

Better Life Group Co., Ltd.
Operational Procedures for Loaning Funds to Others and
Endorsements/Guarantees (Before Amendments)

Approved by the shareholders' meeting on June 27, 2025

Article 1: Purpose

These Operational Procedures are established to enhance financial management for intercompany lending and endorsements/guarantees and to reduce operational risk.

Article 2: Basis

These Operational Procedures are formulated in accordance with the Company Act and relevant regulations of the Financial Supervisory Commission.

Article 3: The Company's loaning of funds to others shall comply with the following conditions, and shall not be loaned to shareholders or any other person, and shall be handled in accordance with these procedures:

- I. Companies or business entities with business dealings.
- II. Companies or business entities with a need for short-term financing. The term "short-term" refers to a period of one year or one operating cycle, whichever is longer. The term "short-term financing need" refers to the following circumstances:
 - (I) Companies in which the Company directly or indirectly holds 50% or more of the voting shares and that require short-term financing for business operations.
 - (II) Companies or business entities with a need for short-term financing for procurement or operational cash flow.

Article 4: The aggregate amount of funds loaned by the Company to others shall not exceed 40% of the Company's net worth as presented in its most recent financial statements, audited or reviewed by a certified public accountant, and shall comply with the following provisions:

- I. The total amount of funds loaned shall not exceed 40% of the Company's net worth. However, for loans made due to short-term financing needs between companies or business entities, the aggregate amount shall be limited to 20% of the Company's net worth.
- II. For companies or business entities that have business dealings with the Company, the individual loan amount shall not exceed the total transaction amount between the two parties. The term "total transaction amount" refers to the higher of the purchase or sales amount between the two parties.
- III. For companies or business entities with short-term financing needs, the individual loan amount shall not exceed 10% of the Company's net worth.
- IV. The restrictions in this Article shall not apply to fund loans made between foreign companies in which the Company directly or indirectly holds 100% of the voting shares, or from such wholly-owned foreign subsidiaries to the Company. However, the aggregate amount of loans and limits for individual borrowers must still be established, the lending period must be specified, and all such transactions shall be handled in accordance with Article 6.

Article 5: In addition to meeting the requirements set forth in Article 3, any extension of loans to others must first undergo a detailed review process conducted by the Finance and Accounting Department. This process shall include the following:

- I. Assessment of the necessity and reasonableness of the loaning of funds to others.
- II. Due diligence and risk evaluation of the loan recipient, including their financial condition, debt repayment capacity, creditworthiness, profitability, purpose of the loan, maximum allowable loan amount, loan term, and interest rate terms.
- III. Assessment of the impact on the Company's operational risks, financial condition, and shareholders' equity.
- IV. Report on whether collateral should be obtained and an appraisal report of the value of such collateral, if required.

Before lending funds to others, the Company shall carefully assess whether it complies with the provisions of these Operating Procedures. This assessment result shall be submitted to the Board of Directors for resolution before proceeding, and no other person shall be authorized to make the decision.

Loaning of funds between the Company and its subsidiaries, or between its subsidiaries, shall be submitted to the Board of Directors for approval in accordance with the preceding paragraph, and the Chairperson may be authorized to make a loan to a single borrower within a certain monetary limit resolved by the Board of Directors, and within a period of less than one year, in installments or in a revolving credit line. Unless the requirements of Article 4, Paragraph 4 are met, the "certain monetary limit" referred to in the preceding paragraph shall not exceed 10% of the net worth of the Company or its subsidiaries in the most recent financial statements.

If the Company has appointed Independent Directors, their opinions shall be duly considered when approving loans to others. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the meeting minutes of the board of directors meeting.

Article 6: Matters to be Noted in Loaning of Funds:

- I. The loan period for each financing transaction of the Company shall be determined by the Board of Directors in accordance with these Operational Procedures, based on the specific borrower and loan amount.
- II. The interest rate for loans provided by the Company shall be based on the prevailing average short-term lending rates offered by financial institutions at the

time of the loan. In special circumstances, the rate may be adjusted according to actual needs upon approval by the Board of Directors.

