

Sercomm Corporation

The Operational Procedures for Endorsements and Guarantees

Article 1. "The Operational Procedures for Endorsements and Guarantees" (Hereinafter referred to as "These procedures") set forth below are the guidelines for Sercomm (the Company) to provide endorsement and guarantees to outside parties. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.

Article 2. The words "endorsement and guarantees" used herein are defined as:

1. Financing endorsement and guarantee:
 - (A). Endorsement and guarantee to customers' notes for cash financing with a discount.
 - (B). Endorsement and guarantee for another company for its financing needs.
 - (C). Endorsement and guarantee to the notes issued by the Company to non-financial institutions and entities for the Company's own financing needs.
2. Endorsement and guarantee of customs duties due from the Company.
3. Other endorsements and guarantees which are not included under the previous two paragraphs.
4. The lien or mortgage provided by the Company against its assets and properties for guaranteeing another company's loan should also follow the policies and procedures set forth herein.

Article 3. Entities to which the endorsement and/or guarantee may be provided

The party to whom the Company may provide endorsement and/or guarantee include the following:

1. Any company who has business relationship with the Company.
2. Any subsidiary whose voting shares are fifty percent (50%) or more directly or indirectly owned by the Company.
3. Any parent company who directly or through its subsidiaries indirectly own fifty percent (50%) or more of the Company's voting shares.

Subsidiaries whose voting shares are at least ninety percent (90%) owned, directly or indirectly, by the Company may provide endorsement and/or guarantee to each other, and the total amount of such endorsement/guarantee shall not exceed ten percent (10%) of the Company's net worth. The limit restriction shall not apply to

endorsement/guarantee when such subsidiaries' voting shares are 100% owned, directly or indirectly, by the Company.

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 and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, such endorsements/guarantees may be made free of the restrictions. 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. The total amount of endorsement and guarantee

The total amount of endorsement and guarantee shall not exceed fifty percent (50%) by the Company's net worth based on its latest Financial Statement. The total amount of the endorsement/guarantee provided by the Company to any individual entity shall not exceed twenty-five percent (25%) of the Company's net worth based on its latest Financial Statement.

The aforementioned 10% limit and the limit of net worth for any individual entity may be lifted for endorsement and guarantee provided by the Company for the benefit of the subsidiaries whose voting shares are one hundred percent (100%) directly or indirectly owned by the Company. However, the total amount limit shall not exceed one hundred percent (100%) of the Company's net worth as stated in the financial statement or has been recently audited by the certified public accountant. The amount limit shall not exceed fifty percent (50%) for individual borrowers.

The aggregate total amount of the endorsement and guarantee provided by the Company and its subsidiaries shall not exceed one hundred percent (100%) of the Company's net worth as stated in the financial statement. The total amount of the endorsement/guarantee provided by the Company to any individual entity shall not exceed fifty percent (50%) of the Company's net worth as stated in the financial statement. The Company shall give an indispensable and rational explanation in a shareholders meeting for the entities who were granted the aggregate total amount of the endorsement/guarantee by the Company and the amount exceed more than

fifty percent (50%) of the Company's net worth.

In addition to the aforementioned limitations, the total amount of endorsement and guarantee provided by the Company to any individual entity deriving from business relations shall not exceed the total business amount between such party and the Company for the one-year period or the current year before the extension of endorsement/guarantee. The business amount refers to purchase amount or sales amount of the goods between the parties, whichever is higher.

Article 5. The procedures for providing endorsement and/or guarantee

1. For any endorsement and guarantee provided by the Company, a financial officer shall evaluate the recipients if their qualifications and the considered amount are in line with these procedures, and whether the amount of funds needs to be announced and reported to the Competent Authority. Such evaluation results shall be submitted to both the Chairman and the Board of Directors for approval. A pre-determined limit may be delegated to the Chairman according to the credit and financial status of the recipients of endorsement guarantee to facilitate execution and such endorsement/guarantee shall be reported to the next Board of Directors' Meeting for ratification.
2. The financial department of the Company shall establish and maintain a reference book for its activities related to the loaning of funds. After the endorsement and/or guarantee is approved by either the Chairman or the Board of Directors, in addition to request for the seal, the Company shall record the endorsement and guarantee activities in detail, such as the entity for which the endorsement and guarantee is made, the amount, the date of passage by the Board of Directors or the Chairman, the date the endorsement and guarantee is made and matters to be carefully evaluated under these procedures. The Company shall also make photocopies of the notes and agreement used for issuing endorsement/guarantee, and keep them properly.
3. Internal auditors shall perform auditing on the Company's endorsement and guarantee profile on a quarterly basis and produce written auditing reports. Should there be any violation, a written report is needed to notify the Audit Committee.
4. The internal staff accountants of the Company shall prepare a statement on new entries and settlements of financing monthly for the purpose of tracking and declaration. The Company shall also evaluate

and reserve sufficient allowance for bad debts on a quarterly basis, and adequately disclose relevant information in the financial statements and provide external certified public accountants with necessary information for conducting audit.

