of earnings :						
Legal reserve	-	-	5,123	(5,123)	-	-
Cash dividends to shareholders	-	-	-	(22,800)	(22,800)	(22,800)
Net income in 2022	-	-	-	34,174	34,174	34,174
Other comprehensive income (loss) in 2022, net of income tax	-	-	-	847	847	847
Total comprehensive income (loss) in 2022	-	-	-	35,021	35,021	35,021
<b>BALANCE, DECEMBER 31, 2022</b>	<b>\$ 380,002</b>	<b>64,195</b>	<b>67,931</b>	<b>70,986</b>	<b>138,917</b>	<b>583,114</b>

**E&E Recycling, Inc.**  
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**  
(In Thousands of New Taiwan Dollars)

	<u>2022 /4th</u>	<u>2021 /4th</u>
<b>Cash flows from (used in) operating activities, indirect method :</b>		
<b>Profit (loss) from continuing operations before tax</b>	\$ 48,074	62,818
<b>Adjustments for :</b>		
Adjustments to reconcile profit (loss)		
Depreciation expense	34,720	29,063
Amortization expense	3	3
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	4,976	421
Interest expense	676	755
Interest income	(1,129)	(856)
Dividend income	(1,364)	(758)
Share of profits of subsidiaries and associates	2,202	(4,822)
Loss (gain) on disposal of property, plan and equipment	(192)	(229)
Loss (gain) on disposal of investments	15,275	(3,561)
Lease liabilities adjustments to reconcile profit (loss)	(249)	(761)
Other adjustments to reconcile profit (loss)	-	(8)
Total adjustments to reconcile profit (loss)	<u>54,918</u>	<u>19,247</u>
Changes in operating assets and liabilities :		
Changes in operating assets :		
Decrease (increase) in notes receivable	11	(69)
Decrease (increase) in accounts receivable	1,462	2,949
Decrease (increase) in other receivable	1,366	(1,366)
Decrease (increase) in inventories	12,036	2,010
Decrease (increase) in prepayments	237	(779)
Decrease (increase) in other current assets	(586)	200
Total changes in operating assets	<u>14,526</u>	<u>2,945</u>

Changes in operating liabilities :		
Increase (decrease) in notes payable	443	(2,261)
Increase (decrease) in accounts payable	(7,273)	5,109
Increase (decrease) in other payable	(3,740)	14,952
Increase (decrease) in other current liabilities	(1,040)	840
Increase (decrease) in net defined benefit liability	1	(4)
Total changes in operating liabilities	(11,609)	18,636
Total changes in operating assets and liabilities	2,917	21,581
Total adjustments	57,835	40,828
Cash inflow (outflow) generated from operations	105,909	103,646
Interest received	1,120	962
Interest paid	(676)	(755)
Income taxes refund (paid)	(14,855)	(2,472)
<b>Net cash flows from (used in) operating activities</b>	<b>91,498</b>	<b>101,381</b>
<b>Cash flows from (used in) investing activities :</b>		
Acquisition of financial assets at fair value through profit or loss	(221,339)	(216,977)
Proceeds from disposal of financial assets at fair value through profit or loss	181,375	234,922
Acquisition of property, plant and equipment	(2,528)	(4,123)
Proceeds from disposal of property, plant and equipment	192	229
Increase in refundable deposits	-	(2,040)
Decrease in refundable deposits	660	-
Increase in prepayments for business facilities	(16,960)	(28,418)
Dividends received	1,089	880
<b>Net cash flows from (used in) investing activities</b>	<b>(57,511)</b>	<b>(15,527)</b>
<b>Cash flows from (used in) financing activities :</b>		
Payments of lease liabilities	(15,748)	(14,346)
Cash dividends paid	(22,800)	(11,400)
<b>Net cash flows from (used in) financing activities</b>	<b>(38,548)</b>	<b>(25,746)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(4,561)</b>	<b>60,108</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>137,254</b>	<b>77,146</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 132,693</b>	<b>137,254</b>

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To E & E Recycling

**Opinion**

We have audited the accompanying consolidated balance sheet of E & E Recycling and subsidiaries (the “Group”) as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

**Basis for opinion**

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the Group's 2022 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, we do not provide a separate opinion on these matters. Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

1. Evaluation of Current inventories

Refer to Note 4(8) of the consolidated financial statements for the accounting policies on current inventories. Refer to Note 6(5) of the consolidated financial statements for the described in current inventories.

Description

E & E Recycling inventories are measured at the lower of cost and net realizable value. As the basis for estimating the net realizable value of the consolidated company's inventories is mainly affected by price fluctuations in international raw materials (copper, iron, aluminum, etc.), and inventory prices fluctuate greatly, there is a risk that the cost of inventories may exceed the net realizable value. Thus, we consider the evaluation of current inventories as a key audit matter of the consolidated financial statements for E & E Recycling.

#### How our audit addressed the matter

The main audit procedures of the accountants for the above key audit matters include assessing the rationality of the company's inventory depreciation or sluggish withdrawal policy, and assessing whether its inventory evaluation has been implemented in accordance with established accounting policies. Understand the basis for evaluating the net realizable value adopted by the company's management to assess the rationality of the net realizable value of the current inventory, evaluate whether the company's management's disclosure of the relevant current inventories is appropriate.

#### 2.Revenue recognition

Refer to Note 4(13) of the consolidated financial statements for the accounting policies on revenue recognition. Refer to Note 6(14) of the consolidated financial statements for the described in Income Significant Accounting Items.

#### Description

E & E Recycling is engaged in waste removal and waste recycling. Operating income is one of the important items in the consolidated financial statements. Whether recognition time is correct and complete has a significant impact on the consolidated financial statements. Therefore, revenue recognition is one of the important evaluation items for our accountant to perform the review of the consolidated financial statements of E & E Recycling.

#### How our audit addressed the matter

The main audit procedures of the accountants for the above key audit matters include testing the control of the sales and collection cycle, understanding the revenue type, contract and transaction conditions, as to evaluate whether the accounting policy at the time of revenue recognition is appropriate. Sampling tests the original vouchers of sales transactions and samples of sales transactions before and after the end of the year to check whether there are significant sales returns and discounts after the period, as to evaluate whether the accounting treatment for revenue recognition is appropriate. Review the company's revenue recognition policy and compare it with accounting standards, as to confirm the policy complies with the standards.

#### Other matter

We have audited and expressed an unqualified opinion with other matter section on the parent company only financial statements of E & E Recycling as of and for the years ended December 31, 2022 and 2021.

#### **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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, 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 Group's ability to continue as a going concern, 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 the audit committee, are responsible for overseeing the Group's financial reporting process.

### **Auditors' 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 auditors' 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 the generally accepted auditing standards 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 the generally accepted auditing standards 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 Group's internal control.
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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 disclosures, 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 the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

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Derek Chen  
KPMG, Taiwan  
9<sup>th</sup> February 2023

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Chung Tan-Tan

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The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**E&E Recycling, Inc.**  
**CONSOLIDATED BALANCE SHEETS**  
(In Thousands of New Taiwan Dollars)

ASSETS		2022.12.31		2021.12.31			LIABILITIES AND EQUITY			2022.12.31		2021.12.31		
		AMOUNT	%	AMOUNT	%					AMOUNT	%	AMOUNT	%	
<b>Current assets :</b>							<b>Current liabilities :</b>							
1100	Cash and cash equivalents	\$ 145,930	21	157,426	23	2102	Current borrowings		\$ 25,000	4	25,000	4		
1110	Current financial assets at fair value through profit or loss	71,644	11	53,678	8	2150	Notes payable		2,858	-	2,415	-		
1150	Notes receivable, net	58	-	69	-	2170	Accounts payable		4,522	1	11,816	2		
1170	Accounts receivable, net	73,378	11	68,688	10	2200	Other payables		35,552	5	40,251	6		
1200	Other receivables	382	-	1,509	-	2230	Current tax liabilities		9,403	1	9,979	1		
130X	Current inventories	56,808	8	68,844	10	2280	Current lease liabilities		12,472	2	10,983	2		
1410	Prepayments	1,786	-	2,023	-	2300	Other current liabilities		1,348	-	2,386	-		
1470	Other current assets	825	-	239	-		<b>Total current liabilities</b>		91,155	13	102,830	15		
	<b>Total current assets</b>	350,811	51	352,476	51		<b>Non-current liabilities :</b>							
<b>Non-current assets :</b>						2580	Non-current lease liabilities		4,206	1	9,111	1		
1600	Property, plant and equipment	311,107	45	312,465	45	2640	Net defined benefit liability		11,209	2	12,055	2		
1755	Right-of-use assets	16,198	2	19,601	3		<b>Total non-current liabilities</b>		15,415	3	21,166	3		
1780	Intangible assets	1	-	4	-		<b>Total liabilities</b>		106,570	16	123,996	18		
1840	Deferred tax assets	1,710	-	1,710	-		<b>Equity attributable to owners of parent</b>							
1915	Prepayments for business facilities	5,817	1	3,933	-	3100	Share Capital		380,002	55	380,002	55		
1920	Refundable deposits	4,040	1	4,700	1	3200	Capital surplus		64,195	9	64,195	9		
	<b>Total non-current assets</b>	338,873	49	342,413	49		Retained earnings :							
						3310	Legal reserve		67,931	10	62,808	9		
						3350	Unappropriated retained earnings (accumulated deficit)		70,986	10	63,888	9		
							Total retained earnings		138,917	20	126,696	18		
							<b>Total equity</b>		583,114	84	570,893	82		
<b>Total assets</b>		<b>\$ 689,684</b>	<b>100</b>	<b>694,889</b>	<b>100</b>		<b>Total liabilities and equity</b>		<b>\$ 689,684</b>	<b>100</b>	<b>694,889</b>	<b>100</b>		



