

Fortune Information Systems Corp.
**Operating Procedures for Transactions with Related Parties,
Specific Companies, and Group Enterprises**

Adopted on November 16, 1998
First amended on June 18, 2010
Second amended on December 30, 2021
Third amended on March 24, 2023

Article 1: This procedure is established to ensure that the financial and business transactions between the Company, related parties, specific companies, and group enterprises adhere to normal trading practices and commercial conduct.

Article 2: In this operating procedure, "related parties" shall be defined in accordance with the Financial Report Preparation Guidelines for Securities Issuers.

"Related enterprises" as referred to in this operating procedure shall mean enterprises that independently exist and have the following relationships with each other in accordance with Article 369-1 of the Company Act:

1. Companies with control and subsidiary relationships.
2. Companies with mutual investments. When determining the control and subsidiary relationships as defined in the preceding paragraph, attention should be paid to their substantive relationships, in addition to their legal form.

Article 3: In this operating procedure, "specific companies" shall be defined as per the third paragraph of Article 3 of the Regulations Governing the Appointment of Independent Directors and Matters for Compliance by Public Companies.

Article 4: In this operating procedure, "group enterprises" shall be defined in accordance with the Supplementary Provisions of Article 6 of the Review Rules for Listing Securities of the Taiwan Stock Exchange Corporation.

Article 5: The Company must make appropriate disclosures concerning significant transactions with related parties, specific companies, and group enterprises, including transaction details, outcomes, and any other relevant information that aids in understanding the impact on the financial statements.

Article 6: When preparing financial reports, the Company shall separately disclose each transaction amount or balance as required in Article 5. If any transaction exceeds ten percent of the total of all such transactions for the period, it shall be listed separately; others may be summarized collectively.

Article 7: The financial transactions between the Company, related parties, specific companies, and group enterprises are governed as follows:

1. Financial Assistance: According to the "Procedure for Providing Funds to Others," the Company may provide financial assistance to related enterprises with which it has business dealings up to a certain limit.
2. Endorsements and Guarantees: If necessary for business purposes, endorsements and guarantees shall be provided in accordance with the "Endorsement and Guarantee Procedures."

Article 8: The business transactions between the Company and related parties, specific companies, and group enterprises shall follow the following guidelines:

1. Sales and Purchases: Sales and purchases shall adhere to the relevant procedures within the Company's internal control system for the sales and procurement cycle.
2. Long-term Equity Investments and Asset Transactions: Transactions related to long-term equity investments and asset acquisitions or disposals shall be handled in accordance with the "Procedure for Acquiring or Disposing of Assets."
3. Leasing or Rental of Real Estate: Leasing or renting of real estate shall be conducted following the procedures outlined in the "Procedure for Acquiring or Disposing of Assets," and reasonable lease agreements shall be established.
4. Services and Technical Services: Services or technical services between the

parties shall be governed by contracts outlining service details, service fees, duration, payment terms, and after-sales services. These contracts shall be processed following approval by the responsible authorities, as per the Authority and Responsibility Table. All terms of such contracts should adhere to common commercial practices.

5. Reconciliation of Transactions: Both parties shall reconcile outstanding balances for sales, purchases, and accounts receivable and payable by the end of each month. Any differences shall be investigated, and reconciliation statements shall be prepared.

Article 8-1: When the Company engages in sales, purchases, or transactions for services or technical services with related parties, and the estimated annual transaction amount is equal to or exceeds five percent of the Company's most recent consolidated total assets or net revenue for the latest fiscal year, the following information shall be submitted to the Board of Directors for approval before such transactions can proceed. However, this requirement does not apply to transactions between the Company and its subsidiaries or transactions with related parties of both the Company and its subsidiaries:

1. The nature, purpose, necessity, and anticipated benefits of the transaction.
2. The reasons for selecting a related party as the counterparty.
3. The pricing calculation principles and the maximum estimated annual transaction amount.
4. An explanation of whether the transaction terms are in accordance with normal commercial terms and do not harm the interests of the Company and the shareholders.
5. Any restrictions or other significant terms and conditions of the transaction.

Transactions with related parties as described above shall have the following details reported to the most recent shareholder meeting after the end of the fiscal year:

1. The actual transaction amounts and terms.
2. Whether the transactions were conducted in accordance with the pricing calculation principles approved by the Board of Directors.
3. Whether the annual transaction amount exceeded the limit approved by the Board

of Directors. If it exceeded the limit, the reasons, necessity, and reasonableness shall be explained.

Article 9: Transactions between the Company and its subsidiaries shall be conducted according to the following guidelines:

1. Transactions involving fixed assets shall be carried out following the Company's "Asset Acquisition or Disposition Procedures."
2. General business transactions:

Transaction Types	Transfer Pricing
1. The sale of the company's goods to its subsidiary. 2. The subsidiary selling goods to the company. 3. Other service items.	<p>The price of the goods is determined based on costs, market competition, and other transaction conditions, taking into account reasonable profit, and is agreed upon by both parties.</p> <p>The price of the goods is determined by considering costs, market competition, and other transaction conditions, comprehensively evaluating the reasonableness of the quotation, and is agreed upon by both parties.</p> <p>The price is calculated based on estimated costs and taking into account a reasonable profit.</p>

3. Pricing Policy for Transactions:

- (1) Agency Products: Priced as if quoted to regular distributors.
- (2) Agency Purchased Goods: Special conditions (such as original manufacturer certification and qualifications) for purchasing on behalf and reselling to the subsidiary may not include a profit margin.
- (3) Maintenance Parts: Reselling maintenance parts to the subsidiary may not include a profit margin.
- (4) Labor support and other labor services are priced based on hourly labor rate

* wage rate * 5%.

(5) For all other transactions (including transfers), pricing will be discussed on a case-by-case basis, with a profit margin ranging from 0% to 5%.

Article 10: Payment Terms for Transactions between the Company and Subsidiaries

1. Subsidiaries may apply for a credit limit. Once the credit limit is approved by the Company and included in the business credit limit management, any amounts exceeding the credit limit must be settled in cash. Failure to do so will result in no delivery. The payment terms for subsidiary accounts are typically net 60 days.

2. The decision-making authority for subsidiary credit limits follows the Company's sales cycle regulations.

3. The accounts receivable and payable between the parent and subsidiary companies may be settled on a net basis.

Article 11: This operating procedure shall be implemented after approval by the Board of Directors and shall also be subject to amendments as approved by the Board of Directors.