



銘旺實業股份有限公司

HAKERS ENTERPRISE CO., LTD.

Procedures for Endorsement & Guarantee

Article 1: Purpose

All matters related to endorsements and guarantees shall be carried out in accordance with the provisions of these procedures.

Article 2: Scope of Application

1. Financing Endorsement & Guarantee:
 - (1) Discounting of bills for financing.
 - (2) Endorsement or guarantee for the purpose of financing for other companies.
 - (3) Issuance of notes to non-financial businesses as collateral for financing by this company.
2. Customs Guarantee: Refers to endorsements or guarantees made for customs matters related to this company or other companies.
3. Other Endorsement & Guarantee: Refers to endorsements or guarantees that cannot be classified into the first two categories.
4. When this company provides movable or immovable property as collateral for loans to other companies by establishing rights of pledge or mortgages.

Article 3: Recipients of Endorsement & Guarantee

This company, in addition to endorsements and guarantees provided by shareholders in proportion to their shareholdings due to common investment relationships, may provide endorsements and guarantees to the following companies:

1. Companies engaged in business transactions with this company.
2. Companies in which this company directly or indirectly holds more than fifty percent of the voting rights.
3. Companies in which this company directly or indirectly holds more than fifty percent of the voting rights, or companies where this company directly or indirectly holds one hundred percent of the voting rights.
4. In the case of companies in which this company directly or indirectly holds one hundred percent of the voting rights, endorsements and guarantees may be

provided.

5. Endorsements and guarantees provided to invested companies by shareholders based on their shareholding ratios in common investment relationships are not subject to the restrictions mentioned in the preceding paragraph.

The terms "subsidiary" and "parent company" referred to in items (2), (3), and (4) above are determined in accordance with the regulations of the Financial Reports Preparation Standards for Securities Issuers.

The financial reports of this company are prepared in accordance with International Financial Reporting Standards. In this procedure, the term "net worth" refers to the equity attributed to the parent company owner as defined in the Financial Reports Preparation Standards for Securities Issuers' balance sheet.

Article 4: Endorsement & Guarantee Limits

1. The total amount of endorsements and guarantees provided by this company to external parties shall not exceed forty percent of the current net worth. The limit for endorsements and guarantees to a single enterprise, except for subsidiaries where this company directly holds more than ninety percent of common stock equity, shall not exceed twenty percent of the current net worth; for all others, it shall not exceed ten percent of the current net worth. Net worth is based on the most recent financial statements audited or reviewed by a certified accountant.
2. Parties engaged in business transactions with this company and involved in endorsements and guarantees, in addition to the aforementioned limits, shall have individual endorsement and guarantee amounts that do not exceed the higher of the mutual business transaction amounts. The term "mutual business transaction amounts" refers to the higher of the purchasing or sales amounts between the two parties.
3. When the combined total of endorsements and guarantees provided by this company and its subsidiaries reaches more than fifty percent of this company's net worth, the necessity and reasonableness of this should be explained at the shareholders' meeting.

Article 5: Decision-Making and Authorization Levels

1. For matters related to endorsements and guarantees, a resolution by the Board of Directors is required. The Board of Directors may authorize the Chairman to make decisions within the limit of a single transaction not exceeding twenty million New Taiwan Dollars (NTD), in accordance with the provisions of these procedures, subject to subsequent approval by the Board of Directors, and the relevant information shall be submitted for the shareholders' reference.

2. In cases where the endorsement and guarantee amounts exceed the limits specified in these procedures due to business needs and meet the conditions set out in these procedures, it shall require the approval of the Board of Directors. Additionally, more than half of the directors shall jointly guarantee against any potential losses exceeding the set limits. The endorsement and guarantee procedures shall be revised and submitted for approval by the shareholders' meeting. If the shareholders' meeting does not agree, a plan shall be established to reduce the excess portion within a certain period.

When discussing the matters mentioned in the preceding paragraph at the Board of Directors' meeting, due consideration shall be given to the opinions of the independent directors. If the independent directors hold opposing or reserved views, these shall be recorded in the minutes of the Board of Directors' meeting.

Article 6: Endorsement & Guarantee Handling Procedures

1. When this company engages in endorsement and guarantee matters, the company being endorsed or guaranteed should submit an application to the Finance Department. The Finance Department should conduct a credit investigation on the endorsed or guaranteed company, assess its risk, and maintain evaluation records. After review and approval, the matter should be submitted to the General Manager and the Chairman for authorization, with collateral obtained when necessary.
2. The credit investigation and risk assessment conducted by the Finance Department for the endorsed or guaranteed company should include the following considerations:
 - (1) The necessity and reasonableness of the endorsement or guarantee.
 - (2) Whether the endorsement amount is justified by the financial condition of the endorsed or guaranteed company.
 - (3) Whether the cumulative endorsement amount remains within the prescribed limits.
 - (4) In cases of endorsements and guarantees due to business relationships, the evaluation of whether the endorsement amount is within the limit compared to the business transaction amounts.
 - (5) The impact on the operational risk, financial condition, and shareholder equity of this company.
 - (6) The necessity of obtaining collateral and the assessed value of the collateral.
 - (7) Attach credit investigation and risk assessment records for endorsements and guarantees.