**E&E Recycling, Inc.**  
**PARENT COMPANY ONLY OF COMPREHENSIVE INCOME**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		<b>2022 /4th</b>		<b>2021 /4th</b>	
		<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
4000	<b>Total operating revenue</b>	876,829	100	867,833	100
5000	<b>Total operating costs</b>	755,509	86	758,661	87
5900	<b>Gross profit (loss) from operations</b>	121,320	14	109,172	13
6000	<b>Operating expenses :</b>				
6200	Administrative expenses	45,279	5	49,188	6
6300	Research and development expenses	133	-	5,618	1
	<b>Total operating expenses</b>	45,412	5	54,806	7
6900	<b>Net operating income (loss)</b>	75,908	9	54,366	6
7000	<b>Non-operating income and expenses :</b>				
7100	Total interest income	224	-	41	-
7010	Total other income	1,914	-	938	-
7020	Other gains and losses, net	(27,611)	(3)	9,041	1
7050	Finance costs, net	(863)	-	(760)	-
	<b>Total non-operating income and expenses</b>	(26,336)	(3)	9,260	1
7900	<b>Profit (loss) from continuing operations before tax</b>	49,572	6	63,626	7
7950	<b>Total tax expense (income)</b>	15,398	2	11,435	1
	<b>Profit (loss)</b>	34,174	4	52,191	6
8300	<b>Other comprehensive income :</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss:</b>				
8311	Remeasurement of defined benefit obligation	847	-	(960)	-
8349	Income tax benefit (expense) related to items that will not be reclassified subsequently	-	-	-	-
8300	<b>Other comprehensive income, net</b>	847	-	(960)	-
8500	<b>Total comprehensive income</b>	<b>35,021</b>	<b>4</b>	<b>51,231</b>	<b>6</b>
	<b>Basic earnings per share</b>				
9750	<b>Total basic earnings per share</b>	<b>0.90</b>		<b>1.37</b>	
9850	<b>Total diluted earnings per share</b>	<b>0.90</b>		<b>1.37</b>	

**E&E Recycling, Inc.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent					
	Retained Earnings					Total equity
	Share Capital	Capital surplus	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	
<b>BALANCE, JANUARY 1, 2021</b>	\$ 380,002	64,195	60,447	26,418	86,865	531,062
Appropriations of earnings :						
Legal reserve	-	-	2,361	(2,361)	-	-
Cash dividends to shareholders	-	-	-	(11,400)	(11,400)	(11,400)
Net income in 2021	-	-	-	52,191	52,191	52,191
Other comprehensive income (loss) in 2021, net of income tax	-	-	-	(960)	(960)	(960)
Total comprehensive income (loss) in 2021	-	-	-	51,231	51,231	51,231
<b>BALANCE, DECEMBER 31, 2021</b>	380,002	64,195	62,808	63,888	126,696	570,893
Appropriations of earnings :						
Legal reserve	-	-	5,123	(5,123)	-	-
Cash dividends to shareholders	-	-	-	(22,800)	(22,800)	(22,800)
Net income in 2022	-	-	-	34,174	34,174	34,174
Other comprehensive income (loss) in 2022, net of income tax	-	-	-	847	847	847
Total comprehensive income (loss) in 2022	-	-	-	35,021	35,021	35,021
<b>BALANCE, DECEMBER 31, 2022</b>	<b>\$ 380,002</b>	<b>64,195</b>	<b>67,931</b>	<b>70,986</b>	<b>138,917</b>	<b>583,114</b>

E&E Recycling, Inc.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(In Thousands of New Taiwan Dollars)

	2022 /4th	2021 /4th
<b>Cash flows from (used in) operating activities, indirect method :</b>		
<b>Profit (loss) from continuing operations before tax</b>	\$ 49,572	63,626
<b>Adjustments for :</b>		
Adjustments to reconcile profit (loss)		
Depreciation expense	31,116	25,462
Amortization expense	3	3
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6,822	(326)
Interest expense	863	760
Interest income	(224)	(41)
Dividend income	(1,914)	(938)
Loss (gain) on disposal of property, plan and equipment	(192)	(229)
Loss (gain) on disposal of investments	21,527	(4,149)
Lease liabilities adjustments to reconcile profit (loss)	(249)	(761)
Other adjustments to reconcile profit (loss)	-	(8)
Total adjustments to reconcile profit (loss)	57,752	19,773
Changes in operating assets and liabilities :		
Changes in operating assets :		
Decrease (increase) in notes receivable	11	(69)
Decrease (increase) in accounts receivable	(4,690)	3,511
Decrease (increase) in other receivable	1,509	(1,509)
Decrease (increase) in inventories	12,036	2,010
Decrease (increase) in prepayments	237	(779)
Decrease (increase) in other current assets	(586)	201
Total changes in operating assets	8,517	3,365
Changes in operating liabilities :		

Increase (decrease) in notes payable	443	(2,261)
Increase (decrease) in accounts payable	(7,294)	5,014
Increase (decrease) in other payable	(4,700)	16,148
Increase (decrease) in other current liabilities	(1,038)	841
Increase (decrease) in net defined benefit liability	1	(4)
Total changes in operating liabilities	(12,588)	19,738
Total changes in operating assets and liabilities	(4,071)	23,103
Total adjustments	53,681	42,876
Cash inflow (outflow) generated from operations	103,253	106,502
Interest received	224	149
Interest paid	(862)	(760)
Income taxes refund (paid)	(15,974)	(2,657)
<b>Net cash flows from (used in) operating activities</b>	<b>86,641</b>	<b>103,234</b>
<b>Cash flows from (used in) investing activities :</b>		
Acquisition of financial assets at fair value through profit or loss	(319,129)	(307,867)
Proceeds from disposal of financial assets at fair value through profit or loss	272,814	307,461
Acquisition of property, plant and equipment	(2,528)	(4,125)
Proceeds from disposal of property, plant and equipment	192	229
Increase in refundable deposits	-	(2,190)
Decrease in refundable deposits	660	-
Increase in prepayments for business facilities	(16,959)	(28,418)
Dividends received	1,532	1,060
<b>Net cash flows from (used in) investing activities</b>	<b>(63,418)</b>	<b>(33,850)</b>
<b>Cash flows from (used in) financing activities :</b>		
Increase in short-term loans	-	25,000
Payments of lease liabilities	(11,919)	(10,579)
Cash dividends paid	(22,800)	(11,400)
<b>Net cash flows from (used in) financing activities</b>	<b>(34,719)</b>	<b>3,021</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(11,496)</b>	<b>72,405</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>157,426</b>	<b>85,021</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 145,930</b>	<b>157,426</b>

**E&E Recycling inc.**  
**Comparison Table of The Rules of Procedure for Board of Directors Meeting**

Amendment	Current Articles	Explanation
<p>Article 3(Board call and meeting notice)            (Items 1~3 omitted)            All matters set out in the subparagraphs of Article 12, paragraph 1, shall be specified in the notice of the reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion.</p>	<p>Article 3(Board call and meeting notice)            (Items 1~3 omitted)            All matters set out in the subparagraphs of Article 12, paragraph 1, <del>unless there is an emergency or a justifiable reason,</del> shall be specified in the notice of the reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion.</p>	Delete some text.
<p>Article 12            A company shall submit the following items for discussion by the board of directors :            (Items 1~5 omitted)  <u>6. If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.</u>  <u>7.</u>The appointment or discharge of a financial, accounting, or internal audit officer.  <u>8.</u> 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 of directors meeting for retroactive recognition.  <u>9.</u> 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 of directors meeting, or any such significant matter as may be prescribed by the competent authority.            The term "related party" in subparagraph <u>8</u> of the preceding paragraph means a related party as defined in the Regulations Governing</p>	<p>Article 12            A company shall submit the following items for discussion by the board of directors :            (Items 1~5 omitted)            6.The appointment or discharge of a financial, accounting, or internal audit officer.            7. 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 of directors meeting for retroactive recognition.            8. 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 of directors meeting, or any such significant matter as may be prescribed by the competent authority.            The term "related party" in subparagraph 7 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</p>	Newly added paragraph 6 and revised items.

Amendment	Current Articles	Explanation
<p>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 NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (For foreign companies whose stock has no par value or a par value other than NTD10, the "5 percent of paid-in capital" in paragraph 2 above shall be calculated instead as 2.5 percent of shareholder equity.)</p> <p>(The following omitted)</p>	<p>single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (For foreign companies whose stock has no par value or a par value other than NTD10, the "5 percent of paid-in capital" in paragraph 2 above shall be calculated instead as 2.5 percent of shareholder equity.)</p> <p>(The following omitted)</p>	
<p>Article19</p> <p>This method was enacted on October 28, 2011 of the Republic of China. (slightly)</p> <p>The fifth amendment on 9th November 2021.</p> <p><u>The sixth amendment on 9th November 2022.</u></p>	<p>Article 19</p> <p>Board of Directors' Rules of Procedure was established on 28th October 2011. (omitted)</p> <p>The fifth amendment on 9th November 2021</p>	<p>Added the amendment date.</p>

**E&E Recycling**  
**Comparison Table of the Articles of Incorporation**

Amendment	Current Articles	Explanation
<p>Article 12</p> <p>Shareholders' meeting shall be of the following two kinds:</p> <p>(1) Regular meeting of shareholders</p> <p>(2) Special meeting of shareholders:</p> <p>Regular meeting of shareholders shall be held at least once every year. The regular meeting of shareholders shall be convened within six months after close of each fiscal year. Special meeting of shareholders approved by the competent authority for good cause shown. Shareholders meeting shall, unless otherwise provided for in the Company Act, be convened by the Board of Directors.</p> <p><u>The company's shareholders meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.</u></p> <p><u>The company shall prevail unless otherwise stipulated by the authority if relevant regulations such as the conditions, operating procedures, and other matters to be complied with for the adoption of a visual shareholder meeting.</u></p>	<p>Article 12</p> <p>Shareholders' meeting shall be of the following two kinds:</p> <p>(1) Regular meeting of shareholders</p> <p>(2) Special meeting of shareholders:</p> <p>Regular meeting of shareholders shall be held at least once every year. The regular meeting of shareholders shall be convened within six months after close of each fiscal year. Special meeting of shareholders approved by the competent authority for good cause shown. Shareholders meeting shall, unless otherwise provided for in the Company Act, be convened by the Board of Directors.</p>	<p>Amended in accordance with Article 356-8 of the Company Act.</p>
<p>Article 19</p> <p>The company shall have <u>7-9</u> directors, who shall be elected by the shareholders' meeting from among the persons with disposing capacity, and may be re-elected.</p> <p>(omitted)</p>	<p>Article 19</p> <p>The company shall have <b>9</b> directors, who shall be elected by the shareholders' meeting from among the persons with disposing capacity, and may be re-elected.</p> <p>(omitted)</p>	<p>Revise with the actual operation of the company.</p>
<p>Article 26</p> <p>(Items 1~2 omitted)</p> <p>The company <u>shall be</u> responsible for the liability insurance of the director in the term of the scope of its execution of the business in accordance with the law, and the scope of the insurance shall be authorized by the board of directors.</p>	<p>Article 26</p> <p>(Items 1~2 omitted)</p> <p>The company <del>has</del> responsible for the liability insurance of the director in the term of the scope of its execution of the business in accordance with the law, and the scope of the insurance shall be authorized by the board of directors.</p>	<p>Wording narrative adjustment.</p>

