

SynPower Co., Ltd.

Procedures for Endorsements and Guarantees

Approved at the Shareholders' Meeting on held on June 30, 2020

In order to safeguard the rights and interests of the Company's shareholders, ensure sound financial management, and reduce operational risks, the Procedures are established in accordance with Article 36-1 of the Securities and Exchange Act and the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the competent authority.

All external endorsements and guarantees made by the Company shall be handled in accordance with the provisions of the Procedures. Any matters not covered herein shall be governed by the relevant laws and regulations.

Article 1 Scope of Endorsements and Guarantees

The term "endorsements and guarantees" as used in the Procedures refers to the following:

1. Financing Endorsements and Guarantees, including:
 - a. Endorsements for the discounting of promissory notes.
 - b. Endorsements or guarantees provided for the financing needs of other companies.
 - c. Issuance of promissory notes as security to non-financial enterprises for the Company's own financing needs.
2. Customs Endorsements and Guarantees:

Refers to endorsements or guarantees provided for customs-related matters of the Company or other companies.
3. Other Endorsements and Guarantees:

Refers to endorsements or guarantees not classified under the preceding two categories.
4. The Company providing chattel or real estate as collateral for loans obtained by other companies, through the creation of pledges or mortgages.

Article 2 Parties Eligible for Endorsements and Guarantees

The Company may provide endorsements and guarantees only to the following parties, and may request collateral when necessary:

1. Companies with which the Company has business dealings.
2. Companies in which the Company directly and indirectly holds more

than 50% of the voting shares.

3. Companies that directly or indirectly hold more than 50% of the Company's voting shares.

The Company may provide endorsements and guarantees to and from companies in which it directly and indirectly holds 90% or more of the voting shares, provided that the amount does not exceed 10% of the Company's net worth. However, this restriction does not apply to endorsements and guarantees between companies in which the Company directly and indirectly holds 100% of the voting shares.

The Company may provide endorsements and guarantees in the following circumstances without being subject to the restrictions of the preceding two paragraphs: mutual guarantees between peers or co-developers for contracted projects as stipulated by contract; guarantees provided by all investing shareholders to an investee company based on their shareholding ratio due to a joint investment relationship; or joint guarantees among peers for performance guarantees of pre-sale housing contracts under the Consumer Protection Act.

Article 3 The terms “subsidiary” and “parent company” as used in the procedures shall be defined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

As the Company's financial reports are prepared in accordance with the International Financial Reporting Standards (IFRS), the term “net worth” as used in these procedures refers to the equity attributable to owners of the parent company, as defined in the balance sheet under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 4 Endorsement and Guarantee Limits

1. The total amount of endorsements and guarantees provided by the Company shall not exceed 100% of the Company's net worth. The limits for endorsements and guarantees to a single enterprise are as follows:
 - a. The cumulative amount of endorsements and guarantees to subsidiaries shall not exceed 100% of the Company's net worth.
 - b. The amount for other companies shall not exceed 30% of the Company's net worth.
 - c. For endorsements and guarantees related to business dealings with the Company, the amount shall not exceed the highest amount of

- purchases or sales in the most recent year between the two parties.
2. The total amount of endorsements and guarantees provided by the Company and its subsidiaries combined shall not exceed 100% of the Company's net worth. The limits for endorsements and guarantees to a single enterprise are as follows:
 - a. To subsidiaries, not exceeding 100% of the Company's net worth.
 - b. To other companies, not exceeding 30% of the Company's net worth.
 - c. For endorsements and guarantees related to business dealings with the Company, the amount shall not exceed the highest amount of purchases or sales in the most recent year between the two parties.
 3. The aforementioned net worth shall be based on the most recent financial statements audited or reviewed by certified public accountants.

Article 5 Decision-Making and Authorization Levels

Endorsements and guarantees provided by the Company must have their necessity and reasonableness explained and be approved by the Company's Board of Directors before execution. However, to meet time-sensitive needs, the Board of Directors may authorize the Chairman to proceed with the endorsements and guarantees within the limits set by these procedures, with subsequent ratification by the Board of Directors.

Article 6 Procedures for Endorsement and Guarantee Handling, and Use and Custody of Company Seals

1. When an endorsed or guaranteed company needs to use an amount within the approved limit, related companies (excluding subsidiaries) must provide basic and financial information and submit an application to the Company's Finance Department. The Finance Department shall conduct a thorough evaluation, including the necessity and reasonableness of the endorsement/guarantee, credit and risk assessment of the endorsement/guarantee recipient, whether the endorsed amount corresponds to the business transaction amount in case of business dealings, the impact on the Company's operational risk, financial condition, and shareholders' rights, as well as whether collateral is needed and its value appraisal.

2. The Finance Department staff shall compile the related information and evaluation results. If the cumulative balance of endorsements and guarantees to be handled has not exceeded the limits set in the procedures, it shall be submitted to the Chairman for approval and then subsequently reported to the next Board meeting for ratification.
3. The “Endorsement and Guarantee Register” established by the Finance Department shall record in detail the endorsement/guarantee recipient, amount, Board of Directors approval or Chairman’s decision date, endorsement/guarantee date, matters requiring prudent evaluation according to these regulations, collateral content and valuation, and the conditions and dates for release from endorsement/guarantee obligations.
4. When the endorsed or guaranteed company makes repayments, it shall notify the Company of the repayment information to facilitate release of the Company’s guarantee responsibility and record it in the “Endorsement and Guarantee Register.”
5. The Finance Department shall periodically assess and recognize contingent losses from endorsements and guarantees, appropriately disclose endorsement and guarantee information in financial reports, and provide relevant information to the auditing accountants to enable necessary audit procedures and issuance of an appropriate audit report.
6. The Company seal registered with the Ministry of Economic Affairs shall be used exclusively for endorsements and guarantees. This seal shall be kept by a designated person approved by the Board of Directors and may only be affixed or documents signed after filling out and approving a seal usage application, following established procedures and seal management rules.
7. For guarantees provided to foreign companies, the guarantee letters issued by the Company shall be signed by the Chairman authorized by the Board of Directors.
8. If business needs require endorsements and guarantees exceeding the limits set by the procedures but meeting the conditions prescribed in the Company’s endorsement and guarantee procedures, Board of Directors approval shall be obtained. More than half of the Directors must provide joint and several guarantees for potential losses exceeding

