

FIC Global Inc.

Endorsement/Guarantee Procedures

Amended on June 5, 2019

Article 1 The Company's handling of endorsements and guarantees matters shall be conducted in accordance with the provisions of these procedures. Any matters not covered herein shall be handled in accordance with relevant laws and regulations.

Article 2 The scope of endorsements and guarantees that the Company may provide:

- (I) Financing endorsements and guarantees
Refers to endorsements or guarantees made for the purpose of bill discount financing, as well as the issuance of notes to non-financial businesses as collateral for the Company's financing, and endorsements or guarantees made for the purpose of financing other companies.
- (II) Customs duty endorsement guarantee
Refers to endorsements or guarantees made for matters related to customs duties for the Company or other companies.
- (III) Other endorsements and guarantees
Refers to endorsements or guarantees that cannot be classified under the previous two Subparagraphs.
- (IV) Refers to providing chattel or real property as collateral by creating pledges or mortgages for the loans of other companies.

Article 3 The Company may offer guarantees/endorsements to:

- (I) Companies with which the Company has business dealings.
- (II) A subsidiary directly holding more than 50% of the voting shares.
- (III) An investee in which the Company and its subsidiaries hold more than 50% of the voting shares combined.
- (IV) Mutual guarantees between industry peers or co-developers based on contractual agreements, required for construction projects.
- (V) Endorsements or guarantees provided by all shareholders based on their shareholding ratio for the invested company due to joint investment relationships. Capital contribution referred to in this paragraph shall mean capital contribution directly by the Company, or through a company in which the Company holds 100% of the voting shares.

Endorsements and guarantees may be provided between companies in which the Company directly or indirectly holds more than 90% of the voting shares, with the amount not exceeding 10% of the Company's net worth and subject to prior approval by the Company's Board of Directors. However, endorsements and guarantees between companies in which the Company directly or indirectly holds 100% of the voting shares are exempt from this limitation.

Article 4 The Company is allowed to make endorsements and guarantees to the following limits:

- (I) The total amount of external endorsements and guarantees provided by the Company shall not exceed 5 times the Company's current paid-in capital, with the limit for endorsements to a single enterprise not exceeding 2.5 times the Company's current paid-in capital.
- (II) Endorsements and guarantees conducted due to business transactions must be equivalent to the amount of goods purchased or sold between the parties and the Company.
- (III) The total amount of endorsements and guarantees that the Company and its subsidiaries can provide shall not exceed 10 times the Company's current paid-in capital, while the limit for endorsements and guarantees for a single enterprise shall not exceed 5 times the Company's current paid-in capital. If the total amount specified above reaches 50% or more of the Company's net worth, it must be explained to the shareholders' meeting regarding its necessity and reasonableness.

- (IV) If it is necessary to exceed the limits set by this procedure due to business needs and meets the conditions stipulated in the Company's endorsement and guarantee procedures, it must be approved by the Board of Directors. More than half of the directors must jointly sign to guarantee against possible losses due to the excess limit and amend the endorsement and guarantee procedures, which must then be ratified by the shareholders' meeting. If the shareholders' meeting does not agree, a plan must be established to eliminate the excess portion within a specified period. If the Company has independent directors, their opinions must be fully considered during the board's discussion. The clear opinions of independent directors, whether in agreement or opposition, as well as the reasons for opposition, should be recorded in the board meeting minutes.

Article 5 The Company may review the following procedures for guarantee/endorsement:

- (I) Application:
The applicant should provide a letter of application for the endorsement guarantee, detailing the name of the guaranteed company, the amount, the purpose, the commitments of the guarantee, and the conditions and dates for the release of the guarantee responsibility, to facilitate the evaluation of its necessity and reasonableness.
- (II) Evaluation procedure:
The applicant shall provide basic information and financial data for the responsible unit, in conjunction with the finance department, to assess the impact on the Company's operational risks, financial condition, and shareholder equity. Based on this assessment, a determination shall be made regarding whether to obtain collateral and the value of such collateral.
- (III) Approval:
The evaluation report for the aforementioned endorsement guarantee, along with the conditions proposed by the responsible unit, should be submitted for approval through the appropriate hierarchical levels. The Board of Directors shall authorize the Chairman to proceed within the limits set, and subsequent reporting to the board for ratification is required. Additionally, the relevant circumstances should be reported to the shareholders' meeting for record-keeping. If the Company has established independent directors, their opinions should be fully considered when presenting endorsements for others to the board, and their clear agreement or dissenting opinions and reasons for opposition should be included in the board meeting minutes.
- (IV) Control measures:
If the endorsed guarantee is for a subsidiary with a net worth lower than half of its paid-in capital, relevant reports should be obtained monthly to monitor its operational status. If major anomalies are detected, the chairman should be promptly informed, and a plan for divestment should be formulated to mitigate the risk of losses for the Company.

Article 6 Use and management of the Company's seal:

The special seal for endorsements and guarantees shall be the Company seal registered with the Ministry of Economic Affairs, which shall be kept by designated personnel approved by the Board of Directors. The same procedure applies when changes occur. Endorsements or issuance of notes may only be stamped or signed according to the prescribed operational procedures. When providing guarantees for foreign companies, the guarantee letter must be signed by an authorized person designated by the Board of Directors.

Article 7 The Company's announcement and reporting procedures:

In accordance with Articles 24 and 25 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the relevant information shall be entered into the reporting website designated by the Securities and Futures Bureau of the Financial Supervisory Commission. Additionally, the Company must assess the potential or recognized contingent losses associated with the endorsements/guarantees and appropriately disclose this information in the financial reports. Relevant data must also be provided for verification by CPAs.

Article 8 When each responsible unit of the Company handles the aforementioned endorsement and guarantee matters, they shall submit to the finance department for record-keeping in the endorsement and guarantee registry the details regarding the guaranteed commitments, the entities receiving the endorsement, the amount and duration of the guarantee, the conditions for releasing the endorsement responsibility, the date of board approval or Chairman's decision, the duration of the endorsement, and the review documents as stipulated in Article 5 of this procedure.

- Article 9 If the Company experiences changes in circumstances that result in the endorsement and guarantee party not complying with the provisions of this procedure or exceeding the specified amount, it shall establish a remediation plan and submit the relevant improvement plan to the Audit Committee, completing the improvements according to the planned schedule.
- Article 10 Internal auditors shall audit the execution of endorsement and guarantee procedures each quarter in accordance with this procedure and document the results in writing. If any major violations are discovered, they shall immediately notify the Audit Committee in writing.
- Article 11 Penalty:
Managers and organizers who violate this procedure shall be dealt with according to the Company's personnel management regulations and reward and punishment measures.
- Article 12 If subsidiaries of the Company intends to conduct endorsement/guarantee, it shall establish operating procedures in accordance with regulations, submit them for approval by the Board of Directors, obtain consent from shareholders' meeting, and implement them according to the established procedures.
- Article 13 This procedure shall be implemented after approval by the Audit Committee and by the Board of Directors, and consent from the shareholders' meeting.