

NSYSU Guidelines for the Management of Holding Equities unlisted at TWSE/TPEX

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- I. The National Sun Yat-Sen University (hereinafter referred to as “NSYSU”) specifically established the Committee for the Management of Equities Unlisted at TWSE/TPEX (hereinafter referred to as the “Equities Management Committee”) in accordance with the “Regulations Governing the Transactions of Endowment Funds” and the “Guidelines for Managing the Transactions of Investment Incomes” for reviewing, managing and disposing of the equities unlisted at the TWSE/TPEX and not yet listed at the TWSE/TPEX.
- II. The sources of the equities not yet listed at TWSE/TPEX held by NSYSU shall include:
 - i. The investment (or equity joint venture) in new business by NSYSU in accordance with the “Guidelines for the Management of the Funding and Investment in New Business with Venture Capital” of NSYSU.
 - ii. The acquisition of return on investment in enterprises in accordance with the “Guidelines for Transfer of Faculty Members on Secondment” and the “Criteria for Faculty Members Holding Positions at Profit-Seeking Institutions (Groups)” of NSYSU.
 - iii. Acquisition of return on investment in enterprises in accordance with the “Guidelines for Transfer of Faculty Members on Secondment.”
 - iv. Investment by know-how in accordance with the “Guidelines for the Management of R&D Findings and Technology Transfer” and the “Enforcement Rules for R&D Findings and Technology Transfer” of NSYSU.
 - v. Investment made in accordance with the “Guidelines for Managing the Transactions of Investment Incomes” of NSYSU.
 - vi. Equity shares accepted as gifts in accordance with the “Guidelines for Managing the Transaction of Donation Capital” and the “Regulations Governing the Valuation of Donation

Assets” of NSYSU. The aforementioned equities unlisted at TWSE/TPEX do not include equity shares listed at the Emerging Stock Market.

- III. The Equities Management Committee consists of 7 members. The Secretary-General, Chief Collaborative Education Officer and Chief R&D Officer are the ex-officio members. The Chief Collaborative Education Officer shall act as the convener of the Committee. The President of NSYSU will appoint 2 scholars and experts inside or outside the NSYSU with strong background in investment and wealth management or technological know-how with sound reputation as the executive members. Each executive member shall have a tenure of 2 years and may assume a new term of office if re-appointed. Only the scholars and experts outside NSYSU will be compensated for their time and travelling expenses and all other members are not remunerated.

Those who are appointed by NSYSU as directors or supervisors of the enterprises not listed at the TWSE/TPEX as mentioned in II cannot hold positions as members of the Equities Management Committee. When the Equities Management Committee is in session, personnel of the Accounting Office, representatives from the enterprises not listed at TWSE/TPEX as mentioned in II and the members of NSYSU appointed as directors or supervisors of these enterprises should be invited as observers.

- IV. The Equities Management Committee shall convene at regular intervals for assessing the performance of investments and may convene in special sessions where necessary. The Equities Management Committee shall report to the Investment Management Group of NSYSU on the resolutions made by the committee.
- V. The Global Industry-Academic Collaborative Education Operation and Promotion Division (hereinafter referred to as “Collaborative Education Division”) and the Equities Management Committee shall be responsible for the management and disposal of unlisted shares held by NSYSU and related matters.

VI. The Equities Management Committee shall recommend appropriate personnel to act as the directors or supervisors of the enterprises with shares unlisted at the TWSE/TPEX as mentioned in II to exercise the rights of NSYSU as shareholders in the care of the Collaborative Education Division to the attention and final approval of the President of NSYSU. The directors or supervisors appointed by NSYSU shall review the state of operation of these enterprises at regular intervals and report to the Equities Management Committee as observer in the committee session.

NSYSU shall take professional liability insurance for the protection of those appointed as directors or supervisors to the above enterprises. Collaborative Education Division shall petition with the President of NSYSU for approval of remuneration to these personnel in accordance with the “Criteria for Remuneration to Personnel with Performance in Private Funding” and the “Tentative Measures for Encouragement of Faculty & Staff in Work Performance.”

The directors or supervisors appointed by NSYSU to enterprises with shares unlisted at the TWSE/TPEX shall be governed by separate rules and regulations.

VII. The Collaborative Education Division should obtain the financial statements and operating highlights of the enterprises with shares unlisted at TWSE/TPEX and held by NSYSU at regular intervals for the review and control of the Equities Management Committee.

The Equities Management Committee shall convene in special session prior to the recapitalization through cash buyback, corporate restructuring, dissolution, merger or demerger of the enterprises with shares unlisted at the TWSE/TPEX and held by NSYSU and give recommendation for the best interest of NSYSU to the Investment Management Group for approval and petition with the President of NSYSU for final approval before proceeding with the plan. If the situation is urgent such that there is no time for the Equities Management Committee or the Investment Management Group to convene, the ex-officio members of the

Equities Management Committee or the directors or supervisors of related enterprises appointed by NSYSU shall give recommendation to the President of NSYSU for approval and execute the plan as approved.

VIII. NSYSU may dispose of the corporate equities shares unlisted at the TWSE/TPEX in its holding in the means specified as follows:

i. The Collaborative Education Division shall propose the plan for the disposal of corporate equity shares unlisted at the TWSE/TPEX and proceed to the assessment of the price and the time point for disposal. The detail shall cover at least the counterparty of disposal, the bottom price and share quantity and the timing, or prospective investors may express intent of investment.

ii. After obtaining related information on the disposal plan or the intent of investors for investment, the Equities Management Committee shall convene to review the details and present opinions on the preliminary review to the Investment Management Group for a second review.

iii. The Investment Management Group should consider the opinions on preliminary review of the disposal plan or information on the intent of investment and make decisions for reporting to the President of NSYSU for final approval. Upon approval, the Collaborative Education Division shall dispose of the equity shares under due process of law and may delegate a professional institution for disposal where necessary.

IX. Personnel of NSYSU charged with the disposal and pricing of equity shares in accordance with the internal procedure and the directors or supervisors appointed by NSYSU shall be exempted from the responsibility of their performance of assigned duties and paper loss of assets due to changes in the prices of the equity shares unless under alleged illegal acts.

X. This Guideline shall be subject to the passage of the Administrative Council and the NSYSU Endowment Fund Management Committee and final approval of the President before implementation. The same procedure is applicable to any amendments thereto.