

Wiwynn Corporation

Procedures Governing Endorsements and Guarantees

All endorsements and guarantees made by the Company shall comply with the Procedure.

Article 1 Scope of Endorsement and/or Guarantee

The term “endorsement and/or guarantee” used in the Procedure is defined as follows:

1. Financial endorsement and/or guarantee, including:
 - (1) Discounted bill financing;
 - (2) Endorsement or guarantee made for the financing needs of other companies;
 - (3) Issuing negotiable instruments for the purpose of providing guarantee to obtain finance for its own businesses to an entity other than the financial institutions.
2. Custom duty endorsement and/or guarantee, which shall mean endorsement or guarantee for the Company itself or other companies in respect of the custom duty matters.
3. Other endorsement and/or guarantee, which shall mean other endorsement or guarantee which cannot be included in the above two categories.
4. When the Company creates a pledge or mortgage on its chattel or real estate as a collateral for the loans of another Company, the collateral shall also be the subject of the Procedure.

Article 2 Applicability

1. The Company may provide endorsement and or guarantee for the following companies and if it is necessary, the securities shall be obtained:
 - (1) The companies with which it has business relations.
 - (2) Subsidiaries in which the Company directly and indirectly holds more than 50% of its total outstanding common shares.
 - (3) The Company and its subsidiaries on a consolidated basis hold more than 50% of its total outstanding common shares.
 - (4) For companies that are jointly invested by the Company or through its subsidiary, and all shareholders of such companies make endorsements and/or guarantees in proportion to their respective shareholding. The above said shareholding means the Company makes direct shareholding or through a company in which it holds 100% of its total outstanding common shares.
2. Each of the companies, in which the Company holds more than 90% shareholding directly or indirectly, may make endorsement and guarantee for each other. The amount shall not exceed 10% of the net worth of the Company. The limits to the companies in which the Company holds 100% of the voting shares directly or indirectly do not follow the same rule.

Article 3 Standard for Endorsement and/or Guarantee Assessment

In the event the Company provides endorsements and/or guarantees by reason of business relations, the aggregate amount of the endorsements and/or guarantees shall not exceed the net worth of total trading amount between the two companies in the most recent year. The net worth of total trading amount between two companies hereby means the total purchases or sales whichever is higher.

Article 4 Limits on Endorsements and/or Guarantees

1. The aggregate amount of endorsements and/or guarantees of the Company shall not exceed 50% of the net worth of the latest financial statement audited or reviewed by the accountant.
2. The limits to any single enterprise of the Company shall not exceed 30% of the net worth of the latest financial statement audited or reviewed by the accountant.
3. The limits of the Company and its subsidiaries' endorsements/guarantees shall not exceed 50% of the Company's net worth of the latest financial statement audited or reviewed by the accountant.
4. The limits of the Company and its subsidiaries' endorsements/guarantees to any single enterprise shall not exceed 30% of the Company's net worth of the latest financial statement audited or reviewed by the accountant.

Article 5 Procedures for Processing Endorsements and/or Guarantees

1. The requesting enterprise shall file an endorsement and/or guarantee application form, whereby, name of the Company, type of endorsement and/or guarantee, risks evaluation, amount, content, the condition and date for discharging the obligations of the endorser and/or guarantor shall be included and it will have to be filed with the Chairman of financial department for approval. And then the Chairman of the board shall ratify for implementation, provided, it is within the specified amount, if it is above the specified amount, it will have to be filed with the Board of Director for approval.
2. Upon the expiration date of the endorsement and/or guarantee, the endorsement and/or guarantee shall be terminated automatically. Before the expiration date, the endorsed and/or guaranteed enterprise shall file a cancellation form in order to terminate the endorsement and/or guarantee earlier.

Article 6 Procedures for Ratification

1. When an enterprise applies for an endorsement and/or guarantee from the Company, it shall submit concrete description of necessity and reasonableness and the financial department will determine whether to accept the application or not.
2. Besides, the financial department shall make an impact assessment based on the possibility of operation risk, financial condition and shareholder's rights and interests after endorsement and/or guarantee and submit an opinion statement to the Board of Directors for approval.

3. The Company may base on the applicant's credit report and decide whether to request the endorsee or guarantee to provide the same amount of Banker's acceptance or secure a collateral equivalent to the endorsement and/or guarantee amount. The financial department shall evaluate and mark the value of the collateral.

4. If the endorsement and/or guarantee is provided to the company's subsidiary whose net worth is less than one-half of its paid-in capital, the subsidiary shall also provide a plan including detail schedule to improve its net worth upon applying an endorsement/guarantee. If the net worth is still less than one-half of the paid-in capital when the plan ends, the endorsement and/or guarantee shall be terminated immediately. The above termination shall be reported to the Audit Committee and the Board of Directors.

Article 7 Internal Control Procedure of the Company's Subsidiaries

1. When any subsidiaries in which the Company shift in investment of more than 50% of its holdings plan to provide endorsements and/or guarantees to other parties, the Company shall order it to enact Procedures Governing Endorsement and Guarantee in accordance to the Procedure, file with the Board of Directors of the parent company for recordation and handle the matters under its enacted Procedures. And relevant information of the endorsements/guarantees extended by the Company's subsidiaries should be provided regularly to the Company for inspection.

2. When any subsidiaries in which the Company holds more than 90% of the voting shares directly or indirectly plan to provide endorsements and/or guarantees in accordance of Article 2-2, the proposal shall be submitted to the Board of Directors of the Company for approval. The endorsements and/or guarantees provided to the companies in which the Company holds 100% of the voting shares directly or indirectly do not follow the same rule.

