

**TaiGen Biopharmaceuticals Holdings Limited**  
太景醫藥研發控股股份有限公司  
**Procedures for Financial Derivatives Transactions**  
從事衍生性商品交易處理程序

**Section I – Objective**

**第一節 目的**

**Article 1 Purpose**

"Procedures For Financial Derivatives Transactions" (the "Procedures") outlined herein are set up to manage the Company and its Subsidiaries earnings volatility and to limit asset and liability exposure resulting from fluctuations in the financial markets such as movements in interest rates and foreign exchange rates and to effectively control the risks arising from financial derivative transactions. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.

**第一條 目的**

為有效管理本公司及子公司收支、資產及負債因外匯、利率等變動及本公司從事衍生性商品交易所產生之風險，特訂定本處理程序。本處理程序如有未盡事宜，悉依相關法令規定辦理之。

**Section II – Principles And Guidelines 第二節 交易原則與方針**

**Article 2 Instruments**

Financial derivatives referred herein are broadly defined as instruments that derive their value from the performance of underlying assets, interest or currency exchange rates, indexes or other. Such instruments include swaps, options, futures contracts, leverage contracts, forwards, and various combinations thereof. Forwards referred herein exclude insurance, performance, post-sale service, long-term lease and long-term sales/procurement contracts. The Company and its Subsidiaries shall not enter into transactions involving instruments not specified herein.

**第二條 交易種類**

本處理程序所稱衍生性商品，係指其價值由資產、利率、匯率、指數或其他利益等商品所衍生之交易契約，如遠期契約、選擇權契約、交換契約、期貨契約、槓桿保證金契約、暨上述商品組合而成之複合式契約等。所稱之遠期契約，不包含保險契約、履約契約、售後服務契約、長期租賃契約及長期進（銷）貨合約。本公司及子公司不從事上述以外之其他衍生性商品交易。

**Article 3 Management or Hedging Strategy**

Financial derivatives are mainly used for hedging purpose to limit the Company's net exposure after internal netting of income against expense, and asset against liability in terms of timing, amount and currency type. Transactions involving financial derivatives need to be assured as for hedging purpose.

**第三條 經營或避險策略**

本公司從事衍生性商品交易，以規避風險為原則並以公司因業務所產生之應收應付款項或資產負債就到期日、金額及幣別互抵後之淨部位進行避險。交易進行前並需確定為避險性之操作。

#### **Article 4 Authorization / Delegation**

Financial personnel in the Finance Department in charge of trading and confirmation for derivative transactions shall be appointed by Chief Financial Officer ("CFO").

Confirmation should be performed by personnel who are not responsible for trading at the Finance Department. Settlement should be performed by personnel who are not responsible for trading or confirmation at the Finance Department. Counterparty needs to be informed of trading and confirmation personnel being assigned or discharged before the effective date.

#### **第四條 權責劃分**

財務單位得進行衍生性商品交易及確認之人員需由財務長指派。

交易之確認人員由財務單位不負責交易責任之人員為之。另交割人員由財務單位不負責交易或確認之人員為之。

交易及確認人員之派任、解任應在生效日前通知交易對象。

#### **Article 5 Transaction Contract Dollar Amount And Loss Control**

The dollar amount of total contracts outstanding shall not exceed the net position / exposure for the next six months.

The Company engages in derivatives trading, the maximum loss limit on total trading and for individual contracts are US\$0.5 million or equivalent amount and US\$0.2 million or equivalent amount.

#### **第五條 契約總額及全部與個別契約損失上限**

本公司之整體避險契約總額，以不超過未來六個月內公司因業務所產生之應收應付款項或資產負債互抵之淨部位為限。

本公司從事衍生性商品交易，全部或個別契約損失上限金額分別為：美金五十萬元(含)或等值額度及美金二十萬元(含)或等值額度。

#### **Article 6 Performance Evaluation**

Performance is evaluated against the pre-determined strategy.

