

ENNOSTAR Inc. Procedures for Endorsements and Guarantees

- Article 1: Purpose
In order to provide specific operating rules in respect of the endorsements and guarantees to be provided by the Company, the Handling Procedures are enacted in accordance with the “Regulations Governing Lending of Funds and Making of Endorsements/Guarantees by Public Companies” (the “Regulations”) promulgated by the Financial Supervisory Commission the Executive Yuan of the Republic of China (“FSC”)
- Article 2: Endorsement / Guarantee items
The endorsement / guarantee items of ENNOSTAR Inc. (hereinafter the “Company”) include the following:
1. Financing endorsements / guarantees, including:
 - (1) Bill discounts financing.
 - (2) Endorsement / guarantee made 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.
 2. Customs duty endorsement / guarantee:
Meaning the endorsement / guarantee for the Company or another company with respect to customs duty matters.
 3. Others endorsements / guarantees:
Meaning the endorsements/guarantees beyond the scope of the above two paragraphs.
 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.
- Article 3: Targets
The Company may make endorsements / guarantees for the following companies:
1. Any company with which it does business.
 2. Any company in which the Company directly and indirectly holds 50% or more of the voting shares.
 3. Any company that directly and indirectly holds more than 50% of the voting shares in the Company.
- Article 4: The amount of an Endorsement/Guarantee
The limit on the aggregate amount of endorsements and/or guarantees (“ aggregate limit”) and the limit on the amount of endorsements and/or guarantees provided for any individual (“individual limit”) are as follows:

1. The aggregate limit of endorsement / guarantee of the Company shall not exceed 20% of the Company's net worth, the individual limit of endorsement / guarantee of the Company to a single enterprise shall not exceed 10% of the Company's net worth.
2. The aggregate limit of endorsement / guarantee of the Company and its subsidiaries as a whole shall not exceed 30% of the Company's net worth, the individual limit of endorsement / guarantee of the Company and its subsidiaries as a whole to a single enterprise shall not exceed 10% of the Company's net worth.
3. The endorsement / guarantee as a result of business relationship, other than the above two subparagraphs stated limitation, shall not exceed the total transaction amount between the two parties. The "transaction amount" refers to whichever is higher between the purchase and sales amount.
4. Companies in which the 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 Company's net worth, 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.

Article 5: Information Disclosure

1. The Company shall announce and report the previous month's balance of endorsements/guarantees balance as of itself and its subsidiaries by the 10th day of each month.
2. When the Company's endorsement/ guarantee balance reaches one of the following standards levels, the Company shall announce and report such event within 2 days commencing immediately from the occurrence date:
 - (1) The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50% or more of the Company's net worth as stated in its latest financial statements.
 - (2) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20% or more of the Company's net worth as stated in its latest financial statements.
 - (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 loan to, such enterprise reaches 30% or more of the Company's net worth as stated in its latest financial statements.
 - (4) The amount of new endorsements/guarantees made by the Company

or its subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the Company's net worth as stated in its latest financial statements.

"The occurrence date" in this Section means the contract signing date, the payment date, the Board of Directors (hereinafter the "BOD") resolution date, or other dates that the endorsement/guarantee parties and monetary amounts could be confirmed, whichever date is earlier.

3. If any subsidiary of the Company is not a public company and the subsidiary meets any of the requirements in accordance with any subparagraph of preceding paragraph, the Company should make declaration on behalf of the subsidiary.
4. The Company shall evaluate or record the contingent loss for the endorsements/guarantees, and shall adequately disclose information on endorsements/guarantees in its and provide CPAs with relevant information for implementation of necessary audit procedures.

Article 6: Procedures of endorsement / guarantee

1. The Finance department should submit a petition in regards with any endorsement/ guarantee, stating the targets, types, rationales and amount. After approved by the Finance Department, President and Chairman, the petition must be submitted to the BOD for deliberation and approval. However, the BOD may delegate Chairman to approve applications under a certain facility and report to the BOD for recognition afterwards.
2. The Finance department shall prepare and keep a book with respect to the endorsements and/or guarantees provided by the Company to record the subject of the endorsement or guarantee, name of the subsidiary for which the Company will provide endorsement/guarantee, amount of the endorsement/ guarantee, result of the risk evaluation, content of the collateral, approval date of the Board of Directors or the Chairman, date of endorsement or guarantee and date and condition for the Company to discharge its obligation from the relevant endorsement or guarantee.
3. The Finance department shall prepare and submit the relevant reports regarding endorsement/guarantee to the Board of Directors for recordation.

Article 7: Review procedures

1. Before making any endorsement/ guarantee, the Company shall evaluate with discretion whether such endorsement/ guarantee complies with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the

FSC and this SOP. The Company is also required to request the endorsed/guaranteed company provide the Company with the certificate of company registrations, a copy of the responsible person's ID and all necessary financial statements. The Company should evaluate the company based on the following criteria:

- (1) Evaluate the necessity and reasonableness of endorsement/ guarantee based on the financial status of the company.
 - (2) Conduct credit status investigation on the company to evaluate the risks of such endorsement/ guarantee.
 - (3) Evaluate whether the endorsement/ guarantee amount still falls within the cap and the impacts of such endorsement/ guarantee on the Company's business operations, financial condition and shareholders' equities.
 - (4) Assess the risk level of such endorsement/ guarantee and evaluate whether collateral must be obtained.
2. The Finance department shall track regularly to the endorsement/ guarantee status and risk assessment subject to related items.
 3. When the Company or any its subsidiary makes endorsement/ guarantee for subsidiaries whose net worth is lower than half of its paid-in capital, other than fulfilling the above-stated rules, the auditors should audit the procedures of such endorsement/ guarantee and the execution status at least once every quarter in a written form. Any discovery of major violation against rules should be notified to the Audit Committee in a written notice.

