

SynPower Co., Ltd.

Rules for Financial and Business Operations Among Related Parties

Approved at the Board of Directors on held on August 5, 2025

Article 1 To enhance the soundness of the Company's financial and business dealings with related parties, and to prevent irregular transactions or improper transfers of benefits in related-party transactions such as purchases and sales of goods, acquisition or disposal of assets, provision of endorsements or guarantees, and lending of funds, these Rules are hereby established in accordance with Article 17 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies to ensure compliance.

Article 2 Except as otherwise provided by laws, regulations, or the Company's Articles of Incorporation, all financial and business dealings between the Company and related parties shall be conducted in accordance with the provisions of these Rules.

Article 3 The term "related party" as used in these Rules shall be identified in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The term "related enterprises" as used in these Rules refers to enterprises that independently exist and have any of the following relationships in accordance with Article 369-1 of the Company Act:

1. Companies with control and subsidiary relationships.
2. Companies with mutual investment.

When determining the control and subsidiary relationships mentioned above, consideration shall be given not only to the legal form but also to the substantive relationship.

Article 4 The Company shall consider its overall operational activities and establish effective internal control systems for related-party transactions (including those with related enterprises). These systems shall be regularly reviewed to respond to changes in the internal and external environment, ensuring the continuous effectiveness of their design and implementation.

The Company shall, taking into account the laws and regulations of the jurisdictions where its subsidiaries operate and the actual nature of their operations, supervise subsidiaries in establishing effective internal control systems. For related parties that are non-public companies, the Company

shall still consider their impact on its financial and business activities and require them to establish effective internal control systems along with financial, business, and accounting management systems.

Article 5 In addition to executing relevant internal control systems, the Company shall pay attention to the following matters in supervising the management of related enterprises:

1. The Company shall obtain appropriate board of directors and supervisor seats in related enterprises in proportion to its shareholding.
2. Directors appointed by the Company to related enterprises shall regularly attend the related enterprises' board meetings, where management shall report on corporate objectives and strategies, financial condition, operating results, cash flows, significant contracts, etc., to supervise the operations of the related enterprises. Any abnormal matters shall be investigated, recorded, and reported to the Chairman or General Manager of the Company.
3. Supervisors appointed by the Company to related enterprises shall oversee the execution of business operations, investigate financial and business conditions, review books, documents, and audit reports, and may request reports from the board of directors or managers of the related enterprises. Any abnormalities shall be investigated, recorded, and reported to the Chairman or General Manager of the Company.
4. The Company shall appoint qualified personnel to key positions in related enterprises, such as General Manager, Chief Financial Officer, or Chief Internal Auditor, to assume responsibilities for management, decision-making, supervision, and evaluation.
5. The Company shall guide subsidiaries to establish internal audit units and formulate procedures and methods for self-inspection of internal control systems based on their business nature, scale of operations, and number of employees.
6. Internal auditors of the Company shall, in addition to reviewing audit reports or self-inspection reports submitted by subsidiaries, conduct regular or ad hoc audits of subsidiaries. Findings and recommendations shall be reported, subsidiaries shall be notified to implement improvements, and follow-up reports shall be regularly prepared to

ensure timely corrective actions.

7. Subsidiaries shall regularly submit monthly financial statements, including but not limited to balance sheets, income statements, detailed expense reports, cash receipts and disbursements forecasts, accounts receivable aging analyses and overdue accounts details, inventory aging analyses, monthly reports on loans and guarantees extended to others, etc. Any abnormalities should be accompanied by analysis reports for the Company's control purposes. Other related enterprises shall also regularly provide quarterly financial statements, including balance sheets and income statements, for the Company's analysis and review.

Article 6 Managers of the Company shall not concurrently serve as managers of related enterprises, nor shall they engage in or operate businesses similar to those of the Company either independently or jointly with others, except when authorized by resolution of the Board of Directors. The personnel management responsibilities between the Company and related enterprises shall be clearly delineated, and the mutual transfer of personnel shall be avoided. However, if support and personnel transfers are necessary, the scope of work, responsibilities, and cost-sharing arrangements shall be regulated in advance.

Article 7 The Company shall establish effective financial and business communication systems with related enterprises and regularly conduct comprehensive risk assessments on banks, major customers, and suppliers involved in transactions to mitigate credit risks. For related enterprises with financial and business dealings, the Company shall maintain continuous oversight of their significant financial and business matters to ensure effective risk control.

Article 8 Loans of funds or provision of endorsements and guarantees between the Company and related parties shall be conducted in accordance with the Company's established Procedures for Lending Funds to Others and Procedures for Endorsements and Guarantees.

Article 9 Business dealings between the Company and related parties shall clearly stipulate pricing terms and payment methods. The purpose, price, terms, substance and form of the transaction, as well as related handling procedures,

shall not be evidently disproportionate or unreasonable compared to normal transactions with unrelated parties.

