

Altek Corporation
Regulations Governing Extending Loans and
Governing Granting Endorsements or Guarantees to Others

Article 1: Purpose and basis

The “Regulations Governing Extending Loans and Governing Granting Endorsements or Guarantees to Others” (hereinafter “these Regulations”) is promulgated pursuant to Article 36-1 of the Securities and Exchange Act and the relevant regulations of the competent authorities for the compliance of the Company in extending loans to and granting endorsements or guarantees to others.

Where the Company’s financial reports are prepared according to the International Financial Reporting Standards (IFRSs), “net worth” in the “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.

Section I Extending loans operation

Article 2: Extending loans scope and entities

Under Article 15 of the Company Act, the Company shall not loan funds to any of the shareholders or any other person without the approval of the board of directors except under the following circumstances: an inter-company or inter-firm business transaction calls for a loan arrangement or a short-term financing facility is necessary (hereinafter “borrower”). The so-called “short-term” means one year or one operating cycle (whichever is longer).

The company loans funds to an inter-company or inter-firm for reasons of business transaction or short-term financing facility, shall be limited to the situation where the borrower needs those funds for operational purpose.

Article 3: Extending loans and limits

1. The extending loans is for an amount not exceeding 40% of the net value on the Company’s latest financial statements audited, certified, or reviewed by the CPAs (hereinafter referred to as the net value of the financial statements). The aforementioned restrictions shall not apply to inter-company extending loans between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, nor to extending loans to the Company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares. However, the Company shall still prescribe limits on the aggregate amount of such loans and on the amount of such loans permitted to a single borrower, which is limited to 100% of the net worth of the borrower as stated in the latest financial report; also, the duration of such loans is not intended for a short period of time, but it shall not be for more than 2 years.
2. Where an inter-company or inter-firm short-term financing facility is necessary, the total financing amount shall not exceed 20% of the Company’s net worth as stated in the latest financial statements. The extending loans to a single entity shall not exceed 10% of the Company’s net worth as stated in the latest financial statements.
3. Where an extending loan with a company or firm that has business transactions conducted with the Company is necessary, the total financing amount shall not exceed 40% of the Company’s net worth as stated in the latest financial statements. The extending loans to a single entity are limited to the purchase or sales amount conducted within the most recent year; also, it may not exceed 10% of the Company’s net worth as stated in the latest financial statements.
4. Where as a result of changes of condition the entity for which loaning of the

fund is extended no longer meets the requirements of the Company's "these Regulations" or the amount of loans exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to the Audit Committee members, and shall complete the rectification according to the timeframe set out in the plan.

Article 4: Operational procedures

1. The responsible unit should evaluate the necessity and reasonableness of extending loans to the borrower; also, conduct credit status and risk assessment on the borrower's business operation, financial status, solvency and credit, profitability, the intended use of the loan, etc., and assess the Company's operational risks, financial conditions, the impact on shareholders' equity, and the value of collateral in order to formulate an assessment report on the maximum loan amount, term, and interest calculation method for the approval of the board of directors before implementation. In addition, the opinions of the independent directors shall be fully considered when discussing at the board of directors, and any dissenting opinions or reservations of independent directors shall be stated in the minutes of the board meeting.

The extending loans between the Company and the subsidiaries, or between the subsidiaries, shall be submitted for a resolution by the board of directors, and the Chairman may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the board of directors, and within a period not to exceed 1 year, to grant loans in installments or to make a revolving credit line available for the counterparty to drawdown.

The "certain monetary limit" mentioned in the preceding paragraph must comply with the provisions of Article 3.

