

## **WNC Corporation**

### **Related Party Transaction Management Procedures**

#### **Article 1: Purpose**

These regulations are established to provide an operational procedure for matters concerning related party transactions.

#### **Article 2: Definitions**

A related party as mentioned herein is defined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS). To determine whether a party is a related party, attention shall be directed to the substance of the relationship in addition to the legal form. However, related parties that meet any of the following criteria shall be deemed to have a substantive related party relationship unless it can be established that no control, joint control, or significant influence exists.

1. An affiliated enterprise within the meaning given in Chapter VI-I of the Company Act, and any of its directors, supervisors, and managerial officers.
2. A company or institution governed by the same general management office as WNC Corporation (WNC), and any of its directors, supervisors, and managerial officers.
3. A person holding the position of manager or higher in the general management office.
4. A company or institution shown as an affiliated enterprise in the issuer's publications or public announcements.

#### **Article 3: Maintenance of Related Parties List**

The financial unit shall establish a list of related parties and regularly review whether there are any additions or reductions to be made to said list.

#### **Article 4: Transaction Types**

Transactions between WNC and related parties include:

1. Purchases or sales of goods;
2. Purchases or sales of property and other assets;
3. Provision or receiving of labor services;
4. Leases;
5. Transfers of research and development;
6. Transfers under license agreements;
7. Transfers under financial agreements;
8. Provision of guarantees or collateral;
9. Commitment to do something if a particular event occurs or does not occur in the future, including executory contracts;

10. Settlement of liabilities on behalf of the entity or by the entity on behalf of a related party; and
11. Others.

#### Article 5: Transaction Management

1. Handling of sales and purchase orders and management of accounts receivable and payable incurred by sales or purchases need to be conducted in accordance with relevant internal regulations.
2. Price terms and payment methods shall be expressly stipulated for any business interaction between WNC and its related parties. The purpose, price, and terms of a transaction, and its formal and substantive nature and related processing procedures, shall not be significantly unfair or unreasonably different from normal transactions with unrelated parties.
3. For purchases and sales of goods between WNC and its related parties due to business needs, preferential prices or payment terms may be agreed upon based on reasonableness under special circumstances, or when there are advantageous conditions that differ from general suppliers. Otherwise, prices and payment terms shall be compared to those of general suppliers.
4. For provision or receiving of labor or technical services between WNC and a related party, an agreement shall be entered into by both parties. The content, price, and duration of the service, the payment terms and aftersales services should be expressly stipulated in the agreement, which will take effect after being approved by the CEO or Chairman. Provisions in the agreement shall comply with common business practices and related internal regulations.
5. Conflict of interests shall be avoided during the signing of related party transaction agreements.
6. At the end of each month, the accounting personnel of WNC and its related parties shall perform cross checks of the purchases and sales of goods between them in the preceding month and the related balances of accounts payable and receivable. If any discrepancies are found, accounting personnel shall identify the cause and prepare a reconciliation statement.
7. Except for transactions subject to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, and transactions between WNC and its parent company or between its subsidiaries, the purchases or sales transactions and provision of labor or technical services between WNC and its related parties, of which the amount for the whole year are expected to reach 10 percent of WNC's net operating revenue in the latest financial statements, cannot be carried out until the following information is approved by WNC's Board of Directors:
  - (1) The project, purpose, necessity and expected benefits of the transaction;

- (2) Reasons for selecting the related party as the transaction partner;
- (3) The principle of determining the transaction price and the expected maximum amount of transactions for the whole year;
- (4) The transaction conditions conform to normal commercial terms and do not harm the interests of WNC and its shareholders; and
- (5) Transaction restrictions and other important agreements.

For transactions with related parties referred to in the preceding paragraph, the following matters need to be reported to WNC's first shareholders' meeting after the end of the year:

- (1) The actual transaction amount and conditions;
- (2) The transaction price was determined according to the principle approved by the Board of Directors; and
- (3) The maximum amount of transactions for the whole year approved by the Board of Directors has not been exceeded. If the transaction amount has been exceeded, the reasons, necessity and rationality shall be explained.

8. Any asset transactions, derivative trading, merger, demerger, acquisition, or share transfer between WNC and its related parties shall be conducted in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and the procedures for acquisition and disposal of assets prescribed by WNC.

For any transactions between WNC and its related parties subject to Article 12, paragraph 1 of WNC's procedures for acquisition and disposal of assets, the actual transaction information, including the actual transaction amount and conditions and all information specified in Article 12, paragraph 1, shall be reported to the latest shareholders' meeting after the end of the year. However, transactions between WNC and its subsidiaries or between subsidiaries are excluded.

9. Endorsements or guarantees between WNC and its related parties shall be conducted in accordance with the provisions of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies and with WNC's procedures for endorsements or guarantees.
10. Financial transactions between WNC and its related parties shall be conducted in accordance with the provisions of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies and with WNC's loaning procedures.
11. With regard to business or financial interactions between WNC and its related parties that require a resolution of the board of directors, full consideration shall be given to each independent director's opinions. Specific opinions by independent directors expressing assent or dissent, and the reasons for dissent, shall be included in the minutes of board meetings.
12. When a director is an interested party with respect to a particular agenda item and which

may have a harmful effect on WNC's interests, the director shall recuse himself or herself and may neither vote on that item nor exercise voting rights as a proxy for another director.

13. When WNC has significant transactions with related parties, WNC shall fully disclose related information in the notes of its financial statements in accordance with IAS 24.

Article 6: Any other matters not covered by these regulations should be conducted in accordance with WNC's internal control system and related regulations.

Article 7: Implementation and revision

1. These regulations are implemented after approval by the Board of Directors. The same applies to any amendments.
2. These regulations were established on March 23, 2006.  
The first amendment was approved on August 18, 2010.  
The second amendment was made on March 16, 2011 and took effect after the general shareholders' meeting of the year.  
The third amendment was approved on March 20, 2013.  
The fourth amendment was approved on December 20, 2023.