

Inventec Corporation

Regulations Making of Endorsements/Guarantees

(This English version is a translation based on the original Chinese version. Where any discrepancy arises between the two versions, the Chinese version shall prevail.)

Article 1

The company shall comply with the Regulations when making endorsements/guarantees.

Article 2

The term "endorsements/guarantees" as used in these Regulations refers to the following:

1. Financing endorsements/guarantees, including: Bill discount financing, Endorsement or guarantee made to meet the financing needs of another company, 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/guarantee, meaning an endorsement or guarantee for the company itself or another company with respect to customs duty matters.
- 3.. Any creation of a pledge or mortgage on its chattel or real property as security for the loans of another company.
4. Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above three subparagraphs.

Article 3

The company may make endorsements/guarantees for the following companies:

1. A company with which it does business.
2. A company in which the company directly and indirectly holds more than 50% of the voting shares.
3. A company that directly and indirectly holds more than 50% of the voting shares in the company.

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 net worth of the public company, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the public company holds, directly or indirectly, 100% of the voting shares.

Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in

proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint, such endorsements/guarantees may be made free of the restriction of the preceding two paragraphs.

Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the public company, or through a company in which the public company holds 100% of the voting shares.

Article 4

Total amount of endorsements/guarantees of the Company shall not exceed 50% of the net worth on the latest financial statement. Besides, the ceilings on the amount permitted to a single entity shall not exceed 50% of the net worth on the latest financial statement. Where an endorsement/guarantee is made due to needs arising from business dealings, the amount for lending to an individual entity shall not exceed the total transaction amount between the parties in the previous year.

Total amount of endorsements/guarantees of the Company and Subsidiary shall not exceed 50% of the Company's net worth on the latest financial statement. Besides, the ceilings on the amount permitted to a single entity shall not exceed 50% of the Company's net worth on the latest financial statement.

When process endorsements/guarantees, the Company shall review detailed procedures, including:

1. The necessity and reasonableness of endorsements/guarantees.
2. Credit status and risk assessment of endorsements/guarantees.
3. Impact on the Company's business operations, financial condition, and shareholders' equity.
4. Whether collateral must be obtained and appraisal of the value thereof. In addition, The Company shall have assessment records and obtain collateral after approved by the board of directors, or the board of directors may authorize the Chairman to decide such matters when the transaction is within a specified amount and then submit to the board of directors for ratification. The amount of endorsements/ guarantees reaches 5% or more than the company's net worth as stated in its latest financial statement, shall be subject to the consent of audit committee and be submitted to board of director for a resolution.

For circumstances in which an entity for the Company makes any endorsement/guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, shall process according to relevant follow-up monitoring and control measures:

1. Subsidiary shall prepare the operational improvement plan to the Company.
2. Subsidiary shall regularly submit the execution of the improvement plan to the Company.

In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.

Where the Company needs to exceed the limits set out in the Regulations to satisfy its business requirements, and where the conditions set out in the Regulations are complied with, it shall obtain approval from the board of directors 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 Regulations 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.

Article 5

The company shall execute the following control activities when supervising its subsidiaries' audit management:

1. Where a subsidiary intends to make endorsements/guarantees, the company shall instruct it to formulate its own regulations which approved by resolution at a board meeting and the shareholders' meeting, and it shall comply with the regulations.
2. File statements of endorsements/guarantees made by the subsidiaries for the preceding month each calendar month.
3. The company's internal audit shall conduct subsidiary audits. Upon submission of the audit findings and recommendations in reports, the company shall notify the audited subsidiary to make corrections and prepare follow-up reports.

Companies in which the company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees according to Article 3 item 2 after reporting to the board of directors of the company

This restriction shall not apply to endorsements/guarantees made between companies in which the public company holds, directly or indirectly, 100% of the voting shares.

Where as a result of changes of condition the entity for which an endorsement/guarantee is made no longer meets the requirements of these Regulations, or the amount of endorsement/guarantee exceeds the limit, the company shall adopt rectification plans and submit the rectification plans to audit committee, and shall complete the rectification according to the timeframe set out in the plan

Article 6

When the Company process or cancel endorsement/guarantee, the in-charge department shall file a guarantee application form or a cancellation form to specify name of the company, target, type, reason and amount, and submit to chairman to make decision.

Besides, the finance department shall record guarantee matters in account according to their nature. In addition, The Company shall prepare a memorandum containing its endorsement/guarantee activities and truthfully record the following information: the subject of the endorsement/guarantee, the name of the party for whom the endorsement/guarantee was made, the credit information, the result of the risk evaluation, the amount and the date of the endorsement/guarantee, the date of the Board of Director's resolution or Chairman's decision, the content of the Collateral, the condition and date for discharging the obligation of the endorsement/guarantee and other shall be carefully evaluated matters. The finance department shall prepare "classification statement of changes in amount of external endorsement/guarantee" of last month to Chairman at the beginning of every month. Besides, the finance department shall evaluate and record the contingent loss for endorsements/guarantees and disclose information regarding the endorsement/guarantee in the financial report and provide related information to the CPA for proceeding necessary audit procedure and issuing the proper audit report

Article 7

The Company shall use the company chop (hereinafter, the "Chop") which is registered with the Ministry of Economic Affairs for the use of endorsement and/or guarantee. The Chop shall be under the safekeeping of special personnel and may be used or to issue negotiable instruments only in accordance with internal procedures. The appointment and the change of the personnel safekeeping the Chop shall be approved by the Board of Directors. If the Company provides guarantees in favor of a foreign company, the guarantee agreement shall be signed by the person who was authorized by the Board of Directors

Article 8

The company shall announce and report the previous month's balance of endorsements/guarantees of itself and its subsidiaries by the 10th day of each month. The company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:

1. The aggregate balance of endorsements/guarantees by the company and its subsidiaries reaches 50% or more of the public company's net worth as stated in its latest financial statement.
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 statement.

3. The balance of endorsements/guarantees by the company and its subsidiaries for a single enterprise reaches NT\$10 millions or more and the aggregate amount of all endorsements/guarantees for, book value of investments accounted for using equity method, and balance of loans to, such enterprise reaches 30% or more of company's net worth as stated in its latest financial statement.
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 statement.

The company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.

The expression "public disclosure and filing" or "publicly disclose and file" as used in this article means entering the information into the website specified by the FSC for the submission of electronic filings.

Net worth under these Regulations means the balance sheet equity attributable to the owners of the parent company.

Article 9

The company's internal auditors shall audit the Procedures for Making of Endorsements/Guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify audit committee in writing of any material violation found.

The company shall comply with these Regulations when making endorsements/guarantees. Any material violation found, punishment being imposed on the managers or personnel in charge.

Article 10

The regulations shall approve by audit committee and then submitted to the board of directors for a resolution and submit them for approval by the shareholders' meeting, the same shall apply to any amendments to the procedures, where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion for discussion by the shareholders' meeting.

(The Regulations were amended on Jun. 14th, 2019.)