Article 7: Post-Loan Matters to be Noted:

- I. Upon completion of each loan transaction, the Finance and Accounting Department shall record the following information in a logbook for reference: the borrower, loan amount, date of Board approval, date of disbursement, and matters that were prudently evaluated. The Department shall also assess the loan status, allocate an appropriate allowance for doubtful accounts, adequately disclose relevant information in the financial reports, and provide necessary data to the attesting CPAs.
- II. When the borrower repays the loan on or before the maturity date, interest payable shall first be calculated and paid together with the principal. Only after full repayment may the Company write off the loan or cancel any related mortgage registration.
- III. The Finance and Accounting Department shall regularly evaluate the financial condition, business operations, and credit status of the borrower and any guarantor. In the event of any significant change, it shall be reported immediately.
- IV. If the borrower fails to fulfill the loan agreement, the Company may lawfully proceed with the disposition of the provided collateral or seek compensation from the guarantor.
- V. If, due to a change in circumstances, the borrower no longer meets the requirements of these Operational Procedures or if the loan balance exceeds the prescribed limit, the Company shall formulate a remediation plan, submit it to the Audit Committee for review, and complete the corrective measures according to the established timeline.

Article 8: The Company's counterparties for endorsements and guarantees are as follows:

- I. Companies with business dealings.
- II. Companies in which the company directly or indirectly holds more than 50% of the voting shares.
- III. Companies that directly or indirectly hold more than 50% of the company's voting shares.

Companies in which the Company directly or indirectly holds 90% or more of the voting shares may make endorsements and guarantees to each other, provided that the total amount does not exceed 10% of the Company's net worth. However, this restriction shall not apply to endorsements and guarantees made between companies in which the Company directly or indirectly holds 100% of the voting shares.

The Company may provide endorsements and guarantees without being subject to the preceding two provisions when mutual guarantees are made in accordance with contractual agreements between companies in the same industry or joint developers for the purpose of undertaking construction projects; when, due to a joint investment relationship, all investing shareholders provide endorsements or guarantees for the investee company in proportion to their shareholding; for joint-and-several guarantees made in connection with the performance of pre-sale housing project contracts under the Consumer Protection Act.

For the purposes of the preceding paragraph, "investment" refers to direct investment by the Company or investment made through a wholly owned subsidiary (i.e., a company in which the Company holds 100% of the voting shares).

Article 9: Scope of Endorsements and Guarantees under These Procedures

I. Endorsements and Guarantees:

- (I) Endorsement of commercial paper for discounting.
 - (II) Issuance of negotiable instruments to non-financial enterprises as guarantees for the Company's own financing purposes.
 - (III) Issuance of checks to non-financial institutions as collateral for the financing of the Company
- II. "Endorsements and guarantees for customs duty purposes" refers to endorsements or guarantees made in connection with customs-related matters of the Company or other companies.
- III. "Other endorsements and guarantees" refers to endorsements or guarantees not falling under the preceding two categories.

Where the Company provides collateral in the form of movable or immovable property to secure the borrowings of another company, whether by creating a pledge or a mortgage, such arrangements shall also be handled in accordance with these Procedures.

Article 10: Limit on the Company's External Guarantees

- I. The maximum amount of all endorsements/guarantees shall not exceed 40% of the net worth as in the most recent financial statements; the maximum amount of the endorsement/guarantee to a single enterprise shall not exceed 10% of the net worth as in the most recent financial statements except for subsidiaries that directly hold more than 50% of the Company's ordinary shares, to which the maximum amount of the endorsement/guarantee shall not exceed 20% of the net worth of the net worth as in the most recent financial statements. The net worth in the most recent financial statements audited or reviewed by the CPAs shall prevail.
- II: The maximum amount of all endorsements/guarantees provided by the Company and its subsidiaries shall not exceed 40% of the Company's net worth. The total amount of endorsements and guarantees provided to any single enterprise shall not exceed 20% of the Company's net worth.
- III. For endorsements and guarantees made due to business transactions with the Company, in addition to the limits set forth in the preceding two paragraphs, the amount of each individual endorsement or guarantee shall not exceed the transaction amount between the two parties. The term "transaction amount" refers to the higher of the purchase or sales amount between the two parties.

