

Title: Guidelines for Making of Endorsements / Guarantees

Date: 2019.06.21 (Amended)

#### Article 1 (Purpose)

These regulations are formulated to ensure that the company and its subsidiaries comply with matters related to external endorsements and guarantees. This procedure is formulated in accordance with the " Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies " issued on March 7, 2019 by Jin-Guan-Zheng-Zhen Letter No. No. 1080304826. Provided, where financial laws or regulations provide otherwise, such provisions shall govern.

#### Article 2 (Scope)

2.1 Scope of application: ALLTOP Technology Co., Ltd. (the Company) and its subsidiaries.

2.2 Scope: ALLTOP Technology Co., Ltd. (the Company) and its subsidiaries shall comply with these Regulations when making endorsements/guarantees for others.

#### Article 3 (Responsibilities)

Please refer to Article 5. Description of the authorization levels for each operation in the operation content.

#### Article 4 (Definition)

4.1 Financing endorsements/guarantees, including: Bill discount financing is for which endorsement or guarantee made to meet the financing needs of another company ; Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the Company itself.

4.2 Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the Company itself or another company with respect to customs duty matters.

4.3 Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.

4.4 Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with these Regulations.

4.5 "Parent company" is ALLTOP Technology Co., Ltd. "Subsidiary" as referred to in these Regulations shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

4.6 The term "announce and report" as used in these Regulations means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).

"Date of occurrence" in these Regulations means the date of contract signing, date of payment, dates of boards of directors' resolutions, or other date that can confirm the counterparty and monetary amount of the endorsement/guarantee, whichever date is earlier.

- 4.7 "Net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- 4.8 Board of Directors, Chairman, Supervisors, Financial Planning Team and Audit Committee: The functions and powers of the board of directors, chairman of the board, supervisor, financial planning team and audit committee referred to in these regulations may be performed by the board of directors, chairman of the board, supervisor, financial planning team and audit committee of ALLTOP Technology Co., Ltd.
- 4.9 Competent authority: The term "competent authority relationship" as mentioned in these operating procedures refers to the Financial Supervisory Commission(FSC).

#### Article 5 (Work Content)

##### 5.1 Entities for which the company may make endorsements/guarantees:

5.1.1 A company with which it does business.

5.1.2 A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.

5.1.3 A company that directly and indirectly holds more than 50 percent of the voting shares in the Company. Companies in which the public company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the Company, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

5.1.4 Where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages, such endorsements/guarantees may be made free of the restriction of the 5.1.1~5.1.3 paragraphs. Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the Company, or through a company in which the Company holds 100% of the voting shares.

##### 5.2 Amount:

5.2.1 The total amount of endorsement guarantees and the limit for a single enterprise: The total amount of external endorsements and guarantees by the Company, the Company and its subsidiaries shall not exceed 40% of the Company's current net worth. The amount of endorsement guarantees for a single enterprise shall not exceed 20% of the Company's current net worth. The net worth is based on the latest financial statement verified or reviewed by CPA.

5.2.2 For subsidiaries that directly or indirectly hold 100% of the shares, the Company's endorsement guarantee limit may be approved by the board of directors and is not subject to the aforementioned total amount and single enterprise limit.

5.2.3 When engaging in endorsement guarantees due to business relationships, the amount of endorsement guarantee provided to a single object shall not exceed the amount of business transactions between the two parties in the most recent

year. The so-called business transaction amount refers to the purchase or sales amount between the two parties, whichever is higher.

### 5.3 Hierarchy of decision-making authority and delegation thereof:

- 5.3.1 The Company's endorsement and guarantee matters must be approved by the board of directors before proceeding. However, in order to meet the needs of timeliness, the board of directors may authorize the chairman to make a decision in advance within 30% of the current net worth, and then report it to the next board of directors for ratification.
- 5.3.2 Before making any endorsement/guarantee pursuant to Article 5.1.3, a subsidiary in which the Company holds, directly or indirectly, 90% or more of the voting shares shall submit the proposed endorsement/guarantee to the Company's board of directors for a resolution, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.
- 5.3.3 Where the Company has appointed independent directors, when it makes endorsements/guarantees for others, it shall take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.
- 5.3.4 Where the Company has appointed independent directors, when there is any matter of which it is required to notify the supervisors under Article 5.6.1, it shall at the same time also give written notice to the independent directors. When it submits a rectification plan to the supervisors under Article 5.6.2, it shall at the same time also submit the rectification plan to the independent directors.
- 5.3.5 Where the Company has established an audit committee, the provisions of Articles 5.6.1 and 5.6.2 regarding supervisors shall apply mutatis mutandis to the audit committee.

### 5.4 Endorsement guarantee processing and detailed review procedures:

- 5.4.1 When the endorsed guarantee company needs to use the endorsement guarantee amount within the quota, it should provide basic information and financial information, fill out an application form, and submit an application to the Company's finance department. The Finance Department should make a detailed assessment and handle credit reporting and risk assessment. Assessment items include its necessity and rationality, endorsement guarantees due to business relationships, whether the amount of endorsement guarantees is equivalent to the amount of business transactions, the impact on the Company's operational risks, financial status and shareholders' equity, and whether collateral should be obtained and valuation of collateral, etc. If the endorsement guarantee target is a subsidiary whose net worth is less than one-half of the paid-in capital, the finance department should work with relevant departments to evaluate relevant control risks and response plans, and report to the board of directors regularly. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under this paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.