Amendment	Current Articles	Explanation
<p>Article 27</p> <p><u>The General Manager and Chief Financial Officer (CFO)</u> which nominated by Chairman then determined by the Board of Directors. Their appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Law..</p>	<p>Article 27</p> <p><u>The company may have one General Manager and one Chief Financial Officer (CFO)</u> which nominated by Chairman then determined by the Board of Directors. Their appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Law.</p>	<p>Revise with the actual operation of the company.</p>
<p>Article 33</p> <p>The first amendment on 9th June 1999. (omitted)</p> <p>The tenth amendment on 25th April 2022.</p> <p>The eleventh amendment on 26<sup>th</sup> April 2023.</p>	<p>Article 33</p> <p>The first amendment on 9th June 1999. (omitted)</p> <p>The tenth amendment on 25th April 2022.</p>	<p>Added the amendment date.</p>



**E&E Recycling Co., Ltd.**  
**Comparison table of Procedures for Shareholders Meetings**

Amendment	Current Articles	Explanation
<p>Article 1</p> <p>To establish a strong governance system and improve the function of supervision and management, to set up the Rules and Procedures' Meeting which base on the Article 5 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".</p>	<p>Article 1</p> <p>To establish a strong governance system and improve the function of supervision and management, to set up the Rules and Procedures' Meeting which base on the Article 5 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".</p> <p><del>The Rules and Procedures of Shareholders' Meeting shall be governed by the provisions of these rules except as otherwise provided by Law or the articles of Incorporation.</del></p>	<p>According to the current regulations, the second item is corrected and adjusted to the second item.</p>
<p>Article 2</p> <p>The Rules and Procedures of Shareholders' Meeting shall be governed by the provisions of these rules except as otherwise provided by Law or the articles of Incorporation.</p>	<p>Article 1</p> <p><del>To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.</del></p> <p>The Rules and Procedures of Shareholders' Meeting shall be governed by the provisions of these rules except as otherwise provided by Law or the articles of Incorporation.</p>	<p>According to the current regulations, revise and adjust the regulations.</p>
<p>Article 3</p> <p>Convening shareholders meetings and shareholders meeting notices. Unless otherwise provided by law or regulation, the shareholders meetings shall be convened by the board of directors.</p> <p><u>Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</u></p> <p>This Corporation shall prepare electronic versions of the</p>	<p>Article 2</p> <p>Convening shareholders meetings and shareholders meeting notices. Unless otherwise provided by law or regulation, the shareholders meetings shall be convened by the board of directors.</p> <p>The Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of explanatory materials relating to all proposals, including proposals for resolutions, for discussions, or for the election or dismissal of directors</p>	<p>1. In order to enable shareholders to be aware of changes in the method of holding a general meeting of shareholders, item 2 is added.</p> <p>2. In response to amendments</p>

Amendment	Current Articles	Explanation
<p>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. This Corporation shall 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.</p> <p><u>If, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting.</u></p> <p>In addition, before 15 days before the date of the shareholders meeting, this Corporation shall 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 shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.</p> <p><u>This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding</u></p>	<p>or supervisors, then upload these files to the Market Observation Post System (MOPS), for the regular shareholders meeting shall be upload before the date of 30 days, or for the special shareholders meeting shall be upload before the date of 15 days. As shareholders holding less one thousand shares of registered stocks, the Corporation shall announce to the MOPS, for the regular shareholders meeting shall be notice before the date of 30 days, or for the special shareholders meeting shall be notice before the date of 15 days. This Corporation shall 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 Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time which shall also be displayed at the Corporation and the professional stock affairs agent, <del>and designated thereby as well as being distributed on-site at the meeting place.</del></p> <p>(below omitted)</p>	<p>to record and compliance items in the shareholders' meeting manual of publicly issued companies, companies that meet certain conditions should complete the transmission of electronic files related to the shareholders' meeting in advance to cooperate with the amendment to Item 3.</p> <p>3. In response of the public companies can hold shareholders' meetings via virtual meeting, as the fourth item is added and the number of articles is adjusted.</p>

Amendment	Current Articles	Explanation
<p><u>paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</u></p> <p><u>1.For physical shareholders meetings, to be distributed on-site at the meeting.</u></p> <p><u>2.For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u></p> <p><u>3.For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</u></p> <p>(below omitted)</p>		
<p><u>Article 4</u> (1 to 3 omitted) If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p>	<p>Article 3 (1 to 3 omitted)</p>	<p>In response of the public companies can hold shareholders' meetings via virtual meeting, as item 4 is added and the rules are adjusted.</p>
<p><u>Article 5</u> The venue for a shareholders meeting shall be the premises of this Corporation, 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 shall be given to the opinions of the independent directors with respect to the place and time of the meeting. <u>The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.</u></p>	<p><u>Article 4</u> The venue for a shareholders meeting shall be the premises of this Corporation, 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 shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p>	<p>In response of the public companies can hold shareholders' meetings via virtual meeting, as item 2 is added to clarify the restriction.</p>
<p><u>Article 6</u> This company shall specify in its shareholders meeting notices the time during which attendance</p>	<p><u>Article 5</u> This company shall specify in its shareholders meeting notices the time during which attendance</p>	<p>1.In order to match the shareholder abbreviation</p>

Amendment	Current Articles	Explanation
<p>registrations for shareholders, solicitors and proxies (collectively "<u>shareholders</u>") will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person. Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</u></p> <p>(Items 4 to 6 omitted)</p> <p><u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.</u></p> <p><u>In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>	<p>registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.</p> <p>Shareholders <del>or proxy</del> shall attend shareholders meetings based on attendance cards, sign-in cards, 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 shall also bring identification documents for verification.</p> <p>(4 to 6 omitted)</p>	<p>, item 1 and item 3 are amended.</p> <p>2. In order to clarify the registration time and procedures for video attendance, item 2 is amended.</p> <p>3. Items 7 and 8 are added, and the timetable for shareholder registration for video attendance and the procedures for the company to upload relevant materials of the shareholders' meeting are stipulated and the rules are adjusted.</p>

Amendment	Current Articles	Explanation
(4 to 6 omitted)		
<p><u>Article 6-1</u>  <u>To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:</u>  1. <u>How shareholders attend the virtual meeting and exercise their rights.</u>  2. <u>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>  A. <u>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 or on which the meeting will resume.</u>  B. <u>Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u>  C. <u>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>	(newly added)	In order to make shareholders aware of the relevant rights and restrictions of participating in the virtual meeting.

Amendment	Current Articles	Explanation
<p><u>D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></p> <p>3. <u>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 7 (Content omitted)</p>	<p>Article 6 (Content omitted)</p>	<p>Adjust the order.</p>
<p>Article 8 The company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p> <p><u>Where a shareholders meeting is held online, the company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></p> <p><u>The information and audio and video recording in the preceding paragraph shall be properly kept by the company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u></p> <p><u>In case of a virtual shareholders meeting, the company is advised to</u></p>	<p>Article 7 The company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p>	<p>In response to the public companies to convene shareholder meetings via virtual meeting, the relevant regulations on the recording of evidence during the virtual meeting process have been added and the rules have been adjusted.</p>

Amendment	Current Articles	Explanation
<u>audio and video record the back-end operation interface of the virtual meeting platform.</u>		
<p><u>Article 9</u> Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, <u>and the shares checked in on the virtual meeting platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chairman shall 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.</p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair 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 number of issued shares, the chair shall declare the meeting adjourned. <u>In the event of a virtual shareholders meeting, the company shall also declare the meeting adjourned at the virtual meeting platform.</u></p> <p>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 shall be notified</p>	<p><u>Article 8</u> Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chairman shall 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.</p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair 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 number of issued shares, the chair shall declare the meeting adjourned.</p> <p>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 shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.</p>	<p>In response to the public companies to convene shareholder meetings via virtual meeting and the rules have been adjusted.</p>

Amendment	Current Articles	Explanation
of the tentative resolution and another shareholders' meeting shall be convened within one month. <u>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the company in accordance with Article 6.</u>		
Article <u>10</u> (Content omitted)	Article <del>9</del> (Content omitted)	Adjust the order.
Article <u>11</u> (1 to 6 omitted) <u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.</u> <u>As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.</u>	Article <del>10</del> (1 to 6 omitted)	In response to the opening of public offering companies to convene shareholders' meetings via video, the relevant regulations on shareholders' questions for video conferences have been added and the rules have been adjusted.
Article <u>12</u> (Content omitted)	Article <del>11</del> (Content omitted)	Adjust the order.
Article <u>13</u> (1 to 3 omitted) 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 <u>or online</u> , a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the company, by the same means by which the voting rights were exercised, before 2 business days	Article <u>12</u> (1 to 3 omitted) 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, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the company, by the same means by which the voting rights were exercised, before 2 business days before the date of the	In view of the fact that public offering companies can hold shareholders' meetings via video, the relevant regulations on the exercise of voting rights



Amendment	Current Articles	Explanation
<p>before the date of the shareholders meeting. If the notice of retraction is overdue, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend the shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>(The 5 to 8 omitted)</p> <p><u>When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p> <p><u>When the company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.</u></p> <p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original</u></p>	<p>shareholders meeting. If the notice of retraction is overdue, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend the shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>(The 5 to 8 omitted)</p>	<p>at shareholders' meetings via video conferences have been added and the rules have been adjusted.</p>

Amendment	Current Articles	Explanation
<u>proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u>		
Article <u>14</u> (Content omitted)	Article <del>13</del> (Content omitted)	Adjust the order.
Article <u>15</u> (1 to 4 omitted) <u>Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</u> <u>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.</u>	Article <del>14</del> (1 to 4 omitted)	In response to the public company to hold shareholders' meetings via virtual, please add the minutes related to the production of shareholders' meetings for virtual rules and adjustments are made.
Article <u>16</u> On the day of a shareholders meeting, the company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies <u>and the number of shares represented by shareholders attending the meeting by correspondence or electronic means,</u> and shall make an express disclosure of the same at the place of the shareholders meeting. <u>In the</u>	Article 15 On the day of a shareholders meeting, the company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting. (below omitted)	In response to the public company to hold shareholders' meetings via virtual, information such as the number of shares attended and voting rights should be

