

# Synnex Technology International Corporation

## Procedure for Derivatives Trading

### Article 1 (Basis)

This Procedure is established in accordance with the regulations of the competent authority and the requirements of operation management.

### Article 2 (Type of Transactions)

"Derivatives" in this Procedure refers to forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

The Company is currently engaged in derivative products including forward contracts, options, futures contracts, swap contracts and hybrid contracts combining the above products. The engagement in transactions of any other product shall be subject to prior approval by the President and the Chairman.

### Article 3 (Operation and Hedging Strategies)

Engagement of derivatives trading shall be to hedge risks in principle. The products chosen shall be mainly to avoid the risks incurred from the operation of the Company's business. In addition, to the extent possible, the selected trading counterparties shall be financial institutions with business dealings with the Company in order to avoid credit risk.

### Article 4 (Division of Responsibilities)

#### 1. Finance Department

As the hub of the financial risk management system, the department must control at all times information collection from the financial market, judgement of trends and risks, familiarity with financial products, rules and legislations and operating skills and shall provide sufficient and timely information to management, sales, procurement and accounting departments as reference. The department shall also follow the instructions and management authorizations from the highest-level finance executive and perform financial risk management in accordance with the Company's policies.

In terms of funding allocation, funds shall be used in accordance with the limits with financial institutions and cash flows shall be calculated in detail. Products used for hedging purpose must also be settled through funding allocation. For the forecast of positions, please use information provided by the procurement and sales departments.

2. Accounting Department  
Reflect hedging transactions and loss/profit results in a correct and proper manner in the financial statements in accordance with applicable rules (such as Financial Accounting Standards, etc.)

Article 5 (Transaction Limit Amounts)

1. Total Limit:  
The total contract amount of foreign exchange transactions shall not exceed the total amount of the Company's net position of exposure to import/export foreign currency risk. Such position may be known from the asset and debt under the balance sheet, the income and expense under the profit and loss statement and the foreign exchange position statistics table. Total amount of other contracts shall not exceed US\$10 Million. Any excess amount shall be subject to the approval by the board of directors.
2. Total and Individual Contract Loss Limit:  
The Company engages in derivatives trading for hedging purpose in principle and shall not engage in speculative transactions. Loss limit for individual contract shall not exceed US\$300,000. Loss limit for all contracts shall not exceed US\$3 Million. Any excess amount shall be subject to the approval by the board of directors.

Article 6 (Performance Evaluation)

1. Loss and profit targets for exchange rate contracts shall be determined based on the position of the foreign currency and such target shall be included in performance review for regular verification.
2. Finance operating staff shall make their best efforts to achieve the targets established for the types of financial products and the loss and profit targets. Such achievement shall be used as the basis for performance evaluation.
3. In the beginning of each month, finance operating staff shall provide foreign exchange positions and evaluation reports on other contract products for management and reference by the accounting department and finance executive.

Article 7 (Performance Evaluation)

1. Authorized Amount  
Routine foreign exchange transactions  
The table of authorized amount is established based on the growth of the Company's turnover and risk management and takes effect after approval by the Chairman **as follows:**

Authorized Unit	Single Closing Amount (US\$)
Chairman	20 Million and above
President	10 to 20 Million (inclusive)
Highest-Level Finance Executive	5 to 10 Million (inclusive)

The closing amount must be approved by the person with relevant authority. Positions in any other currency shall also be subject to the same rules in the

above table.

2. Execution Unit

Execution by the Finance Department, provided that transactions are subject to approvals in accordance with the authority.

3. Execution Process Flow

Please refer to Attachment.

Article 8 (Establishment of Register)

The Company shall establish a register for derivatives trading, recording in detail for reference the types and amounts of derivatives traded, dates of board approvals and the matters subject to careful evaluation in accordance with paragraph 3 of Article 9 and subparagraph (2), paragraph 1 and subparagraph (1), paragraph 2 of Article 10.

Article 9 (Internal Control System)

1 Risk Management Measures

i. Consideration for Credit Risk: The selected transaction counterparty shall be financial institutions having dealings with the Company, with low credit risk and providing professional information in principle. Statements of transactions shall be provided on regular basis.

ii. Consideration for Market Risk: Trading staff shall control status of change on the transaction markets, diversify among different financial products and verify at all times whether the total transaction amount is within the limit amount provided under this Procedure.

iii. Consideration for liquidity: To ensure liquidity, financial institutions engaging in the transactions must have sufficient equipment, information and trading ability to transact in any market.

iv. Consideration for Procedure: The authorized amount and process flow shall be duly complied with in order to avoid procedural risk.

v. Legal Risk: Documents signed with any financial institution must be reviewed by the legal department before they are officially signed in order to avoid legal risk.

vi. Product Risk: Internal trading staff and the counterpart financial institution shall possess full and correct professional knowledge about the financial products traded. Financial institutions shall be required to fully disclose the risks in order to avoid losses due to misuse of financial products.

vii. Cash settlement risk: In addition to compliance with the rules under the limit amount table, authorized trading staff shall also exercise due care at all times to the Company's cash flow to ensure that there is sufficient cash for payment at the time of closing.

viii. Risk evaluation, supervision and control staff shall be under different departments as the trading staff and operating staff for confirmation and closing and shall report to top executive in the board of directors who is not responsible for decisions on trading or positions.

2. Internal Control

i. Trading staff shall not also work as confirmation or closing staff.

ii. Trading staff shall provide proof of trading or contracts to the accounting

staff for records.

