



Procedures for Endorsement and Guarantee

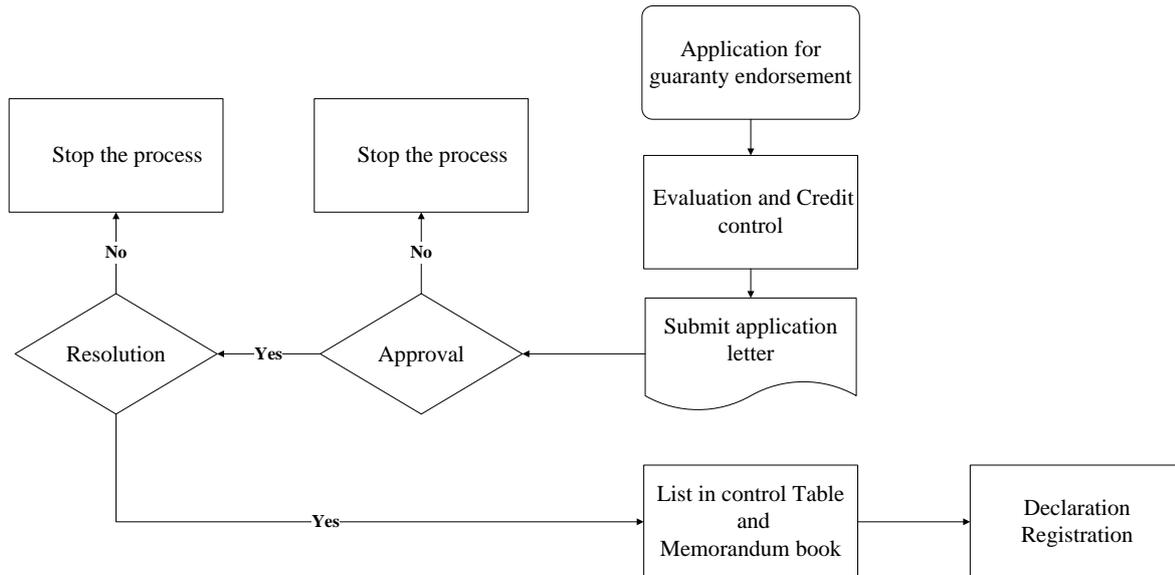
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Version	6

Board of Directors

Chairman/President

Financial Department

competent authority





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1. Purpose of the Procedures :

In order to standardize the company's related endorsement and guarantees to ensure the company's right, this operation procedure was established in accordance with the regulations of the Securities and Futures Bureau of the Financial Supervision and Administration Commission.

2. Responsibility Unit :

Financial Department: audit and credit endorsement and guarantees object.

General Manager / Chairman: Review endorsement and guarantees application.

Board of Directors: Approval of endorsement and guarantees application.

(Refer to the endorsement and guarantees operation flowchart)

3. Goal of the procedure :

Provide endorsement and guarantees to related companies to facilitate their business dealings.

4. Risk of the procedure :

Based on financial status of the object which applied endorsement and guarantees.

5. Focus of endorsement assurance operations :

5-1. Focus of endorsement assurance operations

5-2. The endorsement and guarantees should be reported to the board of directors for approval, or the chairman should be authorized to make a decision within a limited amount, and then reported to the board of directors for approval in the near future.

5-3. The endorsement and guarantees items shall be detailed in the "Endorsement and guarantees Record Book". When the guarantee period expires, the rights and obligations shall be cleared and cancelled or cancelled, and the reference book shall be updated.

5-4. The endorsement and guarantees that the relevant seal shall be approved by the board of directors and kept by a special person, and the same shall be applied to the change.

5-5 Assess the contingent losses endorsed and disclose relevant information in the financial report.

6. Endorsement and guarantees Procedure

6-1. Scope

The endorsement and guarantees referred to in this procedure include :

(1). Financing endorsement and guarantees.

(1)-1. Ticket discount financing.

(1)-2. Endorsement or guarantee for the purpose of financing his company.

(1)-3. For the purpose of financing of the company, issue a separate note to the non-financial business guarantee.