5. In the case of a change in circumstances which cause the balance of outstanding loans to exceed the maximum limit or where the borrower does not satisfy the criteria set forth in these regulations, the Company shall work out a corrective action plan and submit such plan to the Chairman for approval and forwarded to the Audit Committee. The Company shall complete the corrective action as scheduled in the corrective action plan.
6. Prior to the maturity date of an endorsement or guarantee, the staff accountants shall proactively notify the company guaranteed to retrieve the promissory notes retained at a bank or a financial institution, and cancel all deeds relevant to the endorsement or guarantee.

Article 6. Review procedure

For any endorsement and/or guarantee provided by the Company, the financial officers shall review, evaluate and record the following matters:

1. Evaluate the necessity and reasonability of the loans by understanding the relationship with the Company, the purpose and usage of loan, the potential relevance and importance of the borrower's business to the Company, along with limits on the total amount of endorsement/guarantee and the current balance of endorsements and guarantees of the Company.
2. Obtain the annual reports, financial statements, and all other relevant information of the recipients, along with the analysis of their operation, financial position, credit standing, and the sources of funds for repayment of loans for the purpose of assessing possible risks.
3. Analyze the current balance of endorsements and guarantees of the Company in proportion to its net worth, liquidity and cash flow status, and assess the effect of operational risk, financial position, and shareholders of the Company.
4. Evaluate if it is necessary for requesting collaterals from the recipients of endorsement and guarantee, depending on the nature of guarantee, the credit standing of the recipients, and appraise the value of the collaterals on a quarterly basis to ensure relevance with the balance of endorsement and guarantee. Wherever necessary, request the

recipients for additional collaterals.

5. In the event that the Company or its subsidiary desires to provide endorsement and guarantee for the benefit of a subsidiary whose net worth is lower than half of its paid-in capital, Finance and related Departments shall evaluate the relevant risks, establish risk control measures and exercise implementation review, as well as regularly report the same to the Audit Committee in a quarterly basis. In the case of any major changes, the relevant personnel shall immediately report to the Chairman of the Board of Directors and adequate measures shall be performed according to the given specific instructions.

For purposes of determining the paid-in capital of the above-mentioned subsidiary receiving any Sercomm or Sercomm's subsidiaries endorsement/guarantee who has no par value or has a par value other than NT\$10, the sum of the share capital plus capital surplus - additional paid-in capital shall be deemed as its paid-in capital.

6. The Company shall assess and recognize, if any, contingent losses brought about by the endorsement and guarantee, to adequately disclose information in the financial statements, and to provide external auditors with necessary information for the conduct of an audit.

Article 7. Procedure for control of endorsement and guarantee in favor of subsidiaries

1. The Company's subsidiaries shall formulate its "The Operational Procedures for Endorsements and Guarantees". This regulation and its amendment hereof shall be put into enforcement after obtaining the approval from the Board of Directors.
2. In the event that the Company's subsidiaries provide the loaning of funds, it shall handle in accordance with their "The Operational Procedures for Endorsements and Guarantees". The subsidiaries shall submit the written report, including the balance, recipients, duration and term of endorsements and guarantees to the company by the 5th day of every month. The internal audit department of the Company shall include the endorsement and guaranteed undertaken by subsidiaries as an item for an annual audit. The audit findings shall be considered necessary for report to the Audit Committee and the Board of Directors as an integral part of the audit report.
3. In the case that any of the Company's subsidiaries is not a publicly listed company in Taiwan and the balance of endorsement and guarantee has

reached the level for report and announcement in accordance with these procedures. The subsidiary shall notify the Company on the date of occurrence, the Company shall complete such a procedure through the specified website on behalf of any of its subsidiaries.

4. A subsidiary in which the Company directly and/or indirectly holds ninety percent (90%) or more of the voting shares shall report to the Board of Directors meeting of the Company for a resolution before making any endorsement and guarantee. However, this restriction shall not apply to endorsements and guarantees made between companies in which the Company directly and/or indirectly holds one hundred percent (100%) of the voting shares.

Article 8. Level of decision-making and authorization

1. When making any endorsement or guarantee, the Company shall first perform signature and approval on the matter in regard to the endorsement or guarantee in accordance with the Procedures and submit it to the Board of Directors for resolution and approval before proceeding. If the Company has independent director(s), when the Company makes endorsements or guarantees for others, the opinions of independent director(s) shall be taken into consideration. If the independent directors have dissenting or qualified opinions, they shall be stated in the meeting minutes of the Board of Directors. However, to respond in a timely manner, the Board of Directors may authorize the Chairman to decide on an endorsement or guarantee, within the limit specified in Article 4 and subsequently submit the matter to the next Board meeting for retroactive recognition..
2. If the Company needs to exceed the limits set out in these regulations to meet business needs, it shall first obtain the approval from the Board of Directors and the majority of the directors shall sign as joint guarantors for any loss that may be caused to the Company, and shall amend these Procedures and submit them to the shareholders meeting for retroactive approval. If the shareholders meeting does not approve, a plan shall be adopted to reduce the excess portion within a certain period of time.
3. If, due to changes of circumstances, the party to whom the Company provided endorsement and guarantee no longer satisfies the criteria, or the amount of endorsement and guarantee exceeded the limits, a corrective plan shall be provided to the Audit Committee and the

proposed correction actions should be implemented within the period specified in the plan.