When procuring finished goods, semi-finished goods, or raw materials from related parties due to business needs, purchasing personnel shall comprehensively evaluate the reasonableness of related parties' quotations based on market prices and other transaction conditions. Except for special factors or superior conditions different from general suppliers, reasonable discounts on price or payment terms may be granted; otherwise, prices and payment terms shall be consistent with those of general suppliers.

When selling finished goods, semi-finished goods, or raw materials to related parties, quotations shall refer to current market prices. Except for long-term cooperative relationships or other special factors different from general customers, reasonable discounts on price or collection terms may be granted; otherwise, prices and collection terms shall be consistent with those of general customers.

Labor or technical services between the Company and related parties shall be governed by contracts signed by both parties, stipulating the service content, service fees, duration, payment terms, after-sales service, and other relevant matters. Such contracts shall be approved by the General Manager or Chairman, and all terms of the contract shall conform to general commercial practices.

Accounting personnel of the Company and related parties shall reconcile the balances of purchases, sales, accounts receivable, and accounts payable between each other for the previous month before the end of each month.

Any discrepancies shall be investigated and adjustment statements prepared.

Article 9-1 For the Company's purchases and sales of goods, and provision of labor or technical services with related parties, if the expected total annual transaction amount reaches five percent of the Company's most recent consolidated total assets or most recent consolidated net operating revenue, except when subject to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies or transactions between the Company and its subsidiaries or among subsidiaries themselves, the following information shall be submitted to the Board of Directors for approval before the transaction may proceed:

1. The items, purpose, necessity, and expected benefits of the transaction.
2. The reasons for selecting the related party as the transaction counterparty.
3. The principles for calculating the transaction price and the upper limit of the expected total annual transaction amount.
4. A statement confirming whether the transaction terms conform to normal commercial terms and do not harm the Company's interests and shareholders' rights and interests, as well as any restrictions and other important agreements related to the transaction.

Transactions with related parties as described above shall be reported to the most recent shareholders' meeting after the end of the fiscal year, including the following items:

1. The actual transaction amounts and terms.
2. Whether the transactions were conducted in accordance with the transaction price calculation principles approved by the Board of Directors.
3. Whether the total annual transaction amount did not exceed the limit approved by the Board of Directors. If the transaction amount exceeded the limit, an explanation of the reasons, necessity, and rationality shall be provided.

Article 10 Asset transactions, derivative product transactions, mergers, divisions, acquisitions, or share transfers between the Company and related parties shall be conducted in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and the Company's established procedures for asset acquisition and disposal.

When acquiring or disposing of securities from or to related parties, or acquiring securities issued by related enterprises, the most recent financial statements of the target company, audited or reviewed by certified public accountants, shall be obtained prior to the transaction date as a reference for evaluating the transaction price. Furthermore, if the transaction amount reaches twenty percent of the Company's paid-in capital, ten percent of total assets, or exceeds NT\$300 million, the Company shall seek an opinion from a certified public accountant on the reasonableness of the transaction price prior to the transaction date. However, this requirement does not apply if the

securities have an active market with publicly quoted prices or if otherwise stipulated by the Financial Supervisory Commission.

For acquisitions or disposals of intangible assets, usage rights, or membership certificates with related parties, if the transaction amount reaches twenty percent of the Company's paid-in capital, ten percent of total assets, or exceeds NT\$300 million, the Company shall also obtain a certified public accountant's opinion on the reasonableness of the transaction price prior to the transaction date.

Article 11 When the Company acquires or disposes of real estate or its usage rights assets from or to related parties, or acquires or disposes of other assets (excluding trading in government bonds, bonds with repurchase agreements, and subscriptions or repurchases of domestic securities investment trust money market funds) where the transaction amount reaches twenty percent of the Company's paid-in capital, ten percent of total assets, or NT\$300 million or more, the following information shall be submitted to the Audit Committee for approval by at least half of all members, and then approved by the Board of Directors before signing the transaction contract and making payment:

1. A professional appraisal report or accountant's opinion as required by regulations.
2. The purpose, necessity, and expected benefits of acquiring or disposing of the assets.
3. The reasons for selecting the related party as the transaction counterparty.
4. Relevant information assessing the reasonableness of the proposed transaction terms for acquiring real estate from related parties in accordance with Articles 16 and 17 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."
5. The original acquisition date and price of the related party, the transaction counterparty, and their relationship with the Company and the related party.
6. Cash flow forecasts for each month of the upcoming year starting from the expected contract month, along with an assessment of the necessity of the transaction and the reasonableness of fund usage.