2. The borrower should issue a guaranteed promissory note of the same amount to the Company so to ensure the creditor's rights and the Company shall present the promissory note to the bank for payment on the due date. In addition to the aforementioned guarantee promissory note, if it is deemed as necessary by the board of directors, the borrower shall provide the Company with a collateral for a certain financing amount with its integrity intact. For the aforementioned security for an obligation, if the borrower provides an individual or company with considerable resources and credit as the guarantor instead of providing a collateral, the board of directors may consider the investigation opinion of the responsible unit for further process. For a company acting as a guarantor, the guaranteeing company must stipulate in its articles of incorporation to act as a guarantor, and shall submit the minutes of its shareholders' meeting on relevant matters.
3. The borrower shall repay the principal and interest immediately upon the loan due. If the borrower needs to renew the loan after paying the due loan in full, it should file another application with the Company.
4. When the borrower repays the loan at or before the loan due, the responsible unit shall first calculate the interest payable and the repay the loan principal and interest in a lump sum before canceling the promissory note of the loan and returning it to the lender or canceling the mortgage. The loan interest shall be calculated at a rate not lower than the bank's short-term loan rate on the day of the borrowing. The interest of the extending loans between the Company and the subsidiaries, or between subsidiaries, is calculated and adjusted according to the capital cost of the Company, and is not subject to the aforementioned restrictions.
5. The Company shall prepare a memorandum book for the extending loan activities and truthfully record the following information: borrower, amount, date of approval by the board of directors, lending or borrowing date, and matters to be carefully evaluated.
6. The responsible unit should observe regularly the financial and business

conditions of the borrowers and the guarantor. For the collateral provided, if any, it is necessary to observe whether there is any change in the value. The significant change in the value of the collateral, if any, should be immediately reported to the Chairman for instructions in order to have it processed properly.

7. The Company shall evaluate the status of the extending loans and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in the financial reports and provide the CPAs with relevant information for implementation of necessary auditing procedures.
8. The Company's internal auditors shall audit the Operational Procedures for Extending Loans to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the Audit Committee members in writing of any material violation found.
9. The managerial officers and responsible units of the Company that violate the "Regulations Governing Extending Loans and Governing Granting Endorsements or Guarantees to Others" issued by the competent authorities and the Company's "these Regulations" in extending loans shall be punished in accordance with the relevant provisions of the work rules and personnel management regulations.
10. Where the Company's subsidiary intends to extend loans to others, the Company shall instruct it to formulate its own "Regulations for Extending Loans to Others" in compliance with the Company's "these Regulations" and it is to be resolved by the subsidiary's board of directors; also, the subsidiary shall comply with its "Regulations for Extending Loans to Others." The Company's internal auditors shall review the subsidiary's self-inspection report and related matters. The so-called "subsidiary" is identified in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

Article 5: Announcement and report

The announcement and report of the Company's extending loans to others shall be handled in accordance with the "Regulations Governing Extending Loans and Governing Granting Endorsements or Guarantees to Others" and it should be uploaded to the website designated by the competent authorities:

1. The Company shall announce and report the previous month's balance of extending loans of the Company and the subsidiaries by the 10th day of each month.
2. The Company whose extending loans reaches one of the following levels shall announce and report such event within 2 days commencing immediately from the date of occurrence:
 - (1)The aggregate balance of loans to others by the Company and the subsidiaries reaches 20% or more of the Company's net worth as stated in the latest financial statements.
 - (2)The balance of loans granted by the Company and the subsidiaries to a single enterprise reaches 10% or more of the Company's net worth as stated in the latest financial statements.
 - (3)The amount of new extending loans by the Company or the subsidiaries reach NT\$10 million or more, and reaches 2% or more of the Company's net worth as stated in its latest financial statements.
3. If the subsidiary of the Company is not a domestic public company in Taiwan, the subsidiary should have the matters that should be announced and reported as stated in subparagraph 3 of the preceding paragraph announced and reported by the Company.
4. "Date of occurrence" means the date of contract signing, date of payment, dates of the board of directors' resolutions, or other dates that can confirm the counterparty and monetary amount of the extending loans, whichever date is

earlier.

Section II Endorsements or Guarantees operation

Article 6: Scope of endorsements or guarantees

1. Financing endorsements or guarantees
 - (1) Bill discount financing.
 - (2) Endorsement or guarantee granted to meet the financing needs of another company.
 - (3) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.
2. Customs duty endorsement or guarantee, meaning an endorsement or guarantee for the Company or another company with respect to customs duty matters.
3. Other endorsements or guarantees, meaning endorsements or guarantees beyond the scope of the above two paragraphs.
4. Any creation by the Company of a pledge or mortgage on the chattel or real property as security for the loans of another company shall also comply with “these Regulations.”