(2). Tariff endorsement and guarantees: Endorsement or guarantee made by the company or other companies in relation to tariff matters.

(3). Other endorsement and guarantees: Endorsements or guarantees listed in the first two items cannot be classified.

The provision of movable or immovable property by the company to establish pledge rights and mortgage rights for other company's loans shall also be handled in accordance with this operating procedure.

6-2. Object



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The company may guarantee endorsement to :

- (1). Companies with business dealings.
- (2). Companies in which the company directly and indirectly holds more than 50% of the voting shares.
- (3). Companies that directly and indirectly hold more than 50% of the voting shares of the company.
- (4). Intercompany companies in which the company directly and indirectly holds more than 90% of the voting shares can be endorsed and the amount must not exceed 10% of the company's net worth. However, the intercompany endorsement and guarantees that the company directly and indirectly holds 100% of the voting shares is not limited.
- (5). The company is not subject to the restrictions of the first four items if the company requires mutual protection or co-creation of human resources based on contracted projects, mutual insurance in accordance with contractual provisions, or endorsement of the invested company by the shareholders of the entire investment based on their shareholding ratio due to joint investment Must be guaranteed for endorsement.

The capital contribution mentioned in the preceding paragraph refers to the company's direct capital contribution or capital contribution through a company that holds 100% of the voting shares.

#### 6-3. Quota

##### (1).The Company

A. The total amount of external endorsement shall not exceed 50% of the company's net worth.

B. The limit of the endorsement and guarantees for a single company cannot exceed 20% of the company's net worth. If an endorsement and guarantees is engaged in a business relationship, the amount of business transactions with the company in the most recent year is the limit, and the so-called business transaction amount refers to the higher purchase, sales or other business transaction amount between the two parties.

##### (2). The company and its subsidiaries as a whole

A. The total amount of external endorsement is based on the principle of not exceeding 50% of the company's net worth. If it reaches more than 50% of the company's net worth, the necessity and reasonableness shall be explained at the shareholders meeting.

B. The limit of endorsement and guarantees for a single company enterprise shall not exceed 20% of the company's net worth. If an endorsement and guarantees is engaged in a business relationship, the limit is not to exceed the amount of business transactions with the company or its subsidiary in the most recent year. The so-called business transaction amount refers to the higher amount of purchases, sales or other business transactions between the two parties.

#### 6-4. Decision and authorization levels

(1). When the company applies for an endorsement and guarantees, it shall do so only after passing the resolution of the board of directors, and report the situation and related matters to the shareholders' meeting for reference.

(2). If it is necessary to meet the time limitation requirement, the board of directors may authorize the chairman to decide within NT \$ 10,000, and then report to the board of directors for approval in the next period, and report the situation to the shareholders' meeting in the next year for reference. However, before the company's direct and indirect holdings of 90% or more of the voting shares are endorsed by the company, it



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should be reported to the board of directors of the company for resolution, and cannot be executed by authorization first. However, the intercompany endorsement and guarantees that the company directly and indirectly holds 100% of the voting shares is not limited.

- (3). If the company has set up independent directors, it should fully consider the opinions of each independent director when endorsing the guarantee for others, and include the clear opinions and reasons for or against it in the board records.
- (4). The company's endorsement and guarantees that if it is necessary for the business to exceed the quota set in this operating procedure and meet the conditions set out in this operating procedure, it must first be approved by the board of directors and over half of the directors may exceed the limit The loss can only be achieved after the joint warranty is named, and this operating procedure should be amended to report to the shareholders 'meeting for ratification; if the shareholders' meeting does not agree, a plan should be made to eliminate the excess part within a certain period.

6-5. Endorsement and guarantees processing and review procedures

- (1). When applying for an endorsement and guarantees, the Financial Department shall state the name of the endorsement and guarantees company based on the application of the endorsement and guarantees object.

