

 直澤科技股份有限公司 CHIEFTEK PRECISION CO.,LTD.	Document Name	Financial transaction methods among conglomerates, specific companies, and related parties	Version	2
	Document No.	3-FI-2-P-001	Pages	1/4
			Date of formulation	2010/10/22
			Date of Revision	2014/12/30
			Document Category	Confidential

Article 1 Purpose:

The company's transactions with group enterprises, specific companies, and related individuals are to be conducted in accordance with these procedures.

Article 2 Scope:

This method applies to the handling of financial and business-related matters between the company and specific companies, group enterprises, and related parties.

Article 3 Definitions:

The definition of specific companies and group enterprise companies (collectively referred to as related companies) is based on government regulations. The definition of related individuals follows the provisions of Article 18 of the Securities Issuer Financial Reporting Standards. Exceptions are made if there are other financial reporting standards set by the regulatory authority.

Article 4 Definition of Specific Companies

A company is considered a "specific company" of the primary company if it meets any of the following conditions:

- (一) Holds more than 20% but less than 50% of the total issued shares of the primary company.
- (二) The company and its directors, supervisors, and shareholders holding more than 10% of the total share capital collectively hold over 30% of the total shares. This includes financial or business dealings in the past, and the shares held by these individuals include those owned by their spouses, minor children, or held under another person's name.
- (三) The primary company's business revenue from the company and its affiliated companies accounts for more than 30% of its total revenue.

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(四) The primary company's main raw materials (constituting more than 30% of the total purchase amount) or main products (accounting for more than 30% of the total business revenue), in terms of quantity or amount, are sourced over 50% from the company and its affiliated companies.

(五) More than 50% of the primary company's total purchase amount comes from the company and its affiliated companies.

Article 5 Definition of Related Persons

An individual or entity is considered a "related party" of the company if any of the following conditions are met:

- (一) Investee companies that are evaluated by the equity method by the company.
- (二) Investment companies that evaluate their investment in the company using the equity method.
- (三) Companies where the Chairman, CEO, or General Manager is the same person as the Chairman, CEO, or General Manager of another company, or they have a spousal or within second-degree consanguineous relationship with each other.
- (四) Foundations that have received donations from the company amounting to more than one-third of their total paid-in capital.
- (五) Directors, supervisors, CEOs, General Managers, and Deputy General Managers of the company.
- (六) Spouses of the company's directors, supervisors, CEO, and General Manager.
- (七) Relatives within the second degree of consanguinity of the company's Chairman, CEO, or General Manager.

However, it is noted that even if one of the above conditions is met, those who can prove they do not have the capacity to exert control or significant influence are not included under these limitations.

Article 6 Definition of Group Enterprises:

An entity is considered a "group enterprise" of the company if it meets any of the

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following conditions:

- (一) It is related as a parent company, subsidiary, or affiliate.
- (二) The company directly or indirectly controls the personnel, finance, or business management of another company; or another company directly or indirectly controls the personnel, finance, or business management of the company.
- (三) The company and another company mutually invest in each other, each holding more than one-third of the other's voting rights shares or total capital, and can directly or indirectly control the other's personnel, finance, or business operations.
- (四) The company and another company have more than half of their directors, supervisors, and general managers in common.
- (五) More than half of the issued voting shares or total capital of the company and another company are held or invested by the same shareholders.
- (六) Another investing company, which is evaluated by the equity method by the company, and its related parties together hold more than half of the company's issued voting shares; or the company and its related parties together hold more than half of the issued voting shares of another investing company evaluated by the equity method.

However, if it can be proven with relevant evidence that there is no control or subordinate relationship, these limitations do not apply.

Article 7 Transactions between the company and specific companies, related parties, or group enterprises include: :

- (一) Purchasing.
- (二) Sales.
- (三) Property transactions and long-term equity investments.
- (四) Financial lending.
- (五) Endorsements and guarantees.
- (六)

Article 8 The guidelines for transactions related to purchasing and selling goods between the company and specific companies, related parties, or group enterprises are as follows:

- (一) Purchasing: Pricing and payment conditions should be set in line with

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general market conditions for suppliers or based on mutual trust principles.

- (二) Sales: Pricing and payment conditions should be set in line with general market conditions for customers or based on mutual trust principles.
- (三) Property transactions and long-term equity investments: Should be handled according to the company's "Asset Acquisition or Disposal Procedures."
- (四) Financial lending: Should be handled according to the company's "Procedures for Lending Funds to Others."
- (五) Endorsements and guarantees: Should be handled according to the company's "Endorsement and Guarantee Procedures."

Article 9 Significant transactions between the company and specific companies, related persons, or group enterprises, except for general purchasing and selling transactions or those governed by relevant laws, should be submitted for approval by the board of directors. If necessary, the chairman may make a decision in advance and subsequently seek ratification at the nearest board of directors meeting.

Article 10 These procedures shall be implemented and announced after approval by the board of directors. The same applies to any revisions.