Article 8: Decision making and authorization level

1. Any endorsement/guarantee shall be approved by the BOD and processed in accordance with normal procedures. However, in line with business demands, the BOD may delegate the Chairman for approval the endorsement/guarantee to process based on special procedures less than NT\$100,000,000 or customs duty endorsement/guarantee with no limit on the amount in accordance with this Operational procedures paragraph 2 of Article 2, for subsequent submission to and ratification by the next board of directors' meeting.
2. Where a the Company needs to exceed the limits set out in Article 4 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 BOD 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 procedures accordingly and submit to Shareholders' Meeting for ratification after the fact. If Shareholders' Meeting does not give consent, the Company should adopt a plan to discharge the amount in excess within a given time limit.

3. Before the subsidiaries in which more than 90% outstanding voting shares are directly or indirectly held by the Company provide endorsement or guarantee among others in accordance with Article 3, it shall be reported and approved by the Board of Directors of the Company ("Requirement"). The endorsements/guarantees provided by and among subsidiaries, 100% outstanding voting shares directly or indirectly held by the Company, is free of the preceding restriction of the Requirement.
4. Where the Company has appointed Independent Directors, when the Company submits the matters of endorsements / guarantees for others for discussion by the BOD, the BOD 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 meeting minutes of the BOD.

Article 9: Procedures and retention of chops

1. The Company shall use the corporate chop (the "Chop") registered with the Ministry of Economic Affairs ("MOEA") as the chop to be used for providing endorsement and/or guarantee. Each chop shall be kept in the custody of a designated person approved by the Board of Directors and controls the usage of such chops. The BOD should approve the change of the delegate as well. The chops or seals may be used to seal or issue negotiable instruments only in prescribed procedures.
2. When making a guarantee for an overseas company, the Company shall have the guarantee letter signed by a person authorized by the BOD.

Article 10: Procedures of controlling endorsement / guarantee of subsidiaries

1. Where a subsidiary of the Company intends to make endorsements/guarantees for others, the Company shall instruct subsidiary to formulate its own operational procedures for endorsements / guarantees in compliance with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" stipulated by the FSC, and adopt and comply with the procedures when making endorsements / guarantees after consulting with the Company's opinions.
2. When any subsidiary of the Company intends to make

endorsements/guarantees for others, the subsidiary should provide related information to the Company and take reference the opinions from the related personnel in the Company before processing. However, if the subsidiary is located offshore, no endorsement/guarantee shall be proceeded.

3. The subsidiary should report to the Company the updates of follow-up status for the endorsement/guarantee on a regular basis.

Article 11: Audit

The Company's internal auditors shall audit this SOP and the implementation thereof no less frequently than quarterly and prepare written records accordingly. The auditors shall promptly notify the Audit Committee in writing of any material violation found.

Article 12: Penalty

Any manager or responsible person of the Company violates "Regulations Governing Loaning of Funds and Making of Endorsements / Guarantees by Public Companies" stipulated by Financial Supervisory Commission and / or this SOP, the auditors or the mangers of responsible person should report the violation to the President or the BOD immediately. The President and the BOD should decide if the related personnel should receive any penalty depend on the content of violation.

Article 13: Other

1. The "subsidiaries" and "parent company" as referred to in this SOP shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
2. "Net worth" 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.
3. Matters not provided for in this Handling Procedures shall be governed by relevant laws, regulations, and the Company's other internal regulations.
4. The term "announcement and declaration" of this SOP means the process of entering data to the information reporting website designated appointed by the regulators.
5. Where as a result of changes of condition the entity for which an endorsement/guarantee is made no longer meets the requirements of this SOP, or the amount of endorsement/guarantee or exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans

to the Audit Committee, and shall complete the rectification according to the timeframe set out in the plan.

Article 14: Effectiveness and Amendment

1. Enactment of or amendment to the Handling Procedures shall be approved by a majority of all members of the Audit Committee and further submitted to the board of directors for resolution. If enactment of or amendment to the Handling Procedures is not approved by a majority of all members of the Audit Committee, alternatively, such may be approved by two-thirds of all directors, provided that in such case, the resolutions adopted by the Audit Committee shall be recorded in the minutes of the meeting of the board of directors. If for a legitimate reason it is impossible to hold a meeting of the Committee, matters on the meeting agenda shall be adopted with the consent of two thirds or more of the entire board of directors.
2. The Handling Procedures shall be approved by the board of directors and further submitted to the shareholders meeting for approval and will become effective afterwards. The same shall apply to amendments to the Handling Procedures.

Article 15: The Handling Procedures were enacted at the promoters' meeting on August 7, 2020.

The 1st amendment was made on May 31, 2023.

The 2nd amendment was made on May 24, 2024.