Amendment	Current Articles	Explanation
<u>event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u> <u>During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u> (below omitted)		disclosed on the virtual meeting platform and the rules should be adjusted.
Article <u>17</u> (Content omitted)	Article <del>16</del> (Content omitted)	Adjust the order.
Article <u>18</u> (Content omitted)	Article <del>17</del> (Content omitted)	Adjust the order.
Article <u>19</u> <u>In the event of a virtual shareholders meeting, the company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u>	(newly added)	As disclosure of information at virtual meetings
Article <u>20</u> <u>When the company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u>	(newly added)	As disclosure of information at virtual meetings
Article <u>21</u> <u>In the event of a virtual shareholders meeting, the company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time</u>	(newly added)	Added procedures for handling connection and disconnection

Amendment	Current Articles	Explanation
<p><u>services before and during the meeting to help resolve communication technical issues.</u></p> <p><u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.</u></p> <p><u>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u></p> <p><u>During a postponed or resumed</u></p>		of virtual meetings

Amendment	Current Articles	Explanation
<p><u>session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors. When the company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u></p> <p><u>Under the circumstances where a meeting should continue as in the preceding paragraph, 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, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p><u>When postponing or resuming a meeting according to the second paragraph, the company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p> <p><u>For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings</u></p>		

Amendment	Current Articles	Explanation
<u>of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</u>		
<u>Article 22</u> <u>When convening a virtual-only shareholders meeting, the company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</u>	(newly added)	Relevant regulations on information disclosure time of virtual meeting.
<u>Article 23</u> These Rules <u>shall take</u> effect after having been submitted to and approved by the board of directors and shareholders meeting. Subsequent amendments thereto <u>shall</u> be effected in the same manner.	Article 18 These Rules <del>have been taken</del> effect after having been submitted to and approved by the board of directors and shareholders meeting. Subsequent amendments thereto <del>should</del> be effected in the same manner.	Wording narrative adjustment.
<u>Article 24</u> The Rules and Procedures are adopted by the Shareholders' Meeting on 24th February 2012. (omitted) The fourth amendment on 9th November 2021, adopted by the Shareholders' Meeting on 25th April 2022. The fifth amendment on 26 <sup>th</sup> April 2023.	<u>Article 19</u> The Rules and Procedures are adopted by the Shareholders' Meeting on 24th February 2012. (omitted) The fourth amendment on 9th November 2021, adopted by the Shareholders' Meeting on 25th April 2022.	Added the amendment date.

## E&amp;E Recycling Co., Ltd.

## Comparison Table of Regulations Governing the Acquisition and Disposal of Assets

Amendment	Current Articles	Explanation
<p>Article 5</p> <p>5.1 omitted</p> <p>5.2 When issuing an appraisal report or opinion, <u>the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:</u></p> <p>(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(2) When <u>conducting</u> a case, they shall 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 shall be fully and accurately specified in the case working papers.</p> <p>(3) They shall 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.</p> <p>(4) They shall 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 regulations.</p>	<p>Article 5</p> <p>5.1 omitted</p> <p>5.2 When issuing an appraisal report or opinion, they belong and with the following provisions:</p> <p>(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(2) When <del>checking</del> a case, they shall 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 shall be fully and accurately specified in the case working papers.</p> <p>(3) They shall undertake an item-by-item evaluation of the <del>integrity</del> 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.</p> <p>(4) They shall 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 <del>reasonable and correct</del>, and that they have complied with applicable laws and regulations.</p> <p>5.3 <del>Those who acquire or dispose of assets through the court auction procedure can replace the valuation report or accountant's opinion with the supporting documents issued by the court.</del></p>	<p>Wording narrative adjustment</p>
<p>Article 7</p> <p>7.1 omitted</p> <p>(3).Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results</p>	<p>Article 7</p> <p>7.1 omitted</p> <p>(3).Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results</p>	<p>Wording narrative adjustment</p>

Amendment	Current Articles	Explanation
<p>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 shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p>	<p>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, <del>Accountants should be contacted in accordance with the Auditing Standards Bulletin No. 20 issued by the Foundation for Accounting Research and Development of the Republic of China</del>, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p>	
<p>Article 8 8.1 omitted 8.2 Obtaining expert opinion</p> <p>(2) 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 shall 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>Article 8 8.1 omitted 8.2 Obtaining expert opinion</p> <p>(2) 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 shall 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, <del>if accountants need to use expert reports, they shall do so in accordance with the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation</del>. 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>Wording narrative adjustment</p>
<p>Article 9 9.1 omitted 9.2 Obtain appraisal report and expert opinion</p>	<p>Article 9 9.1 to omitted 9.2 Obtain appraisal report and expert opinion</p>	<p>Wording narrative adjustment</p>



Amendment	Current Articles	Explanation
<p>(2) If the company acquires or disposes of membership, intangible assets or right-of-use assets whose transaction amount reaches 20% of the company's paid-in capital or NT\$ 300 million or more, except for transactions with domestic government agencies, Accountants should be contacted to express their opinions on the rationality of the transaction price before the fact occurs, and accountants should follow the provisions of Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation.</p>	<p>(2) If the company acquires or disposes of membership, intangible assets or right-of-use assets whose transaction amount reaches 20% of the company's paid-in capital or NT\$ 300 million or more, except for transactions with domestic government agencies, Accountants should be contacted to express their opinions on the rationality of the transaction price before the fact occurs, <del>and accountants should follow the provisions of Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation.</del></p>	
<p>Article 11 11.1 and 11.2 omitted 11.3 Authorization Quota</p> <p>(1) When a public 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 <u>and the shareholders' meeting for</u> approved by the board of directors and recognized by the supervisors, <u>however, this restriction does not apply to transactions between the public company and its parent company or subsidiaries or between its subsidiaries.</u></p> <p>(2)The calculation of the transaction amount shall be handled in accordance with the provisions of 14.2, and the</p>	<p>Article 11 11.1 and 11.2 omitted 11.3 Authorization Quota</p> <p>(1) When a public 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 board of directors and recognized by the supervisors:</p> <p>(2)The calculation of the transaction amount shall be handled in accordance with the provisions of 14.2, and the said within one year is based on the date when the transaction occurred as a basis, retroactively calculated for one year, and has been submitted to the audit committee and the board of</p>	<p>The calculation of the revised transaction amount shall be included in the transaction submitted to the shareholders meeting for approval.</p>

Amendment	Current Articles	Explanation
said within one year is based on the date when the transaction occurred as a basis, retroactively calculated for one year, and has been submitted to the <u>shareholders meeting</u> , audit committee and the board of directors for approval in accordance with regulations no further crediting.	directors for approval in accordance with regulations no further crediting.	
<p>Article 14</p> <p>Under any of the following circumstances, the company shall publicly announce and report the relevant information in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(1)~(6) omitted</p> <p>this shall not apply to the following circumstances:</p> <p>A. Trading of domestic government bonds or foreign government bonds with a <u>rating that is not lower than the sovereign rating of Taiwan</u>.</p> <p>B. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds</u>, or 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, <u>or subscription or redemption of exchange traded notes</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>Article 14</p> <p>Under any of the following circumstances, the company shall publicly announce and report the relevant information in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(1)~(6) omitted</p> <p>this shall not apply to the following circumstances:</p> <p>A. Trading of domestic government bonds.</p> <p>B. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription, or 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.</p>	<p>Considering that the public companies are exempted from the announcement declaration for the sale and purchase of domestic government bonds, the first and second items of the seventh item of the first paragraph of the amendment are also exempted from the announcement declaration.</p>
<p>The Regulations was established on 24<sup>th</sup> February 2012.</p> <p>(omitted)</p> <p>The fifth amendment was approved by the board of directors on 9th November 2021, and submitted to the shareholders'</p>	<p>The Regulations was established on 24<sup>th</sup> February 2012.</p> <p>(omitted)</p> <p>The fifth amendment was approved by the board of directors on 9th November 2021, and submitted to the shareholders'</p>	<p>Added the amendment date.</p>

Amendment	Current Articles	Explanation
meeting on 25th April 2022 for approval. <u>The sixth amendment on 26th April 2023</u>	meeting on 25th April 2022 for approval.	

**E&E Recycling inc.**  
**The Rules of Procedure for Board of Directors Meeting**

**Article 1**

In order to establish a good governance system of the company's board of directors, improve the supervision function and strengthen the management function, this specification is formulated in accordance with Article 2 of the "Procedures for the Board of Directors Meeting of Public Offering Companies" for compliance.

**Article 2**

The company's procedures for the Board of Directors Meeting, its main discussion content, operating procedures, items to be included in minutes, announcements, and other matters to be followed, shall be handled in accordance with the provisions of these rules.

**Article 3**

The board of directors shall meet at least quarterly, which shall be set out in the rules of procedure.

The reasons for calling a board of directors 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 shorter notice.

The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.

All matters set out in the subparagraphs of Article 12, paragraph 1, shall be specified in the notice of the reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion.

**Article 4**

The board of directors of the company designates the financial department an agenda working group.

The agenda working group shall prepare agenda items for board of directors meetings and provide comprehensive pre-meeting materials, to be sent together with the notice of the meeting.

The 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 of directors.

**Article 5**

When a meeting of the board of directors is held, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.

All board 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 meeting.

A proxy under paragraph 2 may accept a proxy from one person only.

#### Article 6

The board of directors meeting shall be held at the location and during the business hours of the company, or at a place and time convenient to all directors and suitable for holding such a meeting.

#### Article 7

Where a meeting of the board of directors is called by the chairperson of the board, the meeting shall be chaired by the chairperson. However, where the first meeting of each newly elected board of directors 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 meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.

When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairperson shall do so in place of the chairperson, or, if there is no vice chairperson or the vice chairperson also is on leave or for any reason is unable to act, by a managing director designated by the chairperson, or, if there is no managing director, by a director designated thereby, or, if the chairperson does not make such a designation, by a managing director or director elected by and from among themselves.

#### Article 8

When holding a meeting of the board of directors, agenda working group shall prepare relevant materials for the directors attending the meeting to check at any time. The company may, as necessary for the agenda items of the meeting, notify personnel of relevant departments or subsidiaries to attend the meeting as nonvoting participants.