Article 7: Endorsement or guarantee companies

The Company may grant endorsement or guarantee to the following companies: A company that the Company does business with; a company in which the Company directly and indirectly holds more than 50% voting shares, or a company that directly and indirectly holds more than 50% voting shares of the Company.

Subsidiaries in which the Company holds, directly or indirectly, 90% or more of the voting shares may grant endorsements or guarantees to each other, and the amount of endorsements or guarantees may not exceed 10% of the net worth of the Company, provided that this restriction shall not apply to endorsements or guarantees granted between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

Where all capital contributing shareholders grant endorsements or guarantees to their jointly invested company in proportion to their shareholding percentages, such endorsements or guarantees may be granted free of the restriction of Paragraph 1. 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.

Article 8: Endorsement or guarantee limit

1. Where the total endorsements or guarantees amount of the Company and between the Company and the subsidiaries shall not exceed 50% of the Company’s net worth as stated in the latest financial statements. The granting of endorsements or guarantees to a single entity shall not exceed 20% of the Company’s net worth as stated in the latest financial statements.
2. The granting of endorsements or guarantees to a single entity due to the business relationship shall not exceed the purchase or sales amount between the two parties within the most recent year, whichever is higher.
3. Where as a result of changes of conditions the entity for which the amount of endorsement or guarantee exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to the Audit Committee members, and shall complete the rectification according to the timeframe set out in the plan.

Article 9: Operational procedures for granting endorsements or guarantees to others

1. The responsible unit should evaluate the necessity and reasonableness of the Company’s granting endorsements or guarantees; also, the credit status and risk assessment of the endorsement or guarantee entity, the impact on the Company’s business operations, financial condition, and shareholders’ equity,

and whether collateral must be obtained and appraisal of the value thereof, in order to formulate an assessment report for the approval of the board of directors or by the authorized Chairman before having negotiable instruments sealed or issued. Before granting any endorsement or guarantee pursuant to Article 7, Paragraph 2, a subsidiary in which the Company holds, directly or indirectly, 90% or more of the voting shares shall submit the proposed endorsement or guarantee to the Company's board of directors for a resolution, provided that this restriction shall not apply to endorsements or guarantees granted between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

2. An endorsement or guarantee can be granted only after the evaluation results have been submitted to and resolved upon by the board of directors, or approved by the Chairman of the board, where empowered by the board of directors within a specific limit as stated in the preceding paragraph, for subsequent submission to and ratification by the next board meeting. The board of directors while granting endorsements or guarantees to others 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 meeting.
3. The responsible unit shall prepare a memorandum book for the endorsements or guarantees activities and document the following information for records: The entity for which the endorsement or guarantee is granted, the endorsement or guarantee entity, risk assessment result, the date of passage by the board of directors or of authorization by the Chairman of the board, the date the endorsement or guarantee is granted, the amount the endorsement or guarantee is granted, the collateral collected, and the conditions for and date of endorsement or guarantee canceled.
4. The responsible unit shall track and assess the financial status of the guaranteed company and the use of funds. The President and Chairman of the Company should be immediately notified of any major changes and they shall give instructions to the responsible unit for further process. The responsible unit shall take the initiative to track whether an endorsement or guarantee is closed or not on the expiry day.
5. Where the Company needs to exceed the limits set out in these Regulations for granting endorsements or guarantees to satisfy its business needs, and where the conditions set out in these Regulations for Endorsements or Guarantees to Others are complied with, the Company shall obtain approval from the board of directors and a 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 or guarantee. The Company shall also amend these Regulations for Endorsements or Guarantees to Others 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. In addition, it shall take into full consideration the opinions of each independent director, independent director's opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting.
6. When the endorsement or guarantee is to be canceled upon the request of the Company or the guaranteed company, the responsible unit should confirm that the guaranteed company has the guarantee responsibility canceled and has obtained the necessary document from the creditor to have the Company exempted from the guarantee responsibility.
7. The Company shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements or guarantees. The negotiable instruments and corporate chop shall be kept separately in the custody of the designated person and may be used to seal or issue negotiable