7. Any restrictive conditions and other important agreements related to the transaction.
8. An opinion from a certified public accountant regarding whether the related party transaction conforms to general commercial terms and does not harm the interests of the Company and its minority shareholders.

For transactions involving real estate, equipment, or usage rights assets where the transaction amount reaches twenty percent of the Company's paid-in capital, ten percent of total assets, or NT\$300 million or more, a professional appraisal report shall be obtained. If the appraisal value differs from the transaction amount by more than twenty percent, the Company shall also seek a certified public accountant's specific opinion on the reasons for the difference and the appropriateness of the transaction price. In such cases, the Board of Directors meeting shall be attended by at least two-thirds of all directors, and the resolution shall be passed by a majority of the attending directors.

If the actual transaction price for acquiring real estate or usage rights assets from related parties is higher than the appraised value and objective evidence along with concrete and reasonable opinions from professional appraisers and accountants cannot be provided, the Board of Directors shall fully evaluate whether the transaction harms the Company's and shareholders' interests. If necessary, the transaction should be rejected. The Audit Committee shall exercise its supervisory authority and notify the Board of Directors to cease the transaction if necessary.

If the Audit Committee and the Board of Directors approve such transactions, the Company shall allocate the difference between the transaction price and the appraised value to a special reserve, which shall not be distributed or capitalized for share issuance. The Company shall also report the handling of the transaction to the shareholders' meeting and disclose detailed transaction information in the annual report and prospectus. If related party transactions involve any of the following, despite Board approval, the above-mentioned information shall still be submitted to the shareholders' meeting for resolution, and shareholders with a personal interest shall not participate in the vote:

1. The Company or its non-publicly listed subsidiaries have transactions as described above, and the transaction amount reaches ten percent or more of the Company's total assets.
2. Transactions with significant impact on the Company's operations or shareholders' interests as stipulated by the Company Act, Articles of Incorporation, or internal operating procedures.

For related party transactions as described above, the Company shall report the actual transaction details (including actual transaction amounts, terms, and the information listed in the first paragraph) to the most recent shareholders' meeting after the end of the fiscal year.

Article 12 When financial or business transactions with related parties require Board of Directors' resolution, the opinions of independent directors shall be fully considered, and their explicit agreement or objection along with reasons for objection shall be recorded in the Board meeting minutes.

Directors who have a conflict of interest with the matter under discussion, either personally or representing a legal entity, and whose participation may harm the Company's interests, shall voluntarily recuse themselves and shall not participate in discussion or voting, nor may they exercise their voting rights on behalf of other directors. Directors shall exercise self-discipline and refrain from improper mutual support.

Spouses, blood relatives within the second degree, or companies controlled or subordinated by the director shall be deemed to have a conflict of interest with respect to the matters discussed in the meetings mentioned above.

If independent directors find that the Board or any director violates laws, the Articles of Incorporation, or resolutions of the shareholders' meeting in performing their duties, they shall immediately notify the Board or directors to cease such actions, take appropriate measures to prevent further misconduct, and, if necessary, report the matter to relevant authorities or agencies.

Article 13 The Company shall, in accordance with legal requirements regarding the announcement or reporting of relevant matters and their deadlines, timely arrange for subsidiaries to provide necessary financial and business information, or commission certified public accountants to audit or review the subsidiaries' financial reports.

The Company shall announce the consolidated balance sheets, consolidated comprehensive income statements, and CPA review reports of related enterprises within the statutory annual financial report filing deadlines. If there are changes in related enterprises, such changes shall be reported to the Taiwan Stock Exchange within two days of occurrence.

Material transactions between the Company and related parties shall be fully disclosed in the annual report, financial statements, related enterprise documents, and prospectuses.

If related parties experience financial difficulties, the Company shall obtain their financial statements and relevant information to assess the impact on the Company's financial condition, business, or operations. When necessary, appropriate safeguards shall be taken to protect the Company's claims. In such cases, in addition to disclosing the impact on the Company's financial status in the annual report and prospectus, the Company shall promptly release material information through the Market Observation Post System.

Article 14 When the Company's related enterprises encounter any of the following situations, the Company shall act on their behalf to announce and report the relevant information:

1. Subsidiaries whose shares are not publicly issued domestically, where the amount involved in asset acquisitions or disposals, endorsements and guarantees, or loans to others reaches the threshold for announcement and reporting.
2. Subsidiaries undergoing bankruptcy or reorganization procedures in accordance with relevant laws.
3. Major decisions resolved by the board of directors of related enterprises that significantly affect the shareholders' rights or securities prices of the Company.
4. Subsidiaries of the Company that have material information subject to disclosure according to the "Taiwan Stock Exchange Corporation's Procedures for Verification and Public Disclosure of Material Information by Listed Companies."

Article 15 These Rules shall take effect upon approval by the Board of Directors and shall likewise apply to any amendments.