- iii. Accounting staff shall reconcile accounts with financial institutions in accordance with confirmations or transaction records provided by the financial institutions.
  - iv. Finance staff shall verify at all times whether the total transaction amount has exceeded the limit under Article 5 of this Procedure.
  - v. At the end of each month, the finance department shall prepare a statement showing profit and loss forecast based on the closing foreign exchange rates on the day and other information and provide such statement to the accounting department for verification and adjustment to account entries in accordance with relevant rules. Such statement shall also be provided to the highest-level executive of the finance department and senior management as management reference.
3. Regular Evaluation
- Hedging transactions required for business shall be evaluated twice a month. The evaluation report shall be submitted to the high-level executive authorized by the board of directors.

#### Article 10 (Supervision by Board of Directors)

1. The board of directors shall supervise and manage derivatives trading under the following principles:
  - (1) Designation of high-level executive to supervise and control the risks of derivatives trading at all times.
  - (2) Regular evaluation as to whether the performance of derivatives trading is consistent with established operating strategies and whether the risks undertaken are within the Company's scope of tolerance.
2. The high-level executive authorized by the board of directors shall manage derivatives trading under the following principles:
  - (1) Regular evaluation as to whether the risk management measures currently in use are appropriate and compliant with this Procedure and applicable laws.
  - (2) Supervise trading and loss and profit status. If any anomaly is discovered, undertake necessary corresponding measures and immediately report to the board of directors. If there are independent directors, independent directors must have attended the board meeting and stated their opinions.

#### Article 11 (Internal Audit system)

Internal audit staff shall understand the appropriateness of internal control on regular basis, perform monthly audit on the compliance of this Procedure by the trading department and prepare audit reports. If any material breach is discovered, a written notice shall be given to the audit committee.

#### Article 12 (Public Filing Deadline and Details)

The Company shall upload information of derivatives trading by the Company and its subsidiaries that are not domestic listed companies as of the end of the previous month in the prescribed format and details to the information filing website designated by the competent authority before the 10<sup>th</sup> day of each month.

Article 13 (Control Procedure for Derivatives Trading by Subsidiaries)

1. Each subsidiary shall also follow and implement the procedure for derivatives trading in accordance with the relevant provisions of Procedure for Derivatives Trading.
2. Each subsidiary shall report to the Company information related to derivatives trading in the previous month before the 10<sup>th</sup> day of each month.

Article 14 (Sanctions)

Any manager or processing staff who breaches this Procedure shall be sanctioned in accordance with the Company's Procedure for Employee Rewards and Sanctions depending on the level of gravity.

Article 15 (Applicable Laws)

Any matter that is not fully stipulated in this Procedure shall be governed by applicable laws.

Article 16 (Implementation and Amendment)

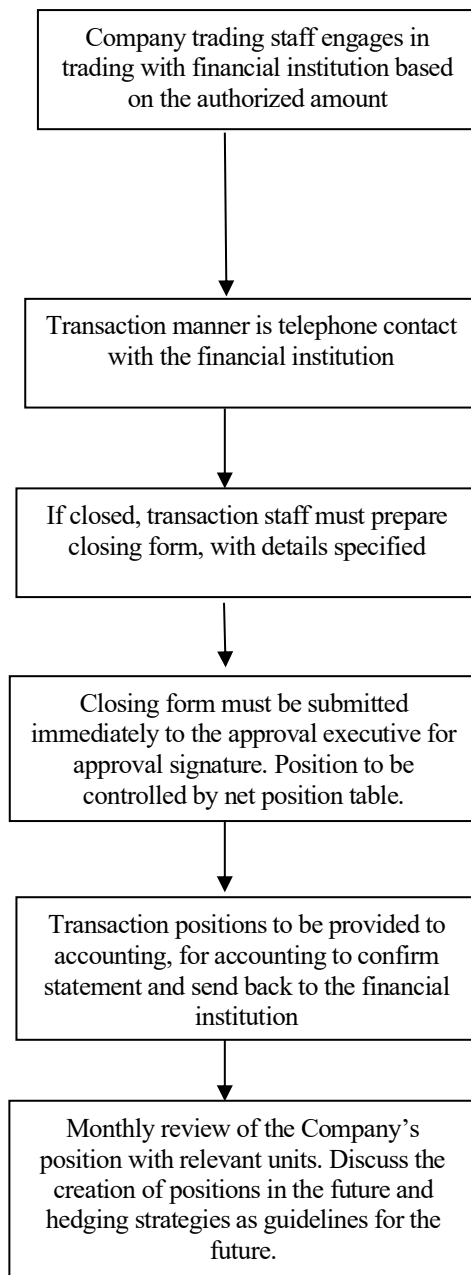
This Procedure shall be approved by the board of directors, submitted to each supervisor and further submitted to the shareholders meeting for approval. The same shall be applicable in case of amendment. If any director voices any objection with records or written statements, the Company shall submit such objection to the audit committee.

When the Procedure for Derivatives Trading is submitted to the board of directors for discussion in accordance with the previous paragraph, the opinions of each independent director shall be fully taken into consideration. Any objection or reservation opinions by the independent director shall be specified in the minutes of the board meeting.

Article 17 (Date of Amendment)

This Procedure was amended on 31 May 2024.

Attachment:



Key Points and Internal Control Guidelines

- Company trading staff must have authority for the transaction amount and currency rules. The financial institution shall be informed of such rules.
- Company trading staff with current authority shall transact with the financial institution based on authorized amount. In case of excess, approval shall be acquired from the authorized executive according to the Table of Authorized Amount.

Record transaction details in net position table and calculate the position

Total position operated shall not exceed the limits under Article 5

Statements may not be confirmed by trading staff