- instruments only in prescribed procedures of the Company. The relevant custodians shall be appointed by the board of directors with a personnel register prepared for the record, same for the amendments made. When granting a guarantee to an overseas company, the Company shall have the Guarantee Agreement signed by a person authorized by the board of directors.
8. The responsible unit shall evaluate or record the contingent loss for endorsements or guarantees, and shall adequately disclose information on endorsements or guarantees in the financial reports and provide the CPAs with relevant information for implementation of necessary audit procedures.
 9. The Company's internal auditors shall audit these Regulations for Granting Endorsements or Guarantees to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the Audit Committee members in writing of any material violation found.
 10. The managerial officers and responsible units of the Company that violate the "Regulations Governing Extending Loans and Governing Granting Endorsements or Guarantees to Others" issued by the competent authorities and the Company's "Operational Procedures" in granting endorsements or guarantees to others shall be punished in accordance with the relevant provisions of the work rules and personnel management regulations.
 11. Where the Company's subsidiary intends to grant endorsements or guarantees to others, the Company shall instruct the said subsidiary to formulate its own "these Regulations for Granting Endorsements or Guarantees to Others" in compliance with the Company's "these Regulations" and it is to be resolved by the subsidiary's board of directors; also, the subsidiary shall comply with its "these Regulations for Granting Endorsements or Guarantees to Others." For circumstances in which an entity for which the Company grants any endorsement or guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, relevant follow-up monitoring and control measures shall be expressly prescribed. The Company's internal auditors shall review the subsidiary's self-inspection report and related matters. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, the paid-in capital calculated according to the aforementioned provision should be the total amount of the capital stock plus the "additional paid-in capital – issuance premium."

Article 10: Announcement and report

The announcement and report of the Company's granting endorsements or guarantees to others shall be handled in accordance with the "Regulations Governing Extending Loans and Governing Granting Endorsements or Guarantees to Others" and it should be uploaded to the website designated by the competent authorities:

1. The Company shall announce and report the previous month's balance of endorsements or guarantees of the Company and the subsidiaries by the 10th day of each month.
2. The Company whose granting endorsements or guarantees reach one of the following levels shall announce and report such event within 2 days commencing immediately from the date of occurrence:
 - (1) The aggregate balance of endorsement or guarantee granted to others by the Company and the subsidiaries reaches 50% or more of the Company's net worth as stated in the latest financial statements.
 - (2) The balance of endorsement or guarantee granted by the Company and the subsidiaries to a single enterprise reaches 20% or more of the Company's net worth as stated in the latest financial statements.
 - (3) The balance of endorsements or guarantees granted by the Company and the subsidiaries to a single enterprise reach NT\$10 million or more and the aggregate amount of all endorsements or guarantees for, the book value of

the investment under the equity method, and the balance of loans to, such enterprise reaches 30% or more of the Company's net worth as stated in the latest financial statements.

- (4) The amount of new endorsements or guarantees granted by the Company or the subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the Company's net worth as stated in the latest financial statements.
3. The Company shall announce and report on behalf of any subsidiary thereof that is not a public company in Taiwan on any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.
4. "Date of occurrence" means the date of contract signing, date of payment, dates of the board of directors' resolutions, or other dates that can confirm the counterparty and monetary amount of granting endorsement or guarantee, whichever date is earlier.

Article 11: Enforcement

The audit committee has been established by the Company in accordance with the provisions of the Act, when the Regulations are adopted or amended they shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution.

If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the Regulations may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in paragraph 1 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

The Company's "these Regulations" after the resolutions of the board of directors should be submitted to each independent director and the shareholders' meeting for approval. Where there any director expresses dissent and it is contained in the meeting minutes or a written statement, the Company shall submit the dissenting opinions to each independent director and the shareholders' meeting for discussion, same for the amendments.

The Procedures were duly amended on May 27, 2002 as the 1st amendment.

The Procedures were duly amended on June 9, 2003 as the 2nd amendment.

The Procedures were duly amended on June 14, 2006 as the 3rd amendment.

The Procedures were duly amended on June 16, 2009 as the 4th amendment.

The Procedures were duly amended on June 15, 2010 as the 5th amendment.

The Procedures were duly amended on June 2, 2015 as the 6th amendment.

The Procedures were duly amended on June 16, 2017 as the 7th amendment.

The Procedures were duly amended on June 13, 2019 as the 8th amendment.

The Procedures were duly amended on June 17, 2022 as the 9th amendment.