Article 8 Safekeeping of the Corporate Chop and Procedures

1. The Company shall use the Corporate Chop registered with the Ministry of Economic Affairs for the use of endorsements and/or guarantees (hereinafter, the "Chop"). The Chop shall be under the safekeeping of special personnel appointed by the Chairman of the board and submit to the Board of Director for approval. The re-appointment of the special personnel shall follow the same procedure. The Chop may be used to issue negotiable instruments only following proper internal procedures.

2. When the Company provides guarantees in favor of a foreign Company, the personnel who are authorized by the Board of Directors shall sign the guarantee agreement.

Article 9 Decision Making and Authorization

The Board of Directors of the Company shall approve the making of endorsements and/or guarantees, however, the Board of Directors may authorize the Chairman of the Board to decide such matters when the transaction is within a specified amount and then submit such

matter to the Board of Directors for ratification.

Article 10 Standards for Public Announcement

1. The Company shall submit endorsements/guarantees status report of the previous month to the parent company's Chief of Staff Office within three business days after the end of each month.

2. The Company shall make a public announcement on the amount of its endorsements and/or guarantees on or before the 10th date of each month. In addition, in the event that the amount meets of the following standards, the Company shall make a separate public announcement within 2 days and report to the parent company's Chief of Staff Office:

(1) The aggregate balance of the Company and its subsidiaries' endorsements/guarantees reaches 50 percent or more of Company's net worth as stated in its latest financial statement.

(2) The balance of the Company and its subsidiaries' endorsements/guarantees for a single enterprise reaches 20 percent or more of Company's net worth as stated in its latest financial statement.

(3) The balance of the Company and its subsidiaries' endorsements/guarantees for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, book value of equity-accounted investees, and balance of loans to, such enterprise reaches 30 percent or more of Company's net worth as stated in its latest financial statement.

(4) The balance of the Company and its subsidiaries' new endorsements/guarantees reaches NT\$30 million or more and the aggregate amount of all endorsements/guarantees reaches 5 percent or more of Company's net worth as stated in its latest financial statement.

3. The Company shall announce and report on behalf of any subsidiary not categorized as domestic public companies and their directly or indirectly held subsidiaries any matters that such subsidiary is required to announce and report pursuant to the fourth subparagraph of the preceding paragraph.

Article 11 Punishment for Violation of the Procedure

When employees and personnel of the Company violate the Procedure, they will be punished according to the Company's "Personnel Administration Regulation" and related statutory regulations.

Article 12 The Company shall evaluate the contingency loss from the endorsements and/or guarantees and disclose the information in the financial report appropriately and provide the same to the CPA for his proceeding with the necessary audit procedure and issuing the proper audit report.

Article 13 1. The Company shall prepare a registry containing the subject of the endorsements/guarantees, the amount of the endorsements/guarantees, the passing date of the Board of Directors, the ratification date of the Chairman of the board, the date of the endorsements/guarantees and all the evaluation issues according to the Procedure.

2. The internal verification personnel of the Company shall verify the Procedure and its implementation and make a report in writing for record. If there is significant violation, the personnel shall inform the Audit Committee in writing.

Article 14 1. Due to business relations, it is necessary that the aggregate amount of endorsements and/or guarantees of the Company exceed the limited amount specified in the Procedure and the applicants' other conditions qualify the criterion of the Procedure. Under the circumstance, the Board of Directors shall approve the making of endorsement and/or guarantee and majority of the directors shall sign as guarantors for the contingency loss and the Procedure shall be modified and submitted to the shareholder meeting for confirmation thereafter. If the shareholder meeting does not approve it, the Company shall make a plan to eliminate such exceeding amount within certain period of time.

2. When the Board of Directors discusses the above issue, the board shall fully take each individual director's opinions into consideration and record each director's reasons for pros and cons in the minutes.

3. When the Company makes endorsements/guarantees for others and submits the Procedures for Endorsements/Guarantees to discuss in the board of directors, the board shall fully take each individual director's opinions into consideration and record each director's reasons for pros and cons in the minutes.

Article 15 If the Company makes the endorsement and/or guarantee later becomes unqualified under Article 2, the Company shall discharge the endorsement and/or guarantee amount or the amount in excess within a designated period pursuant to an internal plan and enforce the rectification plan accordingly. The above timeframe shall be reported to the Audit Committee and Board of Directors. If the Company makes the endorsement and/or guarantee and later the endorsement and/or guarantee amount exceeds the limit under the Procedure due to the change of the calculation basis, the Company shall discharge the endorsement and/or guarantee amount in excess within a designated period pursuant to an internal plan and enforce the rectification plan accordingly. The above timeframe shall be reported to the Audit Committee and the Board of Directors.

Article 16 1. The Procedures, as well as any revision thereto, shall be approved by more than half members of all the Audit Committee pursuant to related regulations, and submitted to the Board of Directors for resolution and later be effective after approved by the shareholders' meeting.

2. If the Company plan to provide significant endorsement and/or significant guarantee for other parties, the plan shall be approved by more than half members of all the Audit Committee and submitted to Board of Directors for resolution.

If the above plan that has not been approved by the Audit Committee, the plan shall be approved by the Board of Directors with two-thirds of all directors and the resolution of Audit Committee shall be recorded in the Board of Directors minutes.

3. The Audit Committee members and the Board of Directors members in this Article will only calculate the members in present position.

Article 17 The Procedure was enacted on May 20, 2016.

The 1st amendment was made on May 31, 2017.

The 2nd amendment was made on June 25, 2019.