the limits, and the endorsement and guarantee procedures shall be amended and submitted to the shareholders' meeting for ratification. If the shareholders' meeting disapproves, a plan shall be made to eliminate the excess within a set period. When discussed by the Board, if independent directors have been appointed, their opinions shall be fully considered, and their agreement or dissent, along with dissenting reasons, shall be recorded in the Board of Directors minutes.

9. If changes in circumstances cause the endorsement/guarantee recipients to no longer meet regulations or the amounts to exceed limits, an improvement plan shall be formulated, submitted to the Supervisors, and improvements completed according to the plan schedule. If the Company has established an Audit Committee pursuant to the Securities Exchange Act, the improvement plan shall be submitted to each member of the Audit Committee. If independent directors have been appointed, the plan shall also be submitted to them.
10. If the endorsement/guarantee recipient is a subsidiary whose net worth is less than half of its paid-in capital, this shall be specially noted in the application and included as a key audit item for periodic follow-up. For subsidiaries whose stock has no par value or whose par value per share is not NT\$10, the paid-in capital shall be calculated as the sum of capital and capital surplus from issuance premiums.

Article 7 Announcement and Reporting Procedures

1. The Company shall announce and report the endorsement and guarantee balances of the Company and its subsidiaries for the previous month by the 10th day of each month.
2. If the Company's endorsement and guarantee balance reaches any of the following thresholds, it shall announce and report within two days starting from the date the event occurs:
 - a. The endorsement and guarantee balance of the Company and its subsidiaries reaches 50% or more of the Company's most recent financial statement net worth.
 - b. The endorsement and guarantee balance to a single enterprise by the Company and its subsidiaries reaches 20% or more of the Company's most recent financial statement net worth.

- c. The endorsement and guarantee balance to a single enterprise by the Company and its subsidiaries reaches NT\$10 million or the equivalent in RMB or USD, and the sum of the endorsements and guarantees, equity-method investment book value, and loan balances reaches 30% or more of the Company's most recent financial statement net worth.
- d. The Company or its subsidiaries have newly increased endorsements and guarantees amounting to NT\$30 million or more, or the equivalent in RMB or USD, and reaching 5% or more of the Company's most recent financial statement net worth.

If a subsidiary of the Company is not a domestically publicly listed company and has endorsement and guarantee matters falling under item d above, the Company shall be responsible for the announcement and reporting.

The "date the event occurs" as referred to in this procedure means the earliest of the contract signing date, payment date, Board resolution date, or any other date sufficient to determine the endorsement/guarantee recipient and amount.

Article 8 Internal Control

1. The Company's internal audit personnel shall audit the Procedures for Endorsements and Guarantees and their implementation at least quarterly, and prepare written records. If any significant violations are found, they shall immediately notify all supervisors in writing; if the Company has established an Audit Committee in accordance with the Securities and Exchange Act, the members of the Audit Committee shall also be notified in writing immediately.
2. When relevant personnel of the Company violate the provisions of the procedures, they shall be handled according to the Company's work regulations and related policies.

Article 9 The Company shall assess or recognize contingent losses arising from endorsements and guarantees, appropriately disclose related information in the financial reports, and provide relevant data to the certified public accountants for performing necessary audit procedures.

Article 10 The Company's "Procedures for Endorsements and Guarantees" are

established in accordance with Article 36-1 of the Securities and Exchange Act and the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies. The Procedures shall take effect upon approval by the Board of Directors and submission to the supervisors, followed by approval from the shareholders' meeting. The same applies to any amendments. If any director expresses dissent and it is recorded or stated in writing, the Company shall submit such dissenting opinion to the supervisors. If the Company has appointed independent directors, their opinions shall be fully considered when the "Procedures for Endorsements and Guarantees" are submitted to the Board of Directors for discussion. Any objections or reservations expressed by the independent directors shall be clearly stated in the minutes of the Board of Directors. If the Company has established an Audit Committee, any amendments to the "Procedures for Endorsements and Guarantees" shall be approved by more than half of all Audit Committee members and then resolved by the Board of Directors. If such approval is not obtained from more than half of the Audit Committee members, the Procedures may be adopted with the consent of at least two-thirds of all directors, and the Board of Directors minutes must state the Audit Committee's resolution. The total number of Audit Committee members and directors shall be calculated based on those currently in office.

Article 11 If a subsidiary of the Company intends to carry out endorsement and guarantee operations, it shall establish its own "Procedures for Endorsements and Guarantees" and submit them to the Company's Board of Directors for approval. The procedures established by the subsidiary shall be formulated in accordance with the relevant provisions of the Procedures.

Article 12 Penalties for Personnel Violations of the Procedures

In the event that the Company's managers or responsible personnel violate the provisions of the Procedures, they shall be subject to evaluation in accordance with the Company's personnel regulations and related rules on employee rewards and disciplinary actions, and may be given appropriate penalties depending on the severity of the violation.

Article 13 Any matters not covered by the Procedures shall be handled in accordance with applicable laws and regulations, as well as the relevant rules and

policies of the Company.