#### **第六條 績效評估**

避險性操作之績效係以避險策略作為依據而加以衡量評估。

### **Section III – Operating Procedures            第三節 作業程序**

#### **Article 7 Level of Delegation/Authorization**

##### Transaction Execution

The authorized dealers, based on the net position deriving from business activities of the company, shall evaluate with and obtain concurrence from Finance personnel and then execute the

transactions as concurred. After the execution, such transactions shall be reported in the next meeting of the Board of Directors. Levels of delegation and authorization of each transaction are set as follows. The transaction amount above US\$3 million should be submitted to and approved by the Board of Directors.

Delegated Amount of each trading contract

CFO	Up to US\$1 million
CEO	Up to US\$3 million

Transaction Ratification

A written ratification shall be obtained for every executed transaction. Counterparties need to be informed in writing of the delegation systems herein in order to manage and control the Company's derivative transactions and positions.

**第七條 授權額度及層級**

交易承作

經授權之交易人員需依據公司因業務所產生之淨部位且經財務人員共同評估同意後，始可承作交易。交易後應提報最近期董事會。授權層級與額度如下。交易超過美金參佰萬元以上需經董事會決議通過。

<u>層級</u>	<u>每筆交易金額上限</u>
財務長	美金壹佰萬元以下
執行長	美金參佰萬元以下

交易簽核

每筆交易完成後，須經內部書面簽核。為使交易對象配合本公司之監督管理，應將本條所訂之交易授權額度及層級以書面通知交易對象。

**Section IV – Regulatory Reporting 第四節 公告申報程序**

**Article 8 Public Announcement and Declaration**

The Company should, on a monthly basis, report and make a public announcement of the financial derivative transactions engaged by it and its subsidiary which is not a Taiwan public company up to the end of the previous month in accordance with relevant regulations by the tenth day of each month.

In addition to the aforesaid, all other reporting/publishing items are subject to the relevant regulations. If there is any reporting and announcement, as aforesaid, required for the Company's subsidiary which is not a Taiwan public company, the Company will follow the requirement on behalf of its subsidiary.

Where any of the following circumstances occurs with respect to a transaction that the company has already publicly announced and reported in accordance with the following paragraph, a public report of relevant information shall be made according to the relevant regulations within two days commencing immediately from the date of occurrence of the fact:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the Procedures adopted by the company.
3. Change to the originally publicly announced and reported information.

Should there be any mistake or missing in the Company's required public announcements, the Company needs to repeat its public announcement on all items.

The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company headquarters, where they shall be retained for 5 years except where another act provides otherwise.

The term "date of occurrence of the fact" as used in the Procedures refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

## 第八條 公告申報

本公司應按月將本公司及非屬台灣公開發行公司之子公司截至上月底從事衍生性商品交易之情形，於每月十日前依相關法令之規定辦理公告申報。

除前項規定外，如有其他依法令規定應公告申報之事項，悉依相關規定辦理之。本公司非屬台灣公開發行公司之子公司有本項規定之情事發生時，本公司亦應代為辦理公告申報。

依前條規定公告申報後之交易後，有下列情形之一者，應依相關法令，於事實發生日之即日起算二日內將相關資訊辦理公告申報：

1. 原交易簽訂之相關契約有變更、終止或解除情事。
2. 從事衍生性商品交易損失達本處理程序規定之全部或個別契約損失上限金額。
3. 原公告申報內容有變更。

本公司依規定應公告項目如於公告時有錯誤或缺漏而應予補正時，應將全部項目重行公告申報。

本公司取得或處分資產，應將相關契約、議事錄、備查簿、估價報告、會計師、律師或證券承銷商之意見書備置於本公司，除其他法律另有規定者外，至少保存五年。

本程序所稱事實發生日，係指交易簽約日、付款日、委託成交日、過戶日、董事會決議日或其他足資確定交易對象及交易金額之日等日期孰前者。但屬需經主管機關核准之投資者，以上開日期或接獲主管機關核准之日孰前者為準。

## Section V – Internal Control 第五節 內部控制制度

### Article 9 Risk Management

#### Credit Risk Control

Credit risk is controlled by restricting the counterparties that the Company deals with to those who either have banking relationship with the Company or are internationally renowned and can provide sufficient information.

