

Niko Semiconductor Co., Ltd.

Procedures for Endorsement Guarantee

Article 1: The company's endorsement and guarantee matters shall be implemented in accordance with the provisions of this operating procedure.

Article 2: The scope of application of this operating procedure:

1. Financing endorsement guarantee:
 - (1) Passenger ticket discount financing.
 - (2) Endorsements or guarantees for the purpose of financing other companies.
 - (3) For the purpose of financing the company, another bill is issued to a non-financial enterprise as a guarantee.
2. Tariff endorsement guarantee: refers to the endorsement or guarantee for the company or other companies regarding tariff matters.
3. Other endorsements and guarantees: refers to the endorsements or guarantees that cannot be classified into the preceding two paragraphs.
4. The company provides movable or immovable property to set pledge rights or mortgage rights to guarantee loans of other companies.

Article 3: Object of Endorsement

1. Companies that have business dealings.
2. A company in which the company directly or indirectly holds more than 50% of the voting shares.
3. A company that directly or indirectly holds more than 50% of the voting shares of the company.

The company may directly or indirectly hold more than 90% of the voting shares between companies, and the endorsement shall be guaranteed, and the amount shall not exceed 10% of the company's net worth. However, the inter-company endorsement guarantee that the company directly and indirectly holds 100% of the voting shares is not limited to this.

Based on the needs of contracting projects, the company shall provide

mutual insurance between peers or co-founders in accordance with the contract, or due to the joint investment relationship, all the contributing shareholders shall endorse and guarantee the invested company according to their shareholding ratio, or the peers shall be regulated in accordance with the Consumer Protection Law Those engaged in the performance guarantee and joint guarantee of the pre-sale house sales contract are not subject to the provisions of the preceding two paragraphs, and may be an endorsement guarantee.

The capital contribution mentioned in the preceding paragraph refers to the capital contribution made by the company directly or through a company holding 100% of the voting shares.

Article 4: Amount of Endorsement Guarantee

1. The total amount of the company's external endorsement and guarantee shall not exceed 50% of the net value of the financial statements audited or certified by the most recent accountant, and the limit of the single enterprise endorsement guarantee for the affiliated enterprise shall not exceed 40% of the net value of the most recent financial statement audited, certified or reviewed by an accountant.
2. For companies that are not affiliated companies and this company engage in endorsement guarantees due to business relations, the amount of individual endorsement guarantees shall not exceed 10% of the business transaction amount between the two parties in the most recent year.

The business transaction amount referred to refers to the purchase or sales amount between the two parties in the most recent year, whichever is higher.

3. The total amount of endorsement guarantees by the company and its subsidiaries as a whole shall not exceed 50% of the net value of the most recent consolidated financial statements audited, certified or reviewed by an accountant, and the amount of endorsement guarantees for a single enterprise shall not exceed the most recent 40% of the net worth of the financial statements certified or reviewed by an accountant.

The net worth mentioned in this operating procedure refers to the

equity attributable to the owner of the parent company in the balance sheet stipulated in the financial reporting standards for securities issuers.

Article 5: Decision-making and Delegation Level

1. Before the company endorses or provides guarantees for others, it should carefully evaluate whether it complies with the "Public Issuance Company Funds Loans and Endorsements and Guarantees Handling Standards" and the regulations of the company's endorsement and guarantee procedures, and the evaluation results in Article 6 It shall be handled after submitting the resolution of the board of directors.
2. The board of directors authorizes the chairman to make decisions in accordance with the relevant provisions of this operating procedure, but if the guaranteed amount of a single endorsement is greater than NT\$20,000, it must be submitted to the latest board of directors for ratification, and the matters related to the situation will be reported to the shareholders. Will check.
3. Subsidiaries that directly and indirectly hold more than 90% of the voting shares of the company shall submit to the board of directors of the company for resolution before they can be endorsed in accordance with the provisions of this operating procedure. However, the inter-company endorsement guarantee that the company directly and indirectly holds 100% of the voting shares is not limited to this.
4. When the company handles the endorsement guarantee due to business needs and it is necessary to exceed the limit specified in this operating procedure and meets the conditions set forth in this operating program, it shall be approved by the board of directors and more than half of the directors shall be responsible for the company's over-limit. The loss shall be named and jointly guaranteed, and this operating procedure shall be revised and submitted to the shareholders meeting for ratification; if the shareholders meeting does not agree, a plan shall be made to cancel the excess portion within a certain period of time.

