

Tainergy Tech. Co., Ltd.

Transaction Handling Procedures for Related Parties, Specific Companies, and Group Enterprises

1. Definition of Related Parties: The term "related parties" referred to by the Company is defined in accordance with Financial Accounting Standards Bulletin No. 6, including the following:
 1. Invested companies evaluated by the equity method.
 2. Investors evaluating investments in the Company by the equity method.
 3. Other companies where the Chairman or General Manager of the Company and the Chairman or General Manager of such other companies are the same individuals or have relationships within spouse or second-degree relatives.
 4. Public interest foundations that receive donations from the Company exceeding one-third of their total actual funds received.
 5. Directors, General Managers, Deputy General Managers, Managers, and supervisors directly under the General Manager's department of the Company.
 6. Spouses of directors and general managers of the Company.
 7. Second-degree relatives of the Chairman and General Manager of the Company.
2. Definition of Specific Companies: The term "specific companies" referred to by the Company is defined in accordance with the provisions of Article 10, Paragraph 3, Subparagraph 5 of the Guidelines for Items to Be Recorded in the Annual Report of Public Issuing Companies and Article 9, Paragraph 1, Subparagraph 4, Subitem 3, Sub-subitem 5 of the Guidelines for Items to Be Recorded in the Public Offering Prospectus of Companies Issuing and Offering Securities.
3. Definition of Group Enterprises: The term "group enterprises" referred to by the Company is defined in accordance with the supplementary provisions of the Taiwan Stock Exchange Corporation Limited and the Taipei Exchange Group Enterprises Applying for Listing or OTC Securities Trading Regulations.
4. Types of Transactions Covered: Transactions referred to in these procedures include, but are not limited to, the following:
 1. Purchases.
 2. Sales.
 3. Property transactions.
 4. Leasing and renting of real estate.
 5. Entrusted sales or commission sales and commission payments.
 6. Entrusted processing or commission processing and processing fee payments.
 7. Financial transactions and interest payments.
 8. Endorsements and guarantees.
 9. Others.

5. Transaction Conditions:

1. When purchasing, if there are special circumstances or advantageous conditions different from regular suppliers, a discounted price (cost + 10% to 20%) or payment terms (three months) may be agreed upon reasonably. Otherwise, the price and payment terms should be in line with regular suppliers.
2. When selling, if due to long-term cooperative relationships or other special factors different from regular customers, a discounted price (cost + 10% to 25%) or payment terms (three months) may be agreed upon reasonably. Otherwise, the price and payment terms should be in line with regular customers.
3. Property transactions must comply with the "Procedure for Acquisition or Disposal of Assets."
4. Leasing and renting of real estate must involve reasonable lease agreements, and rent should be calculated based on general market prices.
5. Entrusted sales or commission sales should calculate commissions in line with regular commission agents.
6. Entrusted processing should offer a discounted price (estimated labor cost + 5% to 15%) or payment terms (three months) may be agreed upon reasonably. Otherwise, the price and payment terms should be in line with regular processing factories.
7. Financial transactions should adhere to the "Procedure for Loaning Funds to Others."
8. Endorsements and guarantees should follow the "Endorsement Guarantee Procedure."
9. Other matters should be decided on a case-by-case basis.
6. Each transaction with an amount exceeding NT\$50 million or with an accumulated transaction amount with the same counterparty exceeding NT\$300 million within the same fiscal year, besides complying with the provisions of Article 5, requires approval from the Board of Directors. In cases of business necessity, the Chairman may be authorized to approve transactions, which will subsequently be ratified by the Board of Directors.
7. Directors with conflicts of interest should abstain from voting during transactions discussed at board meetings.
8. Significant property transactions, endorsements and guarantees, and financial transactions with related parties, specific companies, or group enterprises shall be handled according to relevant regulations in addition to these procedures.
9. The Company shall maintain independence in its dealings with related parties, specific companies, and group enterprises. Transactions among related parties, specific companies, and group enterprises must not violate norms to prevent conflicts of interest.
10. The Audit Committee has the authority to investigate the existence of related parties, specific companies, and group enterprises and conduct audit procedures at any time concerning transactions with the following:
 1. Whether transaction amounts and conditions for purchases, sales, and property are the same as those with non-related parties, specific companies, and group enterprises. If different, whether such differences are reasonable.

2. Whether related party transactions have appropriate approval. If there are limits set, whether transaction amounts fall within the approved limits.
 3. Whether disclosures required by regulations in financial reports related to related party transactions and other necessary disclosures are consistent with the accounts.
 4. When conducting audits under this clause, the Audit Committee may assign internal auditors of the Company or engage external auditors to audit the financial statements. In cases of violations or anomalies, the Audit Committee shall inform the Board of Directors for explanation and necessary improvements.
11. These procedures shall be implemented upon approval by the Chairman and submission to and approval by the Board of Directors. Amendments shall follow the same procedure.
12. These procedures were established on April 7, 2010.
1st amendment made on March 24, 2017.

Chairman:

(Vice) General Manager:

Responsible Dep.: Finance and Accounting Dep.