

Investment Fund Management and Operations Procedures of Yuan Ze University

Approved at the 18th Executive Council Meeting of the 2017 Academic Year on May 9, 2018

Approved at the 2nd University Affairs Meeting of the 2017 Academic Year on May 9, 2018

Approved at the 5th Meeting of the 10th Board of Directors on May 30, 2018

Approved at the 18th Executive Council Meeting of the 2023 Academic Year on May 8, 2024

Approved at the 2nd University Affairs Meeting of the 2023 Academic Year on May 15, 2024

Approved at the 10th Meeting of the 11th Board of Directors on June 12, 2024

Article 1 To ensure sustainable operation and development, and to enhance academic standards and competitiveness of Yuan Ze University (Hereinafter referred to as YZU), YZU aims to increase financial autonomy through conservative and prudent investment plans. These plans are intended to ensure the effectiveness and sustainability of financial and investment activities of YZU.

In response to sustainable development goals, YZU reviews sustainability reports provided by various companies for investments and considers other investment factors and risk management. Investments are carefully selected to implement responsible investment principles.

Article 2 To effectively utilize accumulated surplus funds and achieve asset activation, YZU engages in investment activities to enhance financial autonomy and support teaching, research, training, and operational expenses based on the principles of safety and stability. In accordance with Article 2 of the "Private School Surplus Funds Investment and Utilization Measures" (hereinafter referred to as the Investment Utilization Measures), an investment fund (hereinafter referred to as the Fund) is established. To ensure the investment performance and financial security of the Fund, the "Investment Fund Management and Operations Procedures of Yuan Ze University" (hereinafter referred to as these Procedures) are established.

Article 3 The funding source for the Fund follows the "Private School Act," the Investment Utilization Measures, and the "Principles for Calculating Accumulated Surplus Funds of Private Higher Education Institutions."

The annual surplus funds are transferred to the Fund, with the total amount not exceeding half of the accumulated surplus from previous years. Accumulated surplus refers to the accumulated surplus retained according to Item 1, Article 3 of the Investment Utilization Measures; including the amount remaining after deducting the portion reserved for tax-exempt use as stipulated in Item 8, Article 2 of the "Standards for Tax-Exempt Status of Educational and Cultural Charitable Institutions or Groups."

Article 4 Investments of the Fund are limited to purchasing stocks and corporate bonds of publicly listed and over-the-counter companies in Taiwan, beneficiary certificates issued by domestic securities investment trust companies, or other investment projects approved by the Ministry of Education. Investments in stocks and corporate bonds of the same company, or beneficiary certificates issued by the same securities investment trust company, must not exceed 10% of the allowable investment amount or 10% of the total issued shares of the invested company.

Article 5 The Fund shall establish an "Investment Management Committee" (hereinafter referred to as the Committee), consisting of five to seven members appointed by the President from among current faculty or external experts. Members serve a two-year term, aligned with the academic year, and may be reappointed. The President may remove members early if necessary. The chairperson of the Committee is selected from the members by the President, with administrative support provided by the General Accounting Office.

Article 6 The Committee must hold meetings at least once per semester and may call special meetings as needed. Regular and special meetings require at least two-thirds of the Committee members to be present to be valid. Approval from more than half of the present members is required to make any decisions.

Article 7 The Committee should establish investment goals, oversee investment projects executed by professional investment advisory firms, and regularly review the investment projects, amounts, and profit/loss situations of the Fund according to Article 8 of the Investment

Utilization Measures. The Committee must report to the Board of Directors and the supervisors.

Article 8 The procedures for using the Fund should follow the internal control system and financial and accounting regulations and be subject to internal audit supervision of YZU.

Article 9 Administrative expenses related to the Committee and operational expenses of the investment fund are budgeted by YZU.

Article 10 These Procedures are implemented after approval by the Executive Council Meeting, University Affairs Meeting, and Board of Directors. The same procedure applies to amendments.