When necessary, the company may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

The internal audit officer shall attend the board of directors and submit an internal audit report for approval by the board of directors.

The chairman of the board of directors shall announce the opening of the meeting when more than half of the directors are present.

When the time of a meeting has arrived and one-half all board directors are not present, the meeting chair may announce postponement of the meeting time, provided that only two postponements may be made. If the quorum is still not met after two such delays, the chair shall re-call the meeting following the procedures provided in Article 3, paragraph 2.

The term "all board directors " as used in the preceding paragraph and in Article 17, paragraph 2, subparagraph 2 shall be calculated as the number of directors then in office.

#### Article 9

A company shall record on audio or video tape the entire proceedings of a board of directors 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 of directors meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.

Where a board of directors 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 of directors meetings shall include at least the following:

1. Reports:
  - A. Minutes of the last meeting and actions arising.
  - B. Reporting on important financial and business matters.
  - C. Reporting on internal audit activities.
  - D. Other important matters to be reported.
2. Discussions:
  - A. Items discussed and continued from the last meeting.
  - B. Items for discussion at this meeting.
3. Extraordinary motions.

#### Article 11

A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.

The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting.

If at any time during the proceeding of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case paragraph 8, paragraph 5 of the preceding article shall apply *mutatis mutandis*.

#### Article 12

The company shall submit the following items for discussion by the board of directors:

1. Corporate business plan.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports.
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Act, and an assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the 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, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. The appointment or discharge of a financial, accounting, or internal audit officer.
7. 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 of directors meeting for retroactive recognition.
8. 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 of

directors meeting, or any such significant matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 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 NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (For foreign companies whose stock has no par value or a par value other than NTD10, the "5 percent of paid-in capital" in paragraph 2 above shall be calculated instead as 2.5 percent of shareholder equity.)

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 of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

If a company has an independent director or directors, at least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors 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 chair at a board of directors meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chair may announce the discussion closed and bring the matter to vote.

When a proposal comes to a vote at a board of directors meeting, if the chair puts the matter before all directors present at the meeting and none voices an objection, the matter is deemed approved. If there is any objection after consultation with the chairman, it shall be put to a vote.

The voting method shall be decided by the chairman according to the following provisions, but if the attendees have objections, the opinion of the majority shall be sought to decide:

1. Vote by show of hands or voting device.
2. Vote by roll call.
3. Voting.

The term "all directors present" mentioned in the preceding two paragraphs does not include directors who are not allowed to exercise voting rights in accordance with Article 14, Paragraph 1.

Unless otherwise stipulated by the Securities and Exchange Act and the Company Act, the resolutions of the company's board of directors meeting shall be made with the attendance of more than half of the directors and the consent of more than half of the directors present.

When there is an amendment or alternative to the same proposal, the chairman shall determine the order of voting with the original proposal. However, if one of the proposals has been passed, the other proposals shall be deemed to be rejected and no further voting is required.

If it is necessary to set up vote scrutiny and counting personnel for voting on a proposal, the chairman shall designate them, but the voting scrutiny personnel shall be directors.

The voting results shall be reported on the spot and recorded.

#### Article 14

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 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 as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.

The company establishes and maintains the files of the list of directors and their related parties, and reminds the board of directors to pay attention to the avoidance of interests in the board of directors convening notice or related documents.

The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding two paragraphs from exercising voting rights.

#### Article 15

Minutes shall be prepared of the discussions at board of directors meetings. The meeting minutes shall record the following:

1. Session (or year), time, and place of meeting.
2. Name of the meeting chair.
3. Attendance of directors at the meeting, specifying the names and number of members present, excused, and absent.
4. Names and titles of those attending the meeting as nonvoting participants.
5. Name of minutes taker.
6. Matters reported on.
7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, 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; and any opinion issued in writing by an independent director under Article 12, paragraph 4.
8. Extraordinary 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, 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.

9. Other matters required to be recorded.

Any of the following matters in relation to a resolution passed at a meeting of the board of directors 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:

1. Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.
2. If the company has an audit committee, 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 board directors without having been passed by the audit committee.

The attendance book forms a part of the minutes for each board of directors meeting and shall be well preserved during the existence of the company.

The minutes of a board of directors meeting shall bear the signature or seal of both the meeting chair 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 16

In addition to matters that should be discussed by the company's board of directors in Article 12, paragraph 1, the board of directors authorizes the chairman to exercise the powers of the board of directors in accordance with laws and regulations or the company's articles of association.

1. Handled in accordance with the company's approval list.
2. Handling in accordance with the company's management regulations, systems and procedures.
3. Assess the qualifications of accountants and nominate qualified candidates.
4. Depending on the company's capital needs, conduct endorsement guarantees within the amount specified in the operating procedures for fund lending and endorsement guarantees, and conduct transactions within the amount specified in the procedures for acquiring or disposing of assets, and report the implementation status to the board of directors.

#### Article 17

The formulation of the rules of procedure shall be approved by the board of directors of the company, and shall be submitted to the shareholders' meeting report. Amendments may be authorized to be resolved by the board of directors.

The company's "Board of Directors' Rules of Procedure" is formulated in accordance with the " Regulations Governing Procedure for Board of Directors Meetings of Public Companies ". If the underlying laws and regulations are changed or amended to the extent that this procedure is inconsistent with or insufficient to the underlying laws and regulations, the underlying laws and regulations shall be followed.

#### Article 18

Board of Directors' Rules of Procedure was established on 28th October 2011.

The first amendment on 18th December 2011  
The second amendment on 13rd November 2012  
The third amendment on 6th November 2017  
The fourth amendment on 11st November 2020  
The fifth amendment on 9th November 2021

**E & E Recycling  
Articles of Incorporation**

**Chapter 1 General Provisions**

**Article 1**

The company is incorporated in accordance with the Company Act and its name shall be E&E Recycling. The English name is E&E Recycling.

**Article 2**

The Scope of business of the Corporation shall be as follows,

1. J101030 Waste Disposing.
2. J101040 Waste Disposing.
3. CA01070 Used Vehicles and Vessels Dismantling and Processing.
4. CB01030 Pollution Controlling Equipment Manufacturing.
5. F113100 Wholesale of Pollution Controlling Equipment's.
6. F213100 Retail Sale of Pollution Controlling Equipment's.
7. F401010 International Trade.
8. C805990 Other Plastic Products Manufacturing.
9. C901020 Glass and glass made products Manufacturing.
10. CA01990 Other Non-ferrous Metal Basic Industries.
11. CA03010 Metal Heat Treating.
12. J101080 Waste Recycling
13. J101090 Waste Collecting and Disposing
14. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

**Article 3**

The company is situated in Taoyuan City, and as required by the board of directors to set up branches, offices and factories throughout the country and abroad.

**Article 4**

The announcement of the company shall be handled in accordance with the Company Act and other relevant laws and regulations.

**Article 5**

Due to business needs, the company may provide endorsement guarantees and reinvestment, and the total reinvestment may be more than forty percent of the Corporation paid-in capital. The Corporation endorsement and guarantees is not restricted by Articles 16 of the Company Act, and shall be constitute by the "Regulations Governing of endorsements guarantees". The Regulations Governing of endorsements guarantees shall be adopted in accordance with the resolution of the shareholders' meeting, same as the revision.

**Article 6**

The reinvestment shall not be subject to the limit of the total investment of Articles 13 of the Company Act, which shall not exceed 40 percent of the paid-in capital, but shall not exceed the total amount of paid-in capital of the Company. The matters relating to the reinvestment shall be subject to the resolution of the board of directors.

**Chapter 2 Shares**

**Article 7**

The total capital of the company is NT\$ 500,000,000 divided into 50,000,000 shares with amount of NT\$10 per share. The Board of Directors is authorized to issue the shares in installment in consideration of the business needs of the Corporation.

The Corporation may apply to the securities authority for the public issuance procedure in accordance with the resolution of the board of directors. If it applies for the suspension of public offering, the resolution may be adopted by two-third of voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the company.

In the event the total number of shares represented by the shareholders present at the shareholders' meeting of the Corporation whose shares is less than the percentage of the total shareholdings required in the preceding Paragraph, the resolution may be adopted by two-third of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the company.

#### **Article 8**

The company may be exempted from printing any share certificate for the shares issued. If the company prints share certificate, then shall be issued in accordance with the Company Act of the Republic of China and other relevant laws and regulations.

#### **Article 9**

Shareholders' roster for transfer of shares shall be suspended within sixty days immediately before the date of regular meeting of shareholders, within thirty days immediately before the date of special meeting of shareholders, or within five days before the ex-rights record day on which dividend, bonus, or other benefit is scheduled as book closure period.

#### **Article 10**

Shareholders of the company shall handle stock matters such as stock transfer of share ownership, creation of pledge, reporting of loss, Transfer via inheritance, Transfer via gift, report of loss of seal, lost or change specimen chop, change of address, etc., in accordance with the "Company Act", the regulations of the competent securities authority and "Regulations Governing the Administration of Shareholder Services of Public Companies".

#### **Article 11**

The shareholder shall supply a specimen chop to the Corporation or Agent for stock affairs which fill in their name, address, chopped, and attach photocopy of the National Identity Card (the corporate shareholder attach photocopy of the certificate of incorporation and Business registration). Specimen chop is used to received dividend or exercise the shareholder rights, same as revision.

### **Chapter 3 Shareholders 'meeting**

#### **Article 12**

Shareholders' meeting shall be of the following two kinds:

- (3) Regular meeting of shareholders
- (4) Special meeting of shareholders:

Regular meeting of shareholders shall be held at least once every year. The regular meeting of shareholders shall be convened within six months after close of each fiscal year. Special meeting of shareholders approved by the competent authority for good cause shown. Shareholders meeting shall, unless otherwise provided for in the Company Act, be convened by the Board of Directors.

#### **Article 13**

The notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. In case a public company intends to convene a special meeting of shareholders, The meeting notice shall be given to each shareholders no later than 15 days prior to the scheduled meeting date. The cause(s) or subject(s) of a meeting of shareholders to be convened shall be indicated in the individual notice to be given to shareholders

#### **Article 14**

Except as provided the Company Act, shareholders' meeting may be held if attended by shareholders in person or by proxy representing more than half of the total issued and outstanding shares of the corporation, and resolution shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting.

According to the regulations of the competent authority, shareholders may vote via electronic voting system. Shareholders who exercise their voting rights via electronic voting system are deemed to be present in person, and relevant matters are handled in accordance with laws and regulations.