#### Market Price Risk Control

Market/Price risk arising from the fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled.

#### Liquidity Risk Control

Liquidity risk should be controlled by restricting counterparties to those who have adequate facility, sufficient information, and sizable trading capacity and capability to enter into transactions in any markets around the world.

### Cash Flow

The company shall maintain adequate level of quick assets and credit facilities to meet the cash settlement requirement.

### Operating Risk Control

Delegation systems and operating procedures set forth herein are employed to control operating risk.

### Legal Risk Control

Any legal documents in respect of financial derivative transactions shall first be reviewed by in-house and/or outside legal counsel before being executed to control legal risk.

## **第九條 風險管理**

### 信用風險

交易對象限與公司有往來之銀行或國際知名之金融機構，並能提供專業資訊者為原則。

### 市場價格風險

對衍生性金融商品，因利率、匯率變化或其他因素所造成市價變動之風險，應隨時加以控管。

### 流動性風險

為確保流動性，交易之對象必須有充足的設備、資訊及交易能力，並能在任何市場進行交易。

### 現金流量

公司應維持足夠之速動資產及融資額度以應交割資金之需求。

### 作業風險

本公司明定授權額度及作業流程以避免作業上的風險。

### 法律風險

本公司和交易對象所簽署的文件必須經過內部法務人員或法律顧問的核閱才能正式簽署，以避免法律上的風險。

## **Article 10 Internal Control**

1. The respective functions of trading, confirmation and settlement should be performed by different personnel.
2. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the Board of Directors or an executive manager or supervisor who is not responsible for trading or hedging position policy-making.

## **第十條 內部控制**

1. 本公司交易人員及確認、交割人員不得互相兼任。
2. 本公司從事衍生性商品交易，其有關風險之衡量、監督與控制人員應與前款人員分屬不同部門，並應向董事會或向不負交易或部位決策責任之高階主管人員報告。

## **Article 11 Evaluation and Correction of Abnormal Situation**

Derivatives trading positions held shall be evaluated at least once per week. Finance Department should prepare a bi-weekly report in connection with the transactions entered into for hedging purpose for the review of the Chairman's authorized senior manager.

The Board of Directors holds the President accountable for the evaluation, monitoring, and control of risks arising from financial derivative transactions. The Board of Directors is itself responsible for evaluating Finance Department's hedging performance and result on a regular basis to oversee how

well they fit in the Company's overall business and operating strategies and to review if the associated risks thereof have exceeded the Company's risk tolerance.

Designated by the Board of Directors, the President should also be responsible for regularly reviewing the level of adequacy of the current risk control process and its degree of consistency with the principles and procedures set forth herein. The President should also be in the course of supervising trading and profit-loss circumstances. Once having identified unusual performances and results, the President needs to report to the Chairman and the Board of Directors immediately and undertakes any actions deemed necessary to correct the situation. Where the company has independent directors, an independent director shall be present at the meeting and express an opinion.

#### **第十一條 定期評估方式及異常情形之處理**

衍生性商品交易所持有之部位至少每週應評估一次。財務單位為業務需要辦理之避險性交易至少每月應評估二次，並呈報董事會授權之高階主管人員。

董事會除指派總經理負責衍生性金融商品交易風險之監督與控制之外，並應定期評估從事衍生性金融商品交易之績效是否符合既定之經營策略及承擔之風險是否在公司容許承受之範圍。

本公司總經理承董事會之指派，應定期評估目前使用之風險管理程序是否適當及確實依本處理程序之規定辦理。本公司總經理並應監督交易及損益情形，如發現異常情形，應即向董事長及董事會報告，並採取必要之因應措施；公司已設置獨立董事者，董事會應有獨立董事出席並表示意見。

### **Section VI – Internal Audit 第六節 內部稽核制度**

#### **Article 12 Internal Audit**

Internal audit personnel is required to evaluate the suitability of the internal control system in connection with financial derivative transactions on a regular basis, to conduct auditing on how well the related departments follow the Procedures, and to produce report with trading cycle analysis on a monthly basis. Should there be any violation found, a written report is needed to notify the Audit Committee and the Board of Directors.