When independent directors have been established, they shall fully

consider the opinions of each independent director when discussing at the board of directors in the preceding paragraph, and record their clear opinions of approval or disapproval and the reasons for their disapproval in the board records.

Article 6: Endorsement Guarantee and Review Procedures

1. When the company handles the endorsement and guarantee matters, the endorsed guarantee company shall provide the basic information and financial information, and fill in the application form to apply to the financial unit of the company. The financial unit shall conduct credit investigation and risk assessment for the endorsed guarantee company. . Review items include:
 - (1) Evaluate the necessity and rationality of the endorsement guarantee with respect to the financial and business conditions of the endorsed company.
 - (2) For the endorsement guarantee due to business relationship, it should be assessed whether the amount of the endorsement guarantee is equivalent to the business transaction amount.
 - (3) Whether the cumulative amount of endorsement guarantees is still within the limit and the impact of the endorsement and guarantee matters on the company's operational risks, financial status and shareholders' rights and interests.
 - (4) Measure the risk-taking degree of the company for the endorsement guarantee, evaluate whether it should obtain the collateral, and evaluate the value of the collateral.
 - (5) Attaching the endorsement guarantee credit investigation and risk assessment records.
2. The financial unit of the company will compile the relevant information and evaluation results in the preceding paragraph, and submit it to the board of directors for resolution. However, in order to comply with the time limit, within the limit specified in Article 5 of this operating procedure, it will be submitted to the chairman of the board for decision and then processed. Submit to the next board of directors for ratification.
3. The financial unit shall establish a reference book to publish the

details of the endorsement guarantee object, amount, date of approval by the board of directors or decision of the chairman of the board, date of endorsement and guarantee, mortgage or collateral, and matters that should be carefully evaluated in accordance with Paragraph 1 of Article 5. For future reference, it shall be approved by the responsible supervisor and properly kept.

4. The financial unit shall evaluate or recognize the contingent loss of the endorsement guarantee, properly disclose the endorsement guarantee information in the financial report, and provide the relevant information to the certified accountant to perform the necessary verification procedures.
5. If the object of endorsement and guarantee by the company or its subsidiaries is a subsidiary whose net value is less than half of the paid-in capital, it shall report to the board of directors to request the object of endorsement and guarantee to provide a financial improvement plan.
6. Where the shares of the subsidiary company have no par value or the par value per share is not NT\$10, the paid-in capital amount calculated in accordance with the provisions of the preceding paragraph shall be the total amount of the share capital plus the capital reserve-issuance premium.
7. The mortgage or collateral provided by the endorsed guarantee company shall be kept by the personnel who are not responsible for the endorsement and guarantee operations, and shall be checked and checked with the memorandum from time to time; Approved by the responsible supervisor.
8. Regular follow-up. If it is found that the financial status, business situation and solvency of the endorsement guarantee object show problems, and the value of the mortgage or collateral has been impaired, it should formulate corresponding measures and submit it to the competent authority for approval.
9. If the company due to changes in circumstances, the endorsement guarantee object originally complied with the provisions of this operating procedure but subsequently does not comply, or when the amount of the endorsement guarantee exceeds the limit set in this

operating procedure due to changes in the basis on which the limit is calculated, the endorsement guarantee For the amount or excess of the guarantee endorsed by the object, an improvement plan should be formulated to eliminate all within a certain period of time, and the improvement plan should be sent to the audit committee, and the improvement should be completed according to the planned schedule.

Article 7: Cancellation of endorsement guarantee:

1. If the relevant certificates or bills of the endorsement guarantee need to be released due to debt repayment or renewal, the endorsed guarantee company shall prepare a formal letter to deliver the original endorsement guarantee relevant documents to the financial unit of the company and affix the "cancellation" seal and return it. The application letter is kept for future reference.
2. The financial unit shall record the cancellation of the endorsement guarantee in the endorsement guarantee reference book at any time in order to reduce the amount of the endorsement guarantee.