#### **Article 15**

If shareholder is unable to attend the shareholders' meeting for any reason, shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization. In addition to the provisions of Article 177 of the Company Act, the procedures for shareholder attendance by proxy shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies".

#### **Article 16**

Except in the circumstances for the limited or no voting shares stipulated of Articles 192 of the Company Act, a shareholder shall have one voting power in respect of each share in its possession.

#### **Article 17**

The shareholders' meeting shall be presided over by the Chairman of the board of the directors in the company. In case the Chairman of the board of directors is not able to exercise his power, the Chairman may appoint one director of the board of directors to act as agent, if the Chairman not appointed one, the board of directors elected one direct to act as agent.

#### **Article 18**

The resolutions of the shareholders' meeting shall be recorded in the minutes, and the minutes shall be signed by or sealed with the chop of the Chairman of the meeting. The minutes of shareholders' meeting may be delivering by electronic transmission. The minutes with the attendance of the shareholder's signature book and the proxies shall be kept in the Corporation.

### **Chapter 4 Directors and Supervisors**

#### **Article 19**

The company shall have 9 directors, who shall be elected by the shareholders' meeting from among the persons with disposing capacity, and may be re-elected.

Directors shall be elected by adopting candidate nomination system, prudently evaluate the nominee's qualifications and whether there are any matters listed in Article 30 of the Company Act, and handle it in accordance with the provisions article 192 of Company Act. The company may appoint independent directors in accordance with the Articles 14-2 of Securities and Exchange Act, the independent directors not less than two in number and not less than one-third of the total number of directors. The independent directors elected by adopting candidate nomination system which from the listed of the independent directors candidates of Shareholders' Meeting. Regulation governing the professional qualifications, restrictions on shareholdings, concurrent positions held, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the competent authority.

The board of directors of the company may to set up various functional committees.

In the process of electing directors at a shareholders' meeting, the number of votes exercisable in respect of one share shall 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 may be split for election of two or more candidates. Independent directors and directors are elected concurrently and calculated the numbers of election respectively, if the higher number of ballot papers will be elected as Independent directors and directors. Independent directors and directors shall not change their identities during their term of period.

#### **Article 20**

The company has set up an audit committee in accordance with Article 14-4, paragraph 5, of the Securities and Exchange Act. The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be committee convenor, and at least one of whom shall have accounting or financial expertise. The members of the Audit Committee and its independent directors are responsible for implementing the duties and powers of supervisors stipulated in the Company Act, Securities and Exchange Act and other laws and regulations.

#### **Article 21**

The board of directors is organized by directors. The directors shall elect a chairman of the board of directors from among the directors by a majority vote at a meeting which attended by over two-thirds of the directors.

#### **Article 22**

The chairman shall externally represent the company, then shall internally preside the shareholders' meeting and the meeting of the board of directors.

#### **Article 23**

Meetings of the board of directors shall be convened by the chairman of the board of directors unless otherwise specified by the company Act. The chairman as a president in the board of directors, if the chairman absent or not exercise his power and authority for any cause, the chairman of the board of directors shall designate one of the directors; if the chairman not designate, the directors shall elect one from among themselves as an acting chairman of the board of directors.

In calling a meeting of the board of directors, the notice including the subjects to be discussed at the meeting, and shall be given to each director no later than 7 days prior to the scheduled meeting date. However, in the case of emergency, the meeting may be convened at any time. The notice of the board of the directors may be delivered by means of papers or electronic transmission or facsimile.

The functions and powers of the board of directors as follows,

1. To determine business plan.
2. To examine and determine important bylaw and contract.
3. To establish and abolish of branches.
4. To examine and determine budgets and final accounting.
5. To appoint and discharge managerial officers.
6. Other functional authority stated by Company Act and the Articles of Incorporation.

#### **Article 24**

The directors exercise their functions and powers at resolutions of the board meeting, the board of directors shall meet at least quarterly. Except as otherwise stated in the Company Act, a resolution on a matter at a board of directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors. However, some resolutions of the important matters shall be approved from the Board of Directors by over two-thirds of the directors as below,

1. To acquire the proposal or purchase the main assets of other company, or to transfer, sell, lease, pledge, mortgage or other sanctions on the corporation's main assets or all assets.
2. To approve the contract with a term more than 1 year or over fifty million Taiwan New Dollars.

3. In the scope of the approved budget which amount over fifty million Taiwan New Dollars, or Unapproved budget which amount over twenty million Taiwan New Dollars. However, if the budget to use the same purpose must not be disassembled the expenses.
  4. To approve the amount is above Taiwan New Dollars fifty million application which for financing, guarantee, acceptance, loans, debt and temporary payments for non-operating expenses.
  5. To approve financing and other loans to foreign financial institutions.
  6. To change the proposal for the Articles of Incorporation.
  7. To formulate the Regulations Governing of endorsements guarantees, loaning of funds.
  8. To approve the proposal for the surplus earning distribution or covering of losses.
  9. To approve the company's budget and final accounts.
  10. To approve the reinvestment or other business.
  11. Other important matters specified in the resolution of the shareholders' meeting.
  12. To appoint and dismissal of accountants and legal advisors by the Corporation.
  13. Approval, amendment and termination of contracts for acquisition, transfer, grant and technical cooperation of know-how and patents.
  14. To revise and terminate the business plan, business policy and organizational system.
- Except for the above matters, other matters concerning the operation of the corporation are governed by the provisions of the Company Act.

#### **Article 25**

In case a director appoints another to attend a meeting the board of directors to issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. The director may accept the appointment to act as the proxy referred to one of other director only. However, a director is only limited to acting as the proxy for one of director. In case a meeting of the board of directors may proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

#### **Article 26**

The meeting minutes shall be taken of the proceedings of the board of directors which the chairman shall signature or personal seals thereon, then delivery to each director. The minutes of the board of directors may be delivering by electronic transmission. The minutes with the attendance signature book and the proxies of the board of directors shall be kept in the Corporation.

The board of directors' base on suggestion of the remuneration committee is authorized to the salary for the directors, taking account the extent and value the services provided for the management of the Corporation and the standards of the industry within the R.O.C and overseas. The company may set a reasonable remuneration for independent directors.

The company has responsible for the liability insurance of the director in the term of the scope of its execution of the business in accordance with the law, and the scope of the insurance shall be authorized by the board of directors.

### **Chapter 5 Human Resources**

#### **Article 27**

The company may have one General Manager and one Chief Financial Officer (CFO) which nominated by Chairman then determined by the Board of Directors. Their appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.

#### **Article 28**

The General Manager shall perform such duties as designated by the chairman which responsible for the daily operation and supervise, execute and manage the operation of the corporation.

## **Chapter 6 Financial Statements**

### **Article 29**

The fiscal year for the Corporation shall be from 1st January of each year to 31st December of the same year. After the close of each fiscal year, the following reports shall be prepared by the board of directors, then submitted to the regular Shareholder's Meeting for acceptance,

1. Business Report.
2. Financial Statements.
3. Proposal for the surplus earning distribution or covering of losses.

### **Article 30**

The annual profits of Corporation shall set aside two percentages of distribution for remuneration to employees, who distributed by way of stock or cash should be resolved by the board of directors. Employees of affiliated companies are also entitled to remuneration to employees. Not more than five percentages of annual profits as compensation to directors should determine by the board of directors.

Remuneration to employees shall resolved by the Shareholder's Meeting.

However, when the Corporation has accumulated losses, it should reserve the covering of losses, then refer to the remuneration for employees and directors in the preceding paragraph shall be made in proportion.

### **Article 31**

The Corporation shall, after its losses have been covered and all taxes and dues have been paid and at the time of allocating surplus profits, first set aside ten percentages of such profits as a legal reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply. The Corporation may set aside another sum as special reserve according the regulation of the law. If there is still has the accumulated undistributed earnings, the board of directors shall prepare a proposal for earnings distribution, to submit the resolution of dividends to shareholders in the Shareholders' Meeting.

The Corporation is in a mature stage of growing industry; dividend policy shall base on the financial structure, operating conditions and capital budget etc., also shall consider the profits of the shareholders and balance the dividend. Therefore, the Corporation shall aside not less than ten percentages of the annual profits to shareholders, however if the annual profits less than one percentage, the Corporation may not distribute the annual profits. The surplus earning distribution may reserve or payment for stock dividend or payment for cash dividend which the cash dividend not less than ten percentage of the total amount of retained earnings, then others as issuance of bonus shares that depend on the situation of the Corporation.

## **Chapter 7 Supplementary Provisions**

### **Article 32**

In regard to all matters not provided for in these Articles of Incorporation, the Company Act of the Republic of China shall govern.

### **Article 33**

These Articles of Incorporation was established on 30th July 1998 and subsequently amended as follows

The first amendment on 9th June 1999

The second amendment on 23rd April 2003

The third amendment on 20th March 2008

The fourth amendment on 16th April 2010



The fifth amendment on 24th February 2012  
The sixth amendment on 28th May 2012  
The seventh amendment on 22nd April 2013  
The eighth amendment on 21st April 2016  
The ninth amendment on 24th March 2017  
The tenth amendment on 25th April 2022

## **E & E Recycling**

### **The rules of Procedures for Shareholders Meetings**

#### **Article 1**

Rules and Procedures of Shareholders' Meeting

To establish a strong governance system and improve the function of supervision and management, to set up the Rules and Procedures' Meeting which base on the Article 5 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".

The Rules and Procedures of Shareholders' Meeting shall be governed by the provisions of these rules except as otherwise provided by Law or the articles of Incorporation.

#### **Article 2**

Convening shareholders meetings and shareholders meeting notices.

Unless otherwise provided by law or regulation, the shareholders meetings shall be convened by the board of directors.

The Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of explanatory materials relating to all proposals, including proposals for resolutions, for discussions, or for the election or dismissal of directors or supervisors, then upload these files to the Market Observation Post System (MOPS), for the regular shareholders meeting shall be upload before the date of 30 days, or for the special shareholders meeting shall be upload before the date of 15 days. As shareholders holding less one thousand shares of registered stocks, the Corporation shall announce to the MOPS, for the regular shareholders meeting shall be notice before the date of 30 days, or for the special shareholders meeting shall be notice before the date of 15 days. This Corporation shall 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 Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time which shall also be displayed at the Corporation and the professional stock affairs agent, and designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening the shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, the dissolution, merger, or split of the corporation, or any matter under Article 185, paragraph 1 of the "Company Act", Articles 26-1 and 43-6 of the "Securities and Exchange Act", or Articles 56-1 and 60-2 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors and supervisors 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.