- 5.4.2 The personnel of the Company's finance department will compile the relevant information and evaluation results in the previous paragraph and submit it to the board of directors for resolution in accordance with paragraph 5.3.1 or, if the net value for the current period is within 30% of the board's authorization, submit it to the chairman of the board for approval, and then submit it to the next board of directors for ratification. If the cumulative balance of the endorsement guarantee exceeds the current net value by 30%, it should be submitted to the board of directors for approval before implementation, and should be handled in accordance with the resolution of the board of directors.
- 5.4.3 The Company's finance department shall prepare the "memorandum book" (FS005-01) for its endorsement/guarantee activities and record in detail the following information for the record: the entity for which the endorsement/guarantee is made, the amount, the date of passage by the board of directors or of authorization by the chairman of the board, the date the endorsement/guarantee is made, and the matters to be carefully evaluated under this preceding article, the content of the collateral and its estimated value, as well as the conditions and date for releasing the endorsement guarantee liability, etc.
- 5.4.4 When an endorsed company repays a loan, it should notify the Company of the repayment information in order to relieve the Company of its guarantee obligations and publish it on the " memorandum book " (FS005-01).
- 5.5 Procedures for use and custody of corporate chops: the Company shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements/guarantees. The chop shall be kept in the custody of a designated person approved by the board of directors and the same applies when it is changed. It may be used to seal or issue negotiable instruments only in prescribed procedures. When making a guarantee for an overseas company, the Company shall have the Guarantee Agreement signed by a person authorized by the board of directors.
- 5.6 Matters when applying for endorsement guarantee:
- 5.6.1 The Company's internal auditors shall audit the Operational Procedures for Endorsements/Guarantees for Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors in writing of any material violation found.
- 5.6.2 Where as a result of changes of condition the entity for which an endorsement/guarantee is made no longer meets the requirements of these Regulations, or the amount of endorsement/guarantee exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to all the supervisors, and shall complete the rectification according to the timeframe set out in the plan.
- 5.6.3 Where the Company needs to exceed the limits set out in the Operational Procedures for Endorsements/Guarantees to satisfy its business requirements, and where the conditions set out in the Operational Procedures for Endorsements/Guarantees are complied with, it shall obtain approval from the board of directors and half or more of the directors shall act as joint guarantors

for any loss that may be caused to the Company by the excess endorsement/guarantee. It shall also amend the Operational Procedures for Endorsements/Guarantees accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit. Where the Company has appointed independent directors, when it makes endorsements/guarantees for others, it shall take into full consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting.

5.7 The time limit and content of declarations that should be announced and reported (after IPO):

5.7.1 The Company shall announce and report the previous month's balance of endorsements/guarantees of its head office and subsidiaries by the 10th day of each month in MOPS (Market Observation Post System).

5.7.2 The Company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:

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

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

5.7.2.3 The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, carrying value of equity method investment in, and balance of loans to, such enterprise reaches 30 percent or more of Company's net worth as stated in its latest financial statement.

5.7.2.4 The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the company's net worth as stated in its latest financial statement.

5.7.3 The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report to MOPS.

5.7.4 The Company shall evaluate or record the contingent loss for endorsements/guarantees, and shall adequately disclose information on endorsements/guarantees in its financial reports and provide CPA with relevant information for implementation of necessary audit procedures.

5.8 Procedures for controlling and managing endorsements/guarantees by subsidiaries:

5.8.1 Where a subsidiary of the Company intends to make endorsements/guarantees for others, it shall comply with the Procedures when making endorsements/guarantees.

5.8.2 Subsidiaries should prepare a detailed form of endorsement guarantee for others for the previous month before the 5th of each month (exclusive) and submit it to the Company.

5.9 Penalty: When the Company's managers and organizers violate laws or these operating procedures, they will be reported for assessment in accordance with the Company's personnel management regulations and employee handbook, and will be punished according to the severity of the case.

Article 6 (Related documents)

None.

Article 7 (Attachments and Forms)

7.1 Attachments and paper forms:

No.	title	item	no
This Regulations Attachments and paper forms			
1	memorandum book	Annex 1	FS005-01
Other Regulations Attachments and paper forms: None.			

7.2 ERP forms: None.

Article 8 (EasyFlow program details)

None.

Article 9 (Promulgate and Implement)

9.1 After this procedure is approved by the board of directors, it will be sent to each supervisor and submitted to the shareholders' meeting for approval. If any director expresses objection and there is a record or written statement, the Company shall send the objection to each supervisor and submit it to the shareholders' meeting for discussion. The same shall apply when making amendments.

9.2 Where the Company has appointed independent directors, when it makes endorsements/guarantees for others, it shall take into full consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting.

9.3 Where the Company has established an audit committee, the formulation or amendment of these operating procedures must be approved by more than half of all members of the audit committee and submitted to the board of directors for resolution. The provisions of article 9.2 do not apply.

9.4 Where the preceding paragraph is not carried out without the consent of more than half of all members of the audit committee, it may be implemented with the consent of more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board meeting.

9.5 All members of the audit committee referred to in Article 9.3 and all directors referred to in Article 9.4 shall be calculated based on those who are actually in office.