Article 8: Internal Control:

1. The company's internal auditors shall audit the endorsement guarantee operating procedures and their implementation at least quarterly, and make written records. If any major violations are found, they shall notify the Audit Committee in writing.
2. The company shall handle the endorsement and guarantee in accordance with the prescribed procedures. If there is any violation of the operating procedures or the laws and regulations, the manager and the organizer shall be punished according to the relevant personnel management regulations of the company according to the seriousness of the circumstances. If any losses are caused to the company, Strictly pursue the responsibility of relevant personnel.

Article 9: Procedures for the use and storage of seals:

1. The company shall use the company seal applied for registration with the Ministry of Economic Affairs as the special seal for endorsement and guarantee. The seal and guarantee bills shall be kept by special persons, and shall be used for stamping and issuing

bills in accordance with the prescribed procedures, and the seal shall be issued by It shall be kept by a designated person approved by the board of directors.

2. If the company acts as a guarantee for a foreign company, the letter of guarantee issued by the company should be signed by a person authorized by the board of directors.

Article 10: Announcement and declaration procedures

1. The company shall announce and declare the balance of endorsement guarantees of the company and its subsidiaries in the previous month before the tenth day of each month.
2. If the company's endorsement guarantee meets one of the following standards, it shall announce and declare within two days from the date of the occurrence of the fact:
 - (1) The balance of the endorsement guarantee of the company and its subsidiaries is more than 50% of the net value of the company's most recent financial statement.
 - (2) The balance of endorsement guarantees made by the company and its subsidiaries to a single enterprise is more than 20% of the net value of the company's most recent financial statements.
 - (3) The balance of endorsement and guarantee for a single enterprise by the company and its subsidiaries is more than NT\$10 million, and the total amount of the book value of the investment and the balance of capital loans and funds under the equity method of the endorsement and guarantee of its endorsement and equity method reach the most recent financial statement of the company more than 30% of net worth.
 - (4) The amount of the newly added endorsement guarantee by the company or its subsidiaries is more than NT\$30 million and more than 5% of the net worth of the company's most recent financial statement.

If the subsidiary company of the company is not a domestic public offering company, the subsidiary company has the matters that should be announced and reported in subparagraph 4 of the preceding paragraph, and the company should do it.

The date of occurrence of the fact mentioned in this operating procedure refers to the date of signing the transaction, the date of payment, the date of the resolution of the board of directors, or any other date that is sufficient to determine the transaction object and transaction amount, whichever is the former.

Article 11: When a subsidiary of the company intends to endorse or provide a guarantee for others, the company shall instruct the subsidiary to formulate the endorsement and guarantee operation procedures in accordance with the regulations, and shall follow the prescribed operation procedures.

Article 12: When the company endorses or provides guarantees for others and causes losses to the company, it should follow the following procedures:

1. Dispose of the collateral (guarantee) provided by the other party in accordance with the law and compensate the company for its losses.
2. If there are any deficiencies, a civil lawsuit shall be filed for compensation, depending on the legal conditions favorable to the company at that time.
3. If the other party cannot be held accountable, report to the board of directors to admit the loss.

Article 13: Matters not covered in these implementation measures shall be handled in accordance with relevant laws and regulations and the relevant rules of the company.

Article 14: This operating procedure shall be approved by the audit committee and then submitted to the board of directors for resolution and submitted to the shareholders' meeting for approval. If a director expresses an objection and there is a record or written statement, the company shall submit the objection to the shareholders' meeting for discussion, and the same shall apply to amendments.

When submitting to the Audit Committee for discussion in accordance with the provisions of the preceding paragraph, it shall be approved by more than half of all members of the Audit Committee, and a resolution shall be submitted to the board of directors. If not approved by more than one-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 of directors.

All members of the audit committee and all directors referred to in Paragraph 2 shall be counted on the basis of the actual incumbents.