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. When the circumstances of any subparagraph of

Article 172-1, paragraph 4 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.

Prior to the book closure date before a regular shareholders meeting is held, the company shall 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.

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 shall be present in person or by 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 shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

### **Article 3**

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.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall 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 shall prevail unless a declaration is made to cancel the previous proxy appointment.

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 shall be submitted to the company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

### **Article 4**

The venue for a shareholders meeting shall be the premises of this Corporation, 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 shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

### **Article 5**

This company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, 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 shall also bring identification documents for verification. This company shall 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 shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall 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 juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

#### **Article 6**

If the shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman. If there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the managing directors to act as president, or, if there are no managing directors, one of the directors shall be appointed to act as president. Where the chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as president.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall 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 shall 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 preside by the chairman 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 shall be recorded in the meeting minutes.

If the shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall preside the meeting. When there are two or more such convening parties, they shall mutually select a president from among themselves.

The Corporation may appoint appointed lawyers, accountants or related personnel to attend the shareholders' meeting.

#### **Article 7**

The company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

#### **Article 8**

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chairman shall 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.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair 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 number of issued shares, the chair shall declare the meeting adjourned.

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 shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

When, prior to conclusion of 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.

#### **Article 9**

If the shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

If the shareholders' meeting is convened by a party with power to convene other than the board of directors, as follow as the provisions of the preceding paragraph.

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 shall 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.

9.4 The chairman shall allow pentiful opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairman may announce the discussion closed and call for a vote.

#### **Article 10**

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, the account number of shareholder (or attendance card number), and account name. The order in which shareholders speak will be set by the chairman.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall 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 shall prevail.

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.

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 shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.

#### **Article 11**

Voting at the shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

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.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

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 3 percent of the voting rights represented by the total number of outstanding shares of the corporation. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

#### **Article 12**

A shareholder shall 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.

When the company holds a shareholders' meeting, it may allow 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 shall be specified in the notice of shareholders' meeting. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but will waive the rights with respect to the extraordinary motions and 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.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the company before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

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, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is overdue, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend the shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the company's Articles of Incorporation, the passage of a proposal shall 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 shall 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, shall be entered into the MOPS.

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

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

### **Article 13**

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the company, and the voting results shall 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 and supervisors not elected and number of votes they received.

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.

### **Article 14**

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair 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 announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair'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 or supervisors. The minutes shall be retained for the duration of the existence of the company.

### **Article 15**

On the day of a shareholders meeting, the company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or

Taipei Exchange) regulations, the company shall upload the content of such resolution to the MOPS within the prescribed time period.

#### **Article 16**

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

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 shall wear an identification card or armband bearing the word "Proctor."

At the place of the shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the company, the chairman shall stop it.

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.

#### **Article 17**

When the 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.

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 to resume the meeting at another venue.

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

#### **Article 18**

These Rules shall take effect after having been submitted to and approved by the board of directors and shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

#### **Article 19**

The Rules and Procedures are adopted by the Shareholders' Meeting on 24th February 2012.

The first amendment on 7th April 2014, adopted by the Shareholders' Meeting on 7th April 2014.

The second amendment on 11st February 2015, adopted by the Shareholders' Meeting on 6th May 2015.

The third amendment on 12ed February 2020, adopted by the Shareholders' Meeting on 29th April 2020.

The fourth amendment on 9th November 2021, adopted by the Shareholders' Meeting on 25th April 2022.



**E&E Recycling inc.**

**Regulations Governing the Acquisition and Disposal of Assets**

**Chapter 1 General Principles**

**Article 1**

To ensure the protect assets and implement information disclosure, the special processing procedures should be handled in accordance with the prescribed procedures.

**Chapter 2 Basis**

**Article 2**

These Regulations are adopted in accordance with the provisions of Article 36-1 of the “Securities and Exchange Act” and “Regulations Governing the Acquisition and disposal by Public Companies”. However, regulations provide otherwise, such provisions shall govern.

**Chapter 3 The term of assets**

**Article 3**

- 3.1 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.
- 3.2 Real property (including land, houses and buildings, and investment property) and equipment.
- 3.3 Memberships
- 3.4 Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- 3.5 Right-of-use assets.
- 3.6 Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- 3.7 Derivatives.
- 3.8 Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- 3.9 Other major assets.

**Chapter 4 Terms used in these Regulations are defined as follows**

**Article 4 Terms used in these Regulations are defined as follows**

- 4.1 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, or long-term purchase (sales) contracts.
- 4.2 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 therefore (hereinafter "transfer of shares") under Article 156-3 of the Company Act.

- 4.3 Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- 4.4 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.
- 4.5 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 shall apply.
- 4.6 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.

## **Chapter 5 Appraisal report and opinion**

### **Article 5**

- 5.1 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall 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.
- 5.2 When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:
  - (5) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
  - (6) When conducting a case, they shall 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 shall be fully and accurately specified in the case working papers.
  - (7) They shall undertake an item-by-item evaluation of the appropriateness 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.
  - (8) They shall 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 appropriate and reasonable, and that they have complied with applicable laws and regulations.

- 5.3 Those who acquire or dispose of assets through the court auction procedure can replace the valuation report or accountant's opinion with the supporting documents issued by the court

## Chapter 6 Quotas for investing in non-business-use real property and its right-of-use assets and securities

### Article 6.

The amount of non-operating real property and its right-of-use assets and contingent securities acquired by the company and its subsidiaries are determined as follows:

- (1) The total amount of real estate and right-of-use assets not for business use shall not exceed 30% of the net value in the latest financial statement.
- (2) The total amount of investment in long-term and short-term securities shall not exceed 50% of the net value of the latest financial statement.
- (3) The amount invested in individual securities shall not exceed 25% of the net value in the latest financial statement.

## Chapter 7 Procedures for acquiring or disposing of real estate, equipment or the right to use assets

### Article 7

#### 7.1 Evaluation procedure

- (1) Acquisition or disposal of real estate: Refer to the announced current value, appraised value, actual transaction price of adjacent real estate, etc., determine the transaction conditions and transaction price, prepare an analysis report and submit it to the general manager and chairman.
- (2) Acquisition or disposal of equipment or its right-to-use assets: one of the methods of price inquiry, price comparison, price negotiation or bidding shall be chosen.

#### 7.2 Obtaining a Valuation Report or Opinion

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, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall 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 shall be submitted for approval in advance by the board of directors; the same procedure shall 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 shall 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 shall be engaged to render a specific opinion

regarding the reason for the discrepancy and the appropriateness of the transaction price:

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

D. 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.

#### 7.3 Authorization Quota

If the transaction amount is less than NT\$50 million, it should be submitted to the general manager and the chairman for approval and should be reported at the latest meeting of the board of directors; It can only be done after the approval of the board of directors.

#### 7.4 Execution unit

When the company acquires or disposes of real estate, equipment or its right-to-use assets, it shall be submitted for approval in accordance with the approval authority of the preceding paragraph, and the use department and management department shall be responsible for execution.

- 7.5 After the assets are acquired, they should be registered, managed and used in accordance with the provisions of the internal control system "real estate, plant and equipment asset circulation".

## **Chapter 8 Procedures for acquiring or disposing of securities investment**

### **Article 8**

#### 8.1 Evaluation procedure

- (1) The purchase and sale of securities in the centralized trading market or the business premises of securities firms shall be determined by the responsible unit based on market conditions.
- (2) For transactions of securities that are not conducted in a centralized trading market or a securities firm's business premises, the most recent financial statements of the target company that have been audited and certified by an accountant or reviewed should be taken as a reference for evaluating the transaction price, taking into account its net value per share, earnings Profitability and future development potential.

#### 8.2 Obtaining expert opinion

- (1) The company acquiring or disposing of securities shall, 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.
- (2) 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 shall 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).

#### 8.3 Authorization Quota

- (1) If the transaction amount is less than NT\$50 million, it should be submitted to the general manager and the chairman for approval and should be reported at the latest meeting of the board of directors; It can only be done after the approval of the board of directors.
- (2) For each transaction price or transactions with the same counterparty or purchase of the same company's equity and conversion of corporate bonds within a year, if the cumulative transaction amount reaches 20% of the company's actual receipts, an audit must be submitted. It can only be done after the approval of the committee and the approval of the board of directors.

#### 8.4 Execution unit

When the company invests in securities, it shall be submitted for approval in accordance with the approval authority of the preceding paragraph, and the financial unit shall be responsible for the implementation, storage, and follow-up regular evaluation.

### **Chapter 9 Procedures for acquires or disposes of membership or intangible assets or right-of-use assets**

#### **Article 9**

##### 9.1 Evaluation procedure

- (1) When obtaining or disposing of membership, the fair market value of the market should be considered to determine the transaction conditions and transaction prices, and an analysis report should be prepared and submitted to the general manager.
- (2) To acquire or dispose of intangible assets, refer to expert evaluation reports or market fair market prices, determine transaction conditions and transaction prices, prepare analysis reports and submit them to the general manager.

##### 9.2 Obtain appraisal report and expert opinion

- (1) If the company acquires or disposes of membership, intangible assets or right-of-use assets whose transaction amount exceeds NT\$ 10,000,000, an expert should be invited to issue an appraisal report.
- (2) If the company acquires or disposes of membership, intangible assets or right-of-use assets whose transaction amount reaches 20% of the company's paid-in capital or NT\$ 300 million or more, except for transactions with domestic government agencies, Accountants should be contacted to express their opinions on the rationality of the transaction price before the fact occurs, and accountants should follow the provisions of Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation.

##### 9.3 Authorization Quota

If the amount is less than NT\$ 5 million, it should be submitted to the general manager for approval; if it is less than NT\$ 10 million, it should be submitted to the chairman for approval; if it exceeds NT\$10 million, it must be submitted to the audit committee for approval and then approved by the board of directors. You have to do it later.

##### 9.4 Execution unit

When the company obtains or disposes of membership cards or intangible assets, it shall be submitted for approval in accordance with the approval authority of the preceding paragraph, and the use department, finance department or administrative department shall be responsible for execution.

