

Mega Holdings Group Guidelines for Business Management in the Coal and Unconventional Oil and Gas Industries

Article 1 (Formulation Purpose)

This Guideline was formulated in response to the United Nations Framework Convention on Climate Change's initiative to limit global warming to 1.5 degrees Celsius, decrease carbon emissions in the value chain, and achieve the Group's goal of fully withdrawing investments and financing in the coal and unconventional oil and gas sectors by 2040 at the latest.

Article 2 (Responsible Unit)

The responsible department of the Guidelines is the Business Development Department.

Article 3 (Applicability)

This Guideline is applicable to the Company and its subsidiaries (hereinafter referred to as the Group).

Subsidiaries in the preceding paragraph refers to other companies in which the Company directly holds over 50% of shares with voting rights or total capital, or if over half of all directors are directly appointed by the Company.

Article 4 (Control Subjects)

The Group shall gradually conduct a phase-out plan for the following enterprises, including those with ongoing business expansion (hereinafter referred to as control subjects).

I. Coal Enterprises: Enterprises that generate more than 5% of their revenue from the following thermal coal business activities:

- (I) Coal mining: Mining, cleaning, and processing of coal from surface and underground mines.
- (II) Coal-fired power: Coal used for power generation and heating, including electricity and steam.
- (III) Coal infrastructure: Infrastructure for processing or transporting coal including transportation, import and export trade, storage of coal, receiving stations, pipelines.

II. Unconventional oil and gas enterprises: Enterprises that generate more than 5% of their revenue from the following unconventional oil and gas business activities including mining, production, processing, and infrastructure such as pipelines, receiving stations, refineries, and storage facilities:

- (I) Tar Sands
- (II) Shale Oil & Gas
- (III) Arctic Oil & Gas
- (IV) Ultra-deep-water Oil & Gas
- (V) Liquefied Natural Gas derived from unconventional fossil fuels

Article 5 (Scope of Control)

This Guideline covers the following scope of business activities conducted by the Group and the control subjects mentioned in the previous clause.:

- I. Financing business: Including project financing and general lending/credit lines.
- II. Investment business: Including active, passive, and third-party managed equity and bond investments, and underwriting.
- III. Wealth management services.
- IV. Other businesses involving control subjects: In principle, if the business involves the review of an individual subject with transaction periods of more than one year, or an individual subject receiving funding, it should be deemed a control subject.

Article 6 (Phase-out Commitment and Control Principles)

The Group's phase-out commitment and control principles:

- I. Global phase-out commitment: The Group commits to completely phase out the business activities under the scope of control specified in Article 5 by the end of 2040.
- II. The Group commits to avoiding the undertaking of business activities under the scope of control specified in Article 5 (including new cases and the increase of existing cases). The relevant control principles are as follows:
 - (I) Financing business
 1. Project financing: The Group should no longer undertake any new project financing cases where the credit customer is a control subject.
 2. General lending/credit lines: The Group should avoid taking on new general lending/credit cases or additional lending/credit for existing cases where the credit customer is a control subject. Their exposure position at the end of 2023 shall be applied as the base period to gradually lower the general credit position.
 - (II) Investment business
 1. Equity and bond investments: The Group should avoid undertaking new investments or increasing holdings in existing cases where the investment entity is a control subject. The investment position at the end of 2023 shall be applied as the base period to gradually lower investment positions.
 2. Underwriting: The Group should avoid undertaking underwriting business of control subjects.
 - (III) Wealth management services: If an issuer of bond products marketed by subsidiaries is a control subject of this Guideline, these products should be fully labeled before the end of 2030.

Each subsidiary is authorized to formulate detailed control measures regarding the preceding paragraphs.

Article 7 (Support for Low-Carbon Transition)

In order to support and encourage the low-carbon transformation of enterprises, if a control subject has put forward clear evidence and plans for sustainable transformation, or if the funds are used for sustainable development and have measurable and verifiable performance indicators, the applicability of Article 6 may be excluded for the agreement of continuing business with the subject.

Article 8 (Engagement with Control Subjects)

The Group commits to engaging with the control subjects proactively by 2030 at the latest, guiding them in carrying out sustainable transformation. If unable to engage by 2030, relevant public improvement information and evidence should be provided. If effective improvement cannot be achieved after the engagement, the investment and financing positions should not be increased or should be gradually withdrawn. However, entities that meet the criteria specified in Article 7 are exempt from this clause.

Article 9 (Information Disclosure)

Each subsidiary shall, on a quarterly basis, report the business undertaking status of the control subjects, as well as the business undertaking status of low-carbon and sustainable transformations proposed in accordance with Article 7 for the Company to track and control the implementation results.

Article 10 (Other Matters)

Matters not specified in this Guideline shall be governed by the applicable laws and relevant regulations of the Company.

Article 11 (Level of Approval Authority)

This Guideline shall become effective following the approval of the President. The same procedures shall apply to all future amendments or abolishment.

Article 12 (Revision history)

This Guideline was formulated on April 12, 2024. The first amendment was on July 4, 2025.