Article 9. Procedures for use and custody of the company seals

1. The dedicated seals for purposes of endorsements and guarantees that are the company seals shall be registered with the Ministry of Economic Affairs. The seals shall be recognized and approved by the Board of Directors and be kept separately under the custody of the secretary of Chairman and the chief financial officer. The persons designated as custodians, and any change therein, shall be reported to the Board of Directors for approval prior to transferring to the next custodian.
2. Upon the resolution of the Board of Directors or the approval of the Chairman, the financial department shall fill out the "Application Form for the usage of the Company Seals", and submit it along with the approved documents, the contract for endorsement and guarantee or the guarantee note to the director of administration for approval, prior to forwarding the company seals to the custodians for affixing.
3. Prior to affixing the company seals, the custodians shall check whether the approved documents are available, that is whether the "Application Form for the usage of the Company Seals" has been approved by the relevant personnel and the document warranting the company seal matches what is indicated on the application form. After affixing the company seals, the copies of the documents shall be kept for a year for future reference.
4. When providing endorsement or guarantee to a foreign company, the endorsement or guarantee letter should be executed and signed by the Chairman or the person delegated by the Chairman.

Article 10. Public disclosure of information

1. The staff accountants shall announce and report the balance of endorsement and guarantee by the Company and its subsidiaries from the previous month by the 10th of every month.
2. In the event that the endorsements and guarantees provided by the Company and its subsidiaries reaches one of the following levels, the Company shall announce and report such fact within two days from the date of occurrence:
 - (A). The balance of endorsements and guarantees of the Company and its subsidiaries reaches fifty percent (50%) or more of the Company's net worth as stated in its latest financial statement.

(B). The balance of endorsements and guarantees by the Company and its subsidiaries for a single enterprise reaches twenty percent (20%) or more of the Company's net worth as stated in its latest financial statement.

(C). Where the balance of endorsements or guarantees made for a single business entity reaches NT\$10 million or more, and the total balance of all endorsements and guarantees for, the carrying amount of investments under the equity method in, and loans of funds to that business entity reaches 30 percent or more of the Company's net worth as stated in the latest financial statement.

(D). The amount of new endorsements and guarantees by the Company or any of the Company's subsidiaries reaches NT\$30 million or more and also reaches five percent (5%) or more of the Company's net worth as stated in its latest financial statement.

In the event that the Company's subsidiary, which is not a publicly listed company in Taiwan, needs to report and announce any matter related to the aforementioned paragraph, the Company shall complete such a procedure on behalf of any of its subsidiaries.

"Net worth" means the shareholders' equity attributable to owners of the parent as stated in the balance sheet prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

In the Procedures, the term "Date of Occurrence" refers to the date of signature, the payment date, dates of Boards of Directors' resolutions or other date on which the entity of the endorsement or guarantee and the amount are verified, whichever date is earlier.

Article 11.

Penalties

Personnel of the Company responsible to the processing of endorsements who violates these procedures shall be imposed the appropriate penalties in accordance with "Company's Rules" depending on the materiality of the circumstances. The violation will be recorded and considered as part of annual personal performance evaluation.

Article 12.

Other Matters

The Company and its subsidiaries shall report the status of endorsements and guarantees and relevant matters for each fiscal year to the annual shareholders meeting for future reference.

Article 13.

The Procedures and any amendments hereto shall first be approved by a

majority of all members of the Audit Committee and approved by the Board of Directors before submitted to the shareholders' meeting for approval.

If approval of a majority of all members of the Audit Committee is not obtained as described in the preceding Paragraph, the Procedures may be implemented if approved by more than two-thirds of all directors and the resolution of the Audit Committee shall be recorded in the meetin minutes of the Board of Directors.

Article 14. The terms "all members of the Audit Committee" and "all directors" in the preceding Paragraph refer to the actual number of persons currently holding those positions. These Procedures were enacted and approved by the shareholders' meeting held on April 22nd, 2003.

The 1st Amendment was made on June 15th, 2007.

The 2nd Amendment was made on June 13th, 2008.

The 3rd Amendment was made on June 16th, 2009.

The 4th Amendment was made on June 23rd, 2010.

The 5th Amendment was made on June 17th, 2012.

The 6th Amendment was made on June 20th, 2013.

The 7th Amendment was made on June 22nd, 2017.

The 8th Amendment was made on June 15th, 2020.