Claim, promise of guarantee, risk assessment results, endorsement of guarantee amount, acquisition of collateral content, and release of indemnity

The conditions and dates of the letter of guarantee responsibility, such as endorsement and guarantees and cancellations, should be reviewed item by item,

Whether the quota meets the requirements of this operating procedure, and after the credit investigation is completed, it is submitted to the chairman for approval and sent to the director

The resolution of the board of directors is passed, and then the company's seal is affixed. The financial department should also establish a reference book detailing the above matters Item, and file related documents for future reference.

- (2). Evaluation items include :

(2)-1. The Necessity and Reasonability of Endorsement and guarantees.

(2)-2. Endorsed the credit and risk assessment of the guaranteed object.

(2)-3. Impact on the Company's operating risks, financial position and shareholders' equity.

(2)-4. Whether collateral and valuation of collateral should be obtained.

- (3). The financial department of the company shall collect and analyze the operating information of each endorsed guarantor for the reference of the board of directors.
- (4). The company's endorsement and guarantees the management personnel to consolidate the relevant information and evaluation results in the preceding paragraph. If the endorsement and guarantees that the accumulated balance at that time has not exceeded the prescribed amount, it shall be submitted to the chairman for a decision and then submitted to the next board of directors for confirmation; if the endorsement and guarantees the accumulation When the balance has exceeded the prescribed amount, it shall be handled in accordance with 6-4. Item (4).
- (5). The Financial Department shall establish a reference book for endorsement and guarantees. The endorsement and guarantees objects, the amount, the date of approval of the board of directors or the decision of the chairman of the board, the endorsement and guarantees date, and matters that should be carefully evaluated in accordance with



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this operating procedure shall be posted for future reference. Documents such as books should also be kept in photocopies.

- (6). When the endorsed company guarantees the repayment, the company shall report the repayment information to the company in order to release the company's guarantee responsibility and post it on the endorsement and guarantees record book.
- (7). Prior to the end of the endorsement and guarantees date, the Ministry of Finance shall take the initiative to notify the endorsed guarantor to recover the guarantee notes retained by the bank or creditor institution and cancel the relevant deed of guarantee.
- (8). The Financial Department shall periodically evaluate and recognize the contingent losses of the endorsement and guarantees, and properly disclose the endorsement and guarantees information in the financial report, and provide the relevant information of the visa accountant for the accountant to adopt the necessary verification procedures and issue a proper verification report.

6-6. Seal seal keeping and procedures

- (1). The company shall use the company seal applied for registration with the Ministry of Economic Affairs as a special seal for endorsement, and the seal shall be kept by a responsible person with the consent of the board of directors.
- (2). The endorsement and guarantees that after the resolution of the board of directors or the approval of the chairman, the Financial Department shall print or issue notes in accordance with the "CA-001 Management of the use of seals".
- (3). In the case of a foreign company's guarantee, the letter of guarantee issued by the company is signed by the chairman of the board of directors.

6-7. Matters needing attention for endorsement and guarantees

- (1). The company's internal auditors shall at least quarterly audit the implementation of endorsement and guarantees and make written records. If major violations are found, they shall notify the Audit Committee in writing.
- (2). If the company changes the circumstances, the endorsement and guarantees object originally meets the requirements of Article 3 of this operation procedure and then does not comply, or the endorsement and guarantees amount exceeds the quota set by Article 4 of this operation procedure due to the change of the basis on which the limit is calculated , The auditing unit shall urge the Financial Department to eliminate all the amount or excess of the guarantee endorsed by the object at the expiration of the contract or within a certain period, and send the improvement plan to the Audit Committee, and The improvement was completed on schedule.
- (3). If the endorsement and guarantees object is a subsidiary whose net value is less than one-half of the paid-in capital, the applicant should also state the measures and plans for guaranteeing the subsequent relevant management and control risks for the endorsement for the company's Financial Department to comply with these measures Article 6-5. The endorsement and guarantees that the handling and review procedures are reviewed, and the financial department of the company regularly tracks the implementation of the risk management measures and plans. If the subsidiary's stock has no denomination or the denomination per share is not NT \$ 10, the paid-in capital calculated in accordance with the regulations shall be calculated as the total of the capital reserve plus the issue premium.