Article 10-1: Where the Company is engaged in a joint construction or co-development project, it may provide mutual guarantees with co-developers in accordance with contractual agreements. In the case of a joint investment, the Company may provide endorsements or guarantees for the investee company based on the shareholding ratio of all contributing shareholders. In addition, mutual guarantees with companies in the same industry for construction contracting purposes, for joint-and-several guarantees made in connection with the performance of pre-sale housing project contracts under the Consumer Protection Act, may also be provided. The total amount of such endorsements and guarantees shall not exceed 600% of the Company's net worth for the current period, and the amount for any single entity shall not exceed 400% of the Company's net worth for the current period. These endorsements and guarantees shall not be subject to the limitations set forth in the preceding Article.

Article 11: Decision-Making and Authorization Levels for Endorsements and Guarantees

- I. When a department requires an endorsement or guarantee due to business needs, prior approval from the Board of Directors shall be obtained. However, to address time-sensitive matters, the Board may authorize the Chairman to make decisions in advance, within a single transaction limit of NT\$50 million, in accordance with the relevant provisions of these Procedures. Such actions shall be subsequently submitted to the Board of Directors for ratification. If the Board does not approve the endorsement or guarantee, a plan shall be established to eliminate the related commitment within a specified timeframe.
- II. In cases where, due to business needs, it is necessary to exceed the limits set forth in Article 10, such endorsement or guarantee shall only be made after it has been approved by resolution of the Board of Directors and jointly guaranteed by a majority of all directors. Furthermore, these Procedures shall be amended accordingly and submitted to the Shareholders' Meeting for ratification.
- III. If the Company has appointed Independent Directors, the opinions of each independent director should be fully considered during board discussions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the meeting minutes of the board of directors meeting.

Article 12: Procedures for making endorsements/guarantees

- I. When the Company processes an endorsement or guarantee, it shall do so in accordance with these Procedures. The Finance and Accounting Department shall conduct a detailed review of the qualifications of the endorsed or guaranteed entity and verify whether the proposed amount complies with the limits set forth in these Procedures. The Department shall also analyze the necessity and reasonableness of the endorsement or guarantee, assess the potential impact on the Company's operational risk, financial position, and shareholders' equity, and maintain a written record of such assessments. Where necessary, appropriate collateral shall be obtained.
- II. The Company shall maintain a dedicated registry for endorsements and guarantees. The registry shall include detailed information such as the party to whom the endorsement or guarantee is provided, the amount, the date of Board

approval or Chairman's decision, the date of the endorsement or guarantee, and the matters requiring careful evaluation as specified in the preceding article.

III. The Finance and Accounting Department shall assess or recognize any contingent losses related to the endorsements and guarantees and appropriately disclose such information in the Company's financial reports. Relevant data shall be provided to the attesting CPAs for the performance of necessary audit procedures.

IV. For guarantees provided to foreign companies, the guarantee letter issued by the Company shall be signed by a person authorized by the Board of Directors.

When the Company or any of its subsidiaries provides an endorsement or guarantee for a subsidiary whose net worth is less than half of its paid-in capital, in addition to following the aforementioned procedures, the Company's internal auditors shall audit the endorsement and guarantee procedures and their implementation at least on a quarterly basis. Written audit records shall be maintained, and if any material violations are identified, the Audit Committee shall be notified in writing immediately.

Article 13: If, due to changes in circumstances, an endorsement or guarantee made by the Company no longer complies with the provisions of these Procedures or exceeds the prescribed limits, a remediation plan shall be established. The remediation plan shall be submitted to the Audit Committee for review and shall be implemented in accordance with the prescribed timeline.

Article 14: The Company shall designate the corporate seal registered with the Ministry of Economic Affairs as the exclusive seal for endorsements and guarantees. This seal shall be kept by a designated responsible person approved by the Board of Directors. The affixing of the seal or issuance of negotiable instruments shall be carried out in accordance with the Company's internal procedures.

Article 15: Procedures for Public Disclosure of Information

II. The Company shall publicly disclose and report the balances of loans to others and endorsements and guarantees provided by the Company and its subsidiaries for the preceding month by the 10th day of each month.

II. Where the outstanding balance of loans to others meets any of the following thresholds, the Company shall disclose and report the relevant information in

the prescribed format, based on the nature of the transaction, within two days from the date of occurrence:

- (I) The aggregate balance of loans to others by the Company and its subsidiaries reaches 20% or more of the Company's net worth as stated in the most recent financial statements.
- (II) The balance of loans to a single enterprise by the Company and its subsidiaries reaches 10% or more of the Company's net worth as stated in the most recent financial statements.
- (III) The newly extended loan amount by the Company or any subsidiary is NT\$10 million or more, and the amount also accounts for 2% or more of the Company's net worth as stated in the most recent financial statements.

