



V5 TECHNOLOGIES CO., LTD.

**Operating Procedures of Endorsement /
Guarantees**

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1	Apr 30, 2024	5	V01	First Edition	吳香蘭
2	Jun 24, 2025	5	V02	Cooperate with the company to establish an audit committee, delete the paragraph about supervisors, and revise the content according to laws and regulations and operational needs.	黃立彬

Review, Approval, and Issuance

Department	Editor	Reviewer	Approver	Department	Document Controller
Name	黃立彬	Approval and review documentation for this regulation is recorded in the minutes of the Board of Directors and the Shareholders' Meeting.		Name	饒芙萍
Date	Mar 10,2025			Date	Jun 24, 2025
Remarks					

Article 1: Purpose and Basis

This procedure is established to ensure compliance with the company's policies regarding external endorsements and guarantees.

Article 2 : Scope of application

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

- 1 、 Financing endorsements/guarantees, including:
 - I. Bill discount financing.
 - II. Endorsement or guarantee made to meet the financing needs of another company.
 - III. 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 、 Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.

Any creation by the company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with these Regulations.

Article 3 : Object of endorsements/guarantees

A public company may make endorsements/guarantees for the following companies:

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.
3. A company that directly and indirectly holds more than 50percentof the voting shares in the public 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 company, 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 4 : Endorsement Guarantee Amount

The company may provide external endorsements and guarantees under the following limits:

1. Total Guarantee Amount

The total amount of endorsements and guarantees shall not exceed 50% of the company's net worth based on the most recent financial statements audited or reviewed by a certified public accountant.

2. Guarantee Amount for a Single Entity

- **Companies with Business Relations:** If the endorsement or guarantee is made due to business dealings, the amount shall not exceed the total transaction amount (whichever is higher between purchases or sales) with the company during the most recent fiscal year, and must also not exceed 10% of the company's net worth based on the most recent audited or reviewed financial statements.
- **Parent-Subsidiary Companies:** The amount shall not exceed 10% of the company's net worth based on the most recent audited or reviewed financial statements.

The combined total amount of endorsements and guarantees by the company and its subsidiaries, and the amount for any single entity, shall respectively not exceed 50% and 10% of the company's net worth according to the most recent financial statements audited or reviewed by a certified public accountant.

If due to business needs the company must exceed the limits set forth in the endorsement and guarantee procedures and meets the conditions outlined therein, it must obtain approval from the Board of Directors. More than half of the directors must jointly guarantee any potential losses to the company due to exceeding the limits. The endorsement and guarantee procedure must be amended and submitted to the shareholders' meeting for ratification. If the shareholders' meeting disapproves, the company must establish a plan to eliminate the excess within a designated

timeframe.

When discussing endorsements and guarantees or the circumstances during Board meetings, the company must fully consider the opinions of independent directors. Their explicit consent or dissent and reasons for opposition must be recorded in the Board minutes.

If the original endorsement and guarantee recipients no longer comply with the regulations of this Article due to changed circumstances or excess amounts, the company shall formulate an improvement plan, submit it to each audit committee member, and implement the improvements according to the schedule.

Article 5 : Decision-making and authorization levels

All endorsements and guarantees provided by the Company shall be subject to prior approval by the Board of Directors. However, to accommodate urgent business needs, the Chairman is authorized to execute endorsements and guarantees within 50% of the limits specified in Article 4 of these procedures. Such actions shall be subsequently submitted to the next Board of Directors meeting for ratification.

Article 6 : Executing procedures of endorsement/guarantees

The responsible unit shall conduct a risk assessment and submit a written proposal specifying the applicant for endorsement or guarantee, type, rationale, and amount. A detailed review process shall be conducted, including:

1. Necessity and reasonableness of endorsement/guarantee.
2. Credit investigation and risk assessment of endorsement/guarantee objects.
3. The impact on the company's operating risks, financial status and shareholders' equity.
4. Whether the collateral and the appraised value of the collateral should be obtained.

Upon repayment by the endorsed or guaranteed enterprise, relevant repayment information shall be submitted to the Company in order to release the Company from its guarantee obligations.

Article 7 : Recordkeeping

The Company shall establish a registry for endorsement and guarantee transactions. The registry shall record in detail the name of the endorsed or guaranteed entity, the amount of the endorsement or guarantee, the date of approval by the Board of Directors or execution by the Chairman, the date of the endorsement or guarantee, and the items subject to prudent evaluation as specified in the preceding Article, Paragraph 1.

The Company shall assess and recognize any contingent liabilities arising from endorsements and guarantees. For cases where the endorsement or guarantee has reached its maturity date, the Company shall actively track whether the case has been concluded and duly cancelled. Relevant information shall be appropriately disclosed in the financial statements, and necessary documentation shall be provided to the certified public accountant for audit procedures.