#### **第十二條 內部稽核**

內部稽核人員應定期瞭解衍生性金融商品交易內部控制之允當性，並按月查核交易相關部門對本處理程序之遵守情形，並分析交易循環，作成稽核報告，如發現重大違規情事，應以書面通知審計委員會及董事會。

### **Section VII – Others 第七節 其他事項**

#### **Article 13 Safekeeping of Information**

In accordance with the relevant regulations, a reference book shall be established and maintained to record the financial derivative transactions in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under Article 11 shall be recorded in detail in the reference book. Except as otherwise specified by laws, the reference book has to be kept for at least five years.

#### **第十三條 資料之保存**

從事衍生性商品交易，應建立備查簿，依相關法令之規定記載交易之種類、金額、董事會通過日期及依第十一條應審慎評估之事項，詳予登載於備查簿備查，除其他法律另有規定者外，至少保存五年。

#### **Article 14 Castigation for Non Compliance**

The managers and persons-in-charge shall follow the Procedures in order to prevent the Company from incurring any losses. Should there be any violation of related regulations or the Procedures, subsequent castigation should be based on the related Personnel Articles of the Company.

#### **第十四條 違反程序之懲處**

經理人及主辦人員從事衍生性商品交易，應遵循本處理程序之規定，使公司免於遭受不當之損失。如有違反相關法令或本處理程序規定之情事，其懲戒悉依本公司相關人事規章之規定辦理。

#### **Article 15 Procedures for Subsidiaries to Follow**

When financial derivative transactions are contemplated by the Company's subsidiary to enter into, the Company shall mandate the subsidiary to handle financial derivative transactions in accordance with the procedures. Relevant information of any financial derivative transactions executed by the subsidiary shall be provided regularly to the Company for inspection.

#### **第十五條 子公司應遵守之辦理程序**

本公司之子公司擬從事衍生性商品交易者，應依本處理程序辦理。本公司之子公司若從事衍生性商品交易，應定期提供相關資料予本公司查核。

#### **Article 16 Implementation and Amendment**

Any amendment shall be subject to the approval of one half or more of the entire membership of the Audit Committee and shall be approved by the Board of Directors and submitted to the Shareholders' Meeting for approval. Where any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinion to the Audit Commission. Any amendment is subject to the same procedures.

If the matter under the preceding paragraph has not been approved by the majority of all of the members of the Audit Committee, it may be approved by two-thirds or more of all of the Directors of the Board and the meeting minutes of the Board shall state the resolution of the Audit Committee.

The "entire membership of the Audit Committee" and "entire board of directors" as used herein, shall be calculated as the number of members/directors actually in office.

Where the Company has independent Directors, when the Procedures and the amendments thereof are submitted for discussion by the Board of Directors pursuant to the preceding paragraph, 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 minutes of the Board of Directors meeting.

#### **第十六條 實施與修訂**

本程序訂定或修正，應經審計委員會全體成員二分之一以上同意，並提董事會通過後提報股東會同意。如有董事表示異議且有紀錄或書面聲明者，公司並應將董事異議資料送審計委員會。

前項如未經審計委員會全體成員二分之一以上同意者，得由全體董事三分之二以上同意行之，並應

於董事會議事錄載明審計委員會之決議。

本程序所稱審計委員會全體成員及全體董事，均以實際在任者計算之。

本公司如已設置獨立董事者，依前項規定提報董事會討論時，應充分考量各獨立董事之意見，獨立董事如有反對意見或保留意見，應於董事會議事錄載明。