For subsidiaries of the Company that are not domestic public companies, any matters under Item III above that require public disclosure and reporting shall be handled by the Company on their behalf.

III. Where the balance of endorsements and guarantees meets any of the following thresholds, the Company shall disclose and report the relevant information in the prescribed format, based on the nature of the transaction, within two days from the date of occurrence:

- (I) The aggregate balance of endorsements and guarantees provided by the Company and its subsidiaries reaches 50% or more of the Company's net worth as stated in the most recent financial statements.
- (II) The balance of endorsements and guarantees to a single enterprise by the Company and its subsidiaries reaches 20% or more of the Company's net worth as stated in the most recent financial statements.
- (III) The balance of endorsements and guarantees to a single enterprise by the Company and its subsidiaries is NT\$10 million or more, and the combined total of such endorsements and guarantees, the book value of investments accounted for under the equity method, and loans to the same enterprise reaches 30% or more of the Company's net worth as stated in the most recent financial statements.
- (IV) The newly provided endorsement or guarantee amount by the Company or any subsidiary is NT\$30 million or more, and also accounts for 5% or more of the Company's net worth as stated in the most recent financial statements.

For any subsidiary of the Company that is not a domestic public company, if it is subject to the disclosure and reporting requirements under Subparagraph 3, Item IV of the preceding paragraph, such disclosure and reporting shall be carried out by the Company on its behalf.

As referred to in these Procedures, "public disclosure and reporting" means inputting the relevant information into the information reporting website designated by the Financial Supervisory Commission. The term "date of occurrence" refers to the earliest of the contract signing date, payment date, Board resolution date, or any other date on which the loan or endorsement and guarantee recipient and amount can be confirmed.

Article 16: Management of Subsidiaries

- I. Each subsidiary shall report to the Company by the 5th day of each month the amount, counterparty, and term of any loans to others and endorsements or guarantees made in the preceding month.
- II. If a subsidiary of the Company intends to lend funds to others or provide endorsements or guarantees, it shall establish its own "Operational Procedures for Lending Funds to Others and Endorsements/Guarantees" in accordance with applicable regulations and handle such matters in compliance with those procedures.
- III. If a subsidiary of the Company is not a public company and its provision of loans or endorsements/guarantees reaches the threshold requiring public disclosure and reporting, the Company shall make the necessary disclosure, reporting, and submission on its behalf.

Article 17: Internal auditors shall conduct quarterly audits of the procedures for loans and endorsements/guarantees and their implementation, and shall prepare written records of such audits. If any material violations are identified, the Audit Committee shall be notified in writing immediately.

Article 18: Personnel who violate these Procedures or related legal and regulatory requirements may be subject to disciplinary actions by the Company based on the severity of the violation. Such actions may include warnings, demerits, demotion, suspension, salary reduction, or other penalties. These violations shall also be included as part of the Company's internal review.

Article 19: Any matters not addressed in these Procedures shall be handled in accordance with applicable financial regulations and the relevant rules and policies of the Company. Where the competent authority makes any amendment to the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" or further announces a letter or decree, the Company shall comply with the regulations specified in the new letter or decree.

Article 20: The establishment or amendment of these Procedures shall be subject to the approval of more than one-half of all Audit Committee members and shall be submitted to the Board of Directors for resolution. Implementation shall follow approval by the Shareholders' Meeting. If any director expresses an objection that is recorded or stated in writing, the Company shall submit such objection to the Audit Committee and include it for discussion at the Shareholders' Meeting. During discussions by the Board of Directors, these Procedures for Acquisition and Disposal of Assets shall be submitted for discussion by the board of directors, and the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the meeting minutes of the board of directors meeting.

In case where the consents of more than one-half of all members of the audit committee cannot be obtained in the preceding Paragraph, then the consents of more than two-thirds of all directors shall be obtained, and the meeting minutes of the board of directors' meeting shall be recorded with the resolution of the audit committee.

The terms "all audit committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.