Article 8 : Announcement and Reporting Procedures

The Company shall, by the tenth day of each month, publicly announce and report the balance of endorsements and guarantees held by the Company and its subsidiaries as of the previous month.

In any of the following circumstances, the Company shall input the relevant information into the Market Observation Post System within two days from the date of occurrence:

1. The aggregate balance of endorsements and guarantees by the Company and its subsidiaries exceeds 50% of the Company's net worth, based on the most recent financial statements audited or reviewed by a certified public accountant.
2. The aggregate balance of endorsements and guarantees provided for a single entity by the Company and its subsidiaries exceeds 20% of the Company's net worth, based on the most recent audited or reviewed financial statements.
3. The aggregate balance of endorsements and guarantees provided for a single entity by the Company and its subsidiaries exceeds NT\$100 million, and the sum of endorsements and guarantees, the book value of investments accounted

for under the equity method, and the balance of loans provided to the entity exceeds 30% of the Company's net worth, based on the most recent audited or reviewed financial statements.

4. The newly added endorsement or guarantee amount by the Company, or its subsidiaries exceeds NT\$300 million and accounts for more than 5% of the Company's net worth, based on the most recent audited or reviewed financial statements.

If a subsidiary of the Company is not a domestic public company, and the situation described in Item 4 above occurs, the Company shall perform the reporting obligation on its behalf.

Article 9 : Use and Storage Procedures for Company Seals

The company seal used for endorsement and guarantee in registering with the Ministry of Economic Affairs shall be kept by a designated person approved by the board of directors and shall be used in accordance with the relevant operational procedures of the company before stamping or issuing invoices.

When guaranteeing for foreign companies, the guaranteed letter issued by the company shall be signed by the chairman of the board of directors authorized by the board of directors.

Article 10 : Internal audit

Internal auditors shall perform auditing on the Procedures and the implementation of the Procedures every quarter and produce written auditing reports. Should there be any violation found, a written report is needed to notify the Audit Committee.

Article 11 : Control procedures for handling endorsement/guarantees for subsidiaries

If a subsidiary of the Company intends to provide endorsements or guarantees for other parties, the Company shall require the subsidiary to establish its own "Procedures for Endorsements and Guarantees" in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies." The subsidiary shall conduct all endorsement and guarantee activities in accordance with the procedures it establishes. The net worth used as the basis for

calculation shall be that of the subsidiary as stated in its most recent financial statements.

The subsidiary shall, by the fifth day of each month, prepare a detailed statement of endorsements and guarantees made in the preceding month and submit the report to the Company for recordkeeping.

Article 12 : Punishment

If any managerial or responsible personnel of the Company violate applicable laws and regulations enacted by the competent authority, or the provisions of these operating procedures, they shall be subject to disciplinary action or reassignment in accordance with relevant regulations of the competent authority and the Company.

Article 13 : Follow-Up Special Control Measures

When the Company or any of its subsidiaries provides endorsements or guarantees for a subsidiary whose net worth is less than half of its paid-in capital, the Company's internal audit personnel shall conduct an audit of the endorsement and guarantee procedures and their implementation at least once per quarter. Written records of the audit shall be maintained. In the event any major violation is identified, it shall be reported in writing to all members of the audit committee immediately.

For subsidiaries whose shares are either without par value or have a per-share par value other than NT\$10, the paid-in capital referred to in the preceding paragraph shall be calculated as the sum of the capital stock and capital surplus—share premium.

Article 14 : Miscellaneous

The term “subsidiary” as used in these operating procedures shall be defined in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.”

The Company's financial statements 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 as stated in the balance sheet, in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.”

The term “public announcement and reporting” as used in these procedures refers to inputting information into the online reporting system designated by the Financial Supervisory Commission.

The term “date of occurrence” as used in these procedures refers to the earliest of the contract signing date, payment date, board resolution date, or any other date that can substantively determine the endorsement or guarantee recipient and the amount

Article 15 : Implement & revision

The adoption or amendment of these operating procedures shall be subject to the prior consent of more than one-half of all members of the Audit Committee and shall be approved by resolution of the Board of Directors, followed by approval at the shareholders’ meeting before implementation.

If consent of more than one-half of all members of the Audit Committee is not obtained, the adoption or amendment may proceed with the consent of at least two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.

If any director expresses dissent and provides a written statement or a recorded objection, the Company shall submit such dissent to the shareholders’ meeting for discussion. The same procedure applies in the case of amendments.

The term “all members” of the Audit Committee and “all directors” as referred to in this Article shall be calculated based on actual incumbents.

Any matters not provided for in these operating procedures shall be handled in accordance with applicable laws and regulations.

These operating procedures were adopted following shareholder approval on April 30, 2024.

These operating procedures were amended following shareholder approval on June 24, 2025.