### **Chapter 10 The calculation of the transaction amounts**

#### **Article 10 The calculation of the transaction amounts**

The transaction amount referred to in 7, 8, and 9 shall be handled in accordance with the provisions of 14.2, 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.

## **Chapter 11 Related Party Transactions**

### **Article 11**

#### **11.1 Evaluation procedure**

- (1) The company's acquisition or disposal of assets from related parties shall be handled according to the nature of the assets and the evaluation and operating procedures stipulated in 7, 8, and 9 respectively.
- (2) When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

#### **11.2 Obtain appraisal report and expert opinion**

If the transaction amount reaches more than 10% of the company's total assets, an appraisal report from a professional appraiser or a CPA's opinion shall also be obtained in accordance with 7, 8, and 9.

#### **11.3 Authorization Quota**

- (1) When a public 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 board of directors and recognized by the supervisors:
  - A. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
  - B. The reason for choosing the related party as a transaction counterparty.
  - C. 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 11.4 and Article 11.5.
  - D. 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.
  - E. 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.
  - F. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the Article 11.2.
  - G. Restrictive covenants and other important stipulations associated with the transaction.
- (2) The calculation of the transaction amount shall be handled in accordance with the provisions of 14.2, and the said within one year is based on the date when the transaction occurred as a basis, retroactively calculated for one year, and has been submitted to the audit committee and the board of directors for approval in

accordance with regulations no further crediting.

- (3) When the company engages in the following transactions with subsidiaries that directly or indirectly hold 100% of the issued shares or authorized capital, delegate the board chairman to decide such matters when the transaction is within Article 7.3 and have the decisions subsequently submitted to and ratified by the next board of directors meeting:
  - A. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
  - B. Acquisition or disposal of real property right-of-use assets held for business use.

11.4 evaluate the reasonableness of the transaction costs

- (1) Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:
  - A. 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.
  - B. 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 shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
- (2) 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 Article 11.4(1).
- (3) 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 Article 11.4(1) 、(2) shall also engage a CPA to check the appraisal and render a specific opinion.
- (4) 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 shall be conducted in accordance with Article 11.3(1)~(3), and Article 11.4(1)~(3) do not apply:
  - A. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
  - B. 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.
  - C. 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.
  - D. 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.

- 11.5 When the results of the company's appraisal conducted in accordance with Article 11.4(1)(2) are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 11.7. 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 shall 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:
    - A. Where undeveloped land is appraised in accordance with the means in Article 11.4, 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" shall 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.
    - B. 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.
- 11.6 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.
- 11.7 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 Article 11.4 and 11.5 are uniformly lower than the transaction price, the following steps shall be taken:
- (1) A special reserve shall 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 a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
  - (2) Supervisors shall comply with Article 218 of the Company Act.
  - (3) Actions taken pursuant to Article 11.7(1)(2) shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report



and any investment prospectus.

- 11.8 The public 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.
- 11.9 The company obtains real property or right-of-use assets thereof from a related party, it shall also comply with Article 11.7 and 11.8 if there is other evidence indicating that the acquisition was not an arm's length transaction.

## **Chapter 12 Engaging in Derivatives Trading**

**Article 12 Handled in accordance with the company's procedure "ERS-A4-02-034 Engaging in Derivatives Trading".**

## **Chapter 13 Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares**

### **Article 13 Assessment and Operating Procedures**

- 13.1 When the company handles mergers and consolidations, splits, acquisitions, and assignment of shares, it is advisable to appoint lawyers, accountants, and underwriters to jointly discuss the estimated timetable for statutory procedures, and organize a special case team to implement them in accordance with statutory procedures, prior to convening the board of directors to resolve on the matter, shall 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 public company of 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.
- 13.2 The company participating in a merger, demerger, acquisition, or transfer of shares shall 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 Article 13.1 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 shall not apply.
- 13.3 Where the shareholders meeting of any one of the 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 companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.
- 13.4 The board of directors meeting
- (1) The company participating in a merger, demerger, or acquisition shall 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.

- (2) The company participating in a transfer of shares shall 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.
- 13.5 When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall 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.
- 13.6 When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of 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 article 13.5(1)(2) to the FSC for recordation.
- 13.7 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(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of article 13.5 and 13.6.
- 13.8 Undertaking of confidentiality:

Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall 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.
- 13.9 Principles for the merger, demerger, acquisition, or transfer of shares:

The companies 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 shall 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.

#### 13.10 The contract should contain content

The contract for participation by the company in a merger, demerger, acquisition, or of shares shall record the rights and obligations and shall 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.

#### 13.11 When there is a change in the number of companies involved a merger, demerger, acquisition, or of shares transfers:

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 shall 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.

13.12 Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement and convene board of meeting with the non-public company whereby the latter is required to abide by the provisions of Article 13.4 to Article 13.7, Article 13.8 Undertaking of confidentiality, and Article 13.11 involved a merger, demerger, acquisition, or of shares transfers.

## **Chapter 14 Public Disclosure of Information**

### **Article 14**

- 14.1 Under any of the following circumstances, the company shall publicly announce and report the relevant information in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:
  - (2) 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 shall 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.

- (3) Merger, demerger, acquisition, or transfer of shares.
- (4) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
- (5) 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 reaches NT\$500 million or more.
- (6) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
- (7) Where an asset transaction other than any of those referred to in the preceding six 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 shall not apply to the following circumstances:
  - A. Trading of domestic government bonds.
  - B. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription, or 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.
  - C. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

14.2 The amount of transactions above shall 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.

14.3 "Within the preceding year" as used in the preceding paragraph 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.

#### 14.4 Announcement and declaration procedures

- (1) The company shall announce and declare the relevant information on the M.O.P.S website designated by the Financial Supervisory Commission R.O.C.(Taiwan).
- (2) The company shall 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.
- (3) When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.
- (4) The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.

#### 14.5 Where any of the following circumstances occurs with respect to a transaction that the company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall 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.

#### 14.6 The 10% of total assets stipulated in this Standard shall be calculated based on the total assets in the most recent individual or individual financial report stipulated in the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

### **Chapter 15 Matters to be handled by the subsidiaries of the company**

#### **Article 15 Subsidiaries of the company shall comply with the following regulations:**

- (1) When a subsidiary acquires or disposes of assets, it shall also follow the company's regulations and implement the procedures.
- (2) Subsidiaries shall formulate procedures for the acquisition or disposal of assets in accordance with laws and regulations, and shall be approved by the board of directors of the subsidiaries and submitted to the supervisors of the subsidiaries for review. The same shall apply for amendments.
- (3) If the subsidiary company is not a public offering company, and the acquisition or disposal of assets reaches the announcement reporting standard stipulated in the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies ", the parent company should also handle the announcement reporting matters on behalf of the subsidiary company.
- (4) In the reporting standard of the announcement of the subsidiary company, the requirement of "twenty percent of the company's paid-in capital" or "ten percent of the total assets" refers to the parent (this) company's paid-in capital or The amount of total assets shall prevail.

### **Chapter 16 Penalties**

**Article 16** If the company's employees undertake the acquisition and disposal of assets in violation of the " Regulations Governing the Acquisition and Disposal of Assets by Public Companies " or the provisions of this handling procedure, they will be punished according to the company's employee work rules.

## **Chapter 17 Implementation and revision**

### **Article 17**

17.1 The company's "Regulations Governing the Acquisition and Disposal of Assets" has been approved by the Audit Committee and the Board of Directors, and submitted to the shareholders' meeting for approval. The same is true for amendments. When submitting the "Regulations Governing the Acquisition and Disposal of Assets" to the board of directors for discussion, the opinions of independent directors shall be fully considered, and their objections or reservations shall be recorded in the minutes of the board meeting , the company should also send the director's objection materials to the Audit Committee.

Where an audit committee is established in accordance with laws and regulations, the formulation or amendment of the procedures for acquiring or disposing of assets shall be approved by more than half of all members of the audit committee and submitted to the board of directors for resolution.

If the preceding paragraph is not approved by more than half of all members of the audit committee, it may be implemented with the consent of more than two thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board meeting.

All members of the audit committee referred to in the third paragraph and all directors referred to in the preceding paragraph shall be counted by those actually in office.

17.2 The company's "Regulations Governing the Acquisition and Disposal of Assets" is formulated in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies ". Act in accordance with the law.

### **Formulate**

The Regulations was established on 24th February 2012.

The first amendment on 22nd April 2013

The second amendment on 7th April 2014

23rd April 2003

The third amendment was approved by the board of directors on 6th November 2017, and submitted to the shareholders' meeting on 26th April 2018 for approval.

The fourth amendment was approved by the board of directors on 5th March 2019, and submitted to the shareholders' meeting on 23rd April 2019 for approval.

The fifth amendment was approved by the board of directors on 9th November 2021, and submitted to the shareholders' meeting on 25th April 2022 for approval.

## E&E Recycling Shareholding of Directors

1. As of the book closure date, the paid in capital is TW\$ 380,002,250. The common shares issued 38,000,225 shares.
2. According to the Article 26 of the Securities Exchange Act., the company's legal holding of all directors in number of shares are 3,600,000 shares.
3. As of the book closure date 26<sup>th</sup> February 2023, all board of directors' shareholding are as follows,

Position	Name	Representative	Number of shares	Shareholding %
Chairman	JianChang International Investment Co., Ltd.	Hong Min-Chang	808,000	2.13%
Director	TECO ELECTRIC & MACHINERY CO., LTD.	Peng Chi-tseng	5,098,170	13.42%
Director	Taiwan Sanyo Electric Co.,Ltd.	Li Wen-Feng	2,892,910	7.61%
Director	Johnson Controls-HITACHI air Conditioning Taiwan Co., Ltd CONDITIONING TAIWAN CO., LTD.	Chang Jen-Chang	1,446,455	3.81%
Director	WenTeng International Investment Co., Ltd.	Chen Jian-Run (Note 1)	727,650	1.91%
Independent Director	Tzeng Chuei-Ji		0	0.00%
Independent Director	David Yang		0	0.00%
Independent Director	Roger Yu		0	0.00%
合 計			10,973,185	28.88%

Note 1. The original representative of the legal person director Weneng Investment Co., Ltd. was Mr. Chen Jian-Fu, and on 1<sup>st</sup> May 2023, the representative was reassigned as Mr. Chen Jian-Run.

Note 2. The legal person director PANASONIC TAIWAN CO., LTD. resigned on 26<sup>th</sup> August 2022.