3. The Finance Department should maintain a record book that includes detailed information about the endorsed or guaranteed parties, amounts, date of Board of Directors' approval or Chairman's authorization, date of endorsement or guarantee, and any matters that require careful evaluation, as per the provisions in the preceding paragraph.
4. The Finance Department should assess or recognize contingent losses for endorsements and guarantees and appropriately disclose endorsement and guarantee information in the financial reports. Relevant information should be provided to the certifying accountant for necessary audit procedures to issue an appropriate audit report.
5. In the event of changes that make the endorsed or guaranteed party no longer comply with the Publicly Traded Company Fund Loan and Endorsement and Guarantee Processing Guidelines, or if the endorsed or guaranteed amount exceeds the prescribed limit due to changes in the basis for calculation, the endorsed or guaranteed amount or excess portion should be eliminated within the contract's stipulated period or a specified improvement plan should be developed within a certain period. This improvement plan should be submitted to the Audit Committee for review, and improvements should be completed according to the plan's schedule, with reports presented at the Board of Directors.
6. If the endorsed or guaranteed party is a subsidiary with net worth less than half of the paid-in capital, specific control measures should be clearly defined for its subsequent management.

For subsidiaries with shares without par value or with a per-share par value other than ten New Taiwan Dollars (NTD), the calculation of paid-in capital as specified in the preceding paragraph should include the total of the capital stock and capital surplus - premium on issuance.

Article 7: Cancellation of Endorsement & Guarantee

1. When documents or instruments related to endorsements and guarantees need to be canceled due to debt settlement or renewal, the company being endorsed or guaranteed should prepare an official letter and deliver the original documents to the Finance Department of this company. The Finance Department should affix the "cancellation" seal and return the documents. The application letter should be retained for reference.
2. The Finance Department should promptly record the cancellation of endorsements and guarantees in the endorsement and guarantee record book to reduce the total amount of endorsements and guarantees.

Article 8: Internal Controls

1. The internal audit personnel of this company should conduct an audit of the endorsement and guarantee procedures and their execution at least quarterly and maintain written records. If significant violations are discovered, the Audit Committee should be promptly notified in writing.
2. When this company engages in endorsements and guarantees, it should adhere to the prescribed procedures. In the event of significant violations, appropriate actions should be taken against the responsible managers and staff based on the severity of the violations.

Article 9: Seal Management and Procedures

1. This company uses company seals obtained from the Ministry of Economic Affairs for the specific purpose of endorsements and guarantees. These seals and guaranteed instruments should be separately managed by designated personnel. They should be used and documents should be signed in accordance with the prescribed procedures. When there are changes in personnel responsible for seal management, the approval of the Board of Directors should be sought.
2. When this company guarantees for foreign companies, the guarantee letter issued by the company should be signed by the person authorized by the Board of Directors.

Article 10: Public Notification and Reporting Procedures

This company shall announce and report the previous month's endorsement and guarantee balances for this company and its subsidiaries by the 10th day of each month. However, if the endorsement and guarantee balance reaches one of the following criteria, an announcement and report should be made within two days from the date of occurrence:

1. When the endorsement and guarantee balance for this company and its subsidiaries reaches more than fifty percent of this company's most recent financial statement's net worth.
2. When the endorsement and guarantee balance for this company and its subsidiaries for a single enterprise reaches more than twenty percent of this company's most recent financial statement's net worth.
3. When the endorsement and guarantee balance for this company and its subsidiaries for a single enterprise reaches more than NTD ten million, and the total of the

endorsement and guarantee, the investment accounted for under the equity method, and the loan balance for that enterprise, exceeds thirty percent of this company's most recent financial statement's net worth.

4. When this company or its subsidiaries add a new endorsement and guarantee amount of more than NTD thirty million, and it reaches more than five percent of this company's most recent financial statement's net worth.

For subsidiaries of this company that are not domestic publicly traded companies, if there are matters to be announced and reported as stipulated in the fourth item above, it shall be carried out by this company.

The term "date of occurrence" as mentioned in this procedure refers to the earlier of the signing date, payment date, Board of Directors' resolution date, or any other date sufficient to determine the endorsed or guaranteed party and amount.

Article 11

When a subsidiary of this company intends to endorse or provide guarantees to third parties, this company shall require the subsidiary to establish endorsement and guarantee operating procedures in accordance with the guidelines for publicly traded company fund loans and endorsement and guarantee processing. The subsidiary shall follow the established operating procedures accordingly.

Article 12

If the endorsed or guaranteed party is a subsidiary with net worth less than half of the paid-in capital, in addition to the detailed examination of the necessity, reasonableness, and risk assessment of its endorsements and guarantees as stipulated in Article 6 of these operating procedures, an improvement plan should be formulated. This plan should be submitted to the Audit Committee, and the improvements should be completed according to the plan's schedule.

Article 13

For matters not covered in these implementing regulations, relevant laws and regulations and the company's related rules shall apply.

Article 14

The endorsement and guarantee operating procedures established by this company shall be approved by more than half of all members of the Audit Committee, further approved by the Board of Directors, and submitted for approval by the shareholders' meeting. If any directors raise objections with documented records or written statements, the company should present these objections to the shareholders' meeting for discussion

and make necessary amendments.

If the first paragraph is not approved by more than half of all members of the Audit Committee, it may be approved by more than two-thirds of all directors. The decision of the Audit Committee shall be recorded in the minutes of the Board of Directors' meeting.

In the first paragraph, "all members of the Audit Committee" and in the preceding paragraph, "all directors" shall be based on the actual members in office.

Article 15

These procedures were formulated on December 22, 2009.

The first amendment was made on May 13, 2011.

The second amendment was made on May 10, 2012.

The third amendment was made on June 14, 2013.

The fourth amendment was made on June 23, 2020.