6-8. Announcement Application Procedure



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- (1). The Financial Department shall announce the declared balance of endorsement of the company and its subsidiaries last month by the tenth day of each month.
- (2). In addition to the monthly declaration of endorsement and guarantees, when the company and its subsidiaries' endorsement and guarantees amount reaches one of the following standards, the Financial Department shall apply for announcement declaration on the second day from the date of the fact:
  - (2)-1. The company and its subsidiaries endorsed the guaranteed balance of more than 50% of the company's most recent financial statements.
  - (2)-2. The company and its subsidiaries endorsed the balance of a single enterprise with a guaranteed balance of more than 20% of the company's most recent net financial statements.
  - (2)-3. The company and its subsidiaries endorsed a single enterprise with a guaranteed balance of more than NT \$ 10 million and the endorsement and guarantees, long-term investment, and capital loan and balance totaled 30% of the company's most recent net financial statements the above.
  - (2)-4. The company or its subsidiary's newly endorsed guarantee amount is more than NT \$ 30 million and more than 5% of the company's latest financial statement net value.
- (3). The date of facts mentioned in the preceding paragraph refers to the date on which the transaction is signed, the date of payment, the date of the board of directors decision, or the date on which the transaction object and the transaction amount are fully determined by the former.
- (4). If the company's subsidiary is not a domestic public offering company, the subsidiary has the second item and the fourth item that should be declared and declared, which should be done by the company.

The term “announcement declaration” mentioned in this article refers to the information declaration website (public information observation station) designated by the Securities and Futures Bureau of the Financial Regulatory Commission.

6-9. Control procedures for endorsement and guarantees on subsidiaries

- (1). If the company's subsidiary intends to endorse the guarantee for others, it should also establish this operation procedure and handle it in accordance with this operation procedure; however, the net value is calculated based on the parent company's net value.
- (2). Subsidiaries shall prepare a detailed statement of endorsement for others last month before the 8th (excluding) of each month and submit it to the company.
- (3). The internal audit staff of the parent company shall audit the implementation of the endorsement and guarantees at least quarterly and make written records. If major violations are found, the audit unit shall send the written information to the Audit Committee.
- (4). When the auditors of the parent company go to the subsidiary for inspection according to the annual audit plan, they should also understand the situation of the subsidiary's endorsement of others to ensure the implementation of the operating procedures.

6-10. Penalty

When the company endorses the guarantee for the sponsor of the business by others, the company will report to the assessment in accordance with the company's personnel management measures, together with the direct supervisor of the position, and punish it according to the circumstances of the company; Ways to pursue related responsibilities.



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6-11. Implementation and revision

- (1). After the operation procedure is approved by the board of directors, it shall be sent to the Audit Committee and reported to the shareholders meeting for approval. If the directors disagree and have a record or written statement, the company shall submit their objection to the Audit Committee and report to the shareholders meeting for discussion. The same.
- (2). When the company submits this operation procedure to the board of directors for discussion in accordance with the preceding paragraph, it shall fully consider the opinions of the independent directors and include the clear opinions and reasons for or against it in the board records.
- (3). If there are any unfinished matters in this operation procedure, we shall handle them in accordance with the "Guidelines for Handling Fund Loans and Endorsement and guarantees of Public Issuing Companies" and relevant laws and regulations.

7. Documents

7-1 Application for Approval

7-2 A memorandum book for fund deemed loaning to others.





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視同資金貸與他人一覽表

日期:

註1: 應收帳款-關係人帳齡達211天以上者轉列其他應收款-關係人。

註2: 請核准後,會計部依此表製重分類傳票。財務部依法令要求辦理公告及申報之相關作業。

NO.	關係人名稱	關係說明	應收帳款金額(本幣需為匯率評價後)			帳齡分佈(天)					轉列其他應收款-關係人 211天(含)以上者
			原幣USD	原幣EUR	本幣	1-120	121-210	211-365	366-730	731以上	
1											-
2											-
3											-
4											-
5											-
6											-
7											-
8											-
9											-
10											-
	合計										-

核准:

財務主管:

審核:

製表: