

Alpha Networks Inc.

Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises

Article 1

To ensure sound financial and business interactions between Alpha Networks Inc. ("the Company") and its affiliated enterprises and to prevent non arm's-length transactions and improper channeling of interests with respect to the purchase and sale of goods, the acquisition and disposal of assets, the provision of endorsements and guarantees, and loans of funds between the Company and its affiliated enterprises, these Rules are adopted pursuant to Article 17 of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies".

Article 2

Except as otherwise provided by law and regulation or by the "Articles of Incorporation", financial and business matters between this Corporation and any of its affiliated enterprises shall be handled in accordance with the provisions of these Rules.

Article 3

The term "affiliated enterprise" as used herein means an enterprise that, in accordance with Article 369-1 of the Company Act, exists independently and has either of the following relationships with this Corporation:

- (1) A relationship of control or subordination.
- (2) A relationship of mutual investment. In determining whether a relationship of control or subordination under the preceding subparagraph exists, the substance of the relationship shall be considered in addition to the legal form.

Article 4

The Company shall establish an effective internal control system in regard to its own and its affiliated enterprises' overall operational activities, and shall continue to review the system in order to adapt to changes in the internal and external environment and ensure that the system's design and operation remain effective.

The Company shall ensure that any subsidiary develops an effective internal control system, taking into account the laws and regulations of the jurisdiction in which the subsidiary is located and the nature of its operations. For any affiliated enterprise that is not a public company, the Company shall still, in consideration of the degree of influence it has on the Company's business and finances, require that it develop effective systems for internal control and for managing financial, business, and accounting matters.

Article 5

In addition to implementing the adopted internal control system, the Company shall pay close attention to the following matters when exercising supervision over the operation and management of its affiliated enterprises :

- (1) The Company shall assign competent person to be the director or supervisor of the affiliated enterprise. For any irregularity that may be found, the director or supervisor assigned to the affiliate shall report to the chairperson or general manager of the Company.
- (2) The Company shall assign competent personnel to assume important positions at its affiliated enterprise, such general manager, financial officer, or internal audit officer, in order to assume the duties and responsibilities of management, decision-making, and supervision and evaluation.
- (3) The Company, in consideration of the type of business, scale of operations, and number of personnel of a subsidiary, shall instruct the subsidiary in the procedures and methods for establishing an internal audit unit and adopting internal control system self-inspection operations.
- (4) In addition to reviewing the audit reports or self-inspection reports submitted by each subsidiary, the internal audit personnel of the Company must also carry out audits of the subsidiaries on a scheduled or unscheduled basis. After audit findings and recommendations have been presented, they shall instruct the audited subsidiaries to make any necessary corrections, and shall prepare follow-up reports on a regular basis to ensure that the subsidiaries have taken appropriate corrective measures in a timely manner.
- (5) Subsidiaries of the Company shall regularly submit financial statements regularly, including but not limit to balance sheets, income statements and monthly endorsements/guarantees report. In the event of irregularities, analysis reports shall also be submitted to allow management and control by the Company. For subsidiaries that has public offering, can submit the consolidate financial report to the Company instead of aforementioned reports.

Article 6

The Company shall establish an effective system of communication with each affiliated enterprise with respect to financial and business matters, and to mitigate credit risks, shall regularly conduct comprehensive risk assessments of their banks, principal clients, and suppliers.

With respect to an affiliated enterprise with which it has financial and business interactions, the Company shall especially maintain close control over material financial and business items for the purpose of risk management.

Article 7

Any loans or endorsements/guarantees between the Company and an affiliated enterprise shall be carefully assessed and carried out in compliance with the provisions of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and with the procedures prescribed by the Company regarding loans to others and provision of endorsements/guarantees.

With respect to the provision of loans, endorsements, or guarantees between the Company and an affiliated enterprise, the matters set out below shall be closely reviewed, and results of the assessment submitted to the board of directors.

Article 8

For professional or technical services provided between the Company and an affiliated enterprise, both parties shall enter into a contract stipulating the scope of the services, fees charged, time period, payment terms, and after-sales service. The contract shall be implemented after approval by the general manager or the chairperson of the Company, and all contract terms and conditions shall comply with normal business practice.

The accounting personnel of both the Company and its affiliated enterprises shall perform cross checks of the purchases and sales of goods between them for 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.

Article 8-1

For the sales/purchases, professional or technical services provided between the Company and an affiliated enterprise, if the estimated annual transaction amount reaches or over 50% of the consolidated total assets or operating income of the Company's latest financial report, in addition to comply with the provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", or if it is a transaction between the Company and its parent company, subsidiaries, the following information shall be submitted to the Board of Directors for approval before the transaction can be carried out.

1. The item, purpose, necessity and expected benefits of the transaction.
2. Reasons for selecting a related party as a counterparty.
3. The principle of transaction price calculation and the maximum estimated transaction amount for the whole year.
4. An explanation of whether the transaction terms and conditions shall comply with normal business practice and do not harm the rights and interests of the Company and shareholders.
5. Transaction restrictions and other important matters.

For related party transactions approved by the Board of Directors as described in the preceding paragraph, the following matters shall be reported to the latest shareholders' meeting after the end of the year:

1. Actual transaction amount and conditions.
2. Whether it is comply with the principle of transaction price calculation approved by the board of directors.
3. Whether the annual transaction amount limit approved by the board of directors has not been exceeded. If the transaction amount limit has been exceeded, the reason, necessity and reasonableness should be explained.

Article 9

Any asset transaction, derivative trading, merger, corporate spin-off, acquisition, or share transfer between the Company and an affiliated enterprise 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 the Company.

In accordance with the transactions in Paragraph 2 of Article 10 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", the company shall update the actual transaction situation (including the actual price and terms of the transaction, and the information described in the subparagraphs of

the two paragraph) should be reported at the next shareholders' meeting after the end of a year. However, this restriction does not apply to transactions between the public company and its parent company or subsidiaries or between its subsidiaries.

The Company has a transaction with a related party to acquire or dispose of real estate, equipment or their right to use assets as mentioned in the preceding paragraph. If the discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount, this Corporation shall additionally request a CPA to provide a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price, and it shall be approved by a majority of the directors in attendance at a board of directors meeting attended by two-thirds or more of the directors.

Article 10

With respect to any financial or business interaction between the Company and any affiliated enterprise that requires a resolution of the board of directors, full consideration shall be given to each independent director's opinion. Specific opinions by independent directors expressing assent or dissent, and the reasons for dissent, shall be included in the minutes of board meetings.

Article 11

The Company, in compliance with the requirements of laws and regulations regarding matters that must be publicly disclosed or filed and the deadlines for so doing, shall make timely arrangements for the provision by each subsidiary of required financial and business information, or to retain CPAs to audit or review the financial reports of each subsidiary.

Article 12

When any of the following circumstances applies to an affiliated enterprise, this Corporation shall make a public disclosure and regulatory filing on its behalf:

- (1) For a subsidiary whose shares have not been publicly issued domestically, the dollar amount of the subsidiary's acquisition or disposal of assets, endorsements or guarantees for others, and loans of funds to others meets the criteria for public disclosure and regulatory filing.
- (2) The subsidiary makes investments in the mainland area.
- (3) The parent or the subsidiary undergoes bankruptcy or reorganization proceedings pursuant to applicable laws and regulations.
- (4) A major policy is adopted by resolution of the affiliated enterprise's board of directors that has a material effect on the rights and interests of the shareholders or the securities prices of this Corporation.

Article 13

These Rules and any amendments hereto shall be implemented after adoption by the board of directors.

These Rules were enacted on July 28th, 2023

The 1st amendment was made on July 26th, 2024