

Jia Jie Biomedical Company Limited
Procedures for Endorsements and Guarantees

Revised on October 8, 2020

Article 1

With respect to endorsements or guarantees provided by Jia Jie Biomedical Co., Ltd. (the “Company”) for others, such matters shall be handled in accordance with these Procedures. Where other applicable laws or regulations provide otherwise, such laws or regulations shall prevail.

Article 2

Scope of Application

1. Financing Endorsements and Guarantees:

- (1) Financing through the discounting of commercial paper.
- (2) Endorsements or guarantees provided for the purpose of financing another company.
- (3) Issuance of negotiable instruments by the Company to non-financial institutions as collateral for the purpose of the Company’s own financing.

2. Customs Endorsements and Guarantees:

Endorsements or guarantees provided in connection with customs matters of the Company or other companies.

3. Other Endorsements and Guarantees:

Endorsements or guarantees that cannot be classified under the preceding two subparagraphs.

4. Provision of Collateral:

Where the Company provides movable or immovable property as collateral for loans obtained by other companies through the creation of pledges or mortgages.

Article 3

Counterparties for Endorsements and Guarantees

1. Companies with which the Company has business dealings.
2. Companies in which the Company directly or indirectly holds more than fifty percent (50%) of the voting shares.
3. Companies that directly or indirectly hold more than fifty percent (50%) of the voting shares of the Company.

Endorsements or guarantees may be provided between companies in which the Company directly or indirectly holds ninety percent (90%) or more of the voting shares, provided that the amount thereof shall not exceed ten percent (10%) of the Company's net worth. This limitation shall not apply to endorsements or guarantees between companies in which the Company directly or indirectly holds one hundred percent (100%) of the voting shares.

The term "investment" as used in the preceding paragraph refers to investments made directly by the Company or through companies in which the Company holds one hundred percent (100%) of the voting shares.

Article 4 Limits on Endorsements and Guarantees

1. The aggregate amount of endorsements and guarantees provided by the Company to external parties shall not exceed forty percent (40%) of the Company's net worth for the current period. The limit for endorsements and guarantees provided to any single enterprise shall not exceed ten percent (10%) of the Company's net worth, except that endorsements and guarantees provided to subsidiaries in which the Company directly holds more than ninety percent (90%) of the ordinary shares shall not exceed twenty percent (20%) of the Company's net worth. Net worth shall be based on the most recent financial statements audited, reviewed, or certified by a certified public accountant.
2. The aggregate amount of endorsements and guarantees provided externally by the Company and its subsidiaries as a whole shall not exceed forty percent (40%) of the Company's net worth, and the limit for endorsements and guarantees provided to any single enterprise shall not exceed ten percent (10%) of the Company's net worth.
3. Where endorsements or guarantees are provided due to business relationships with the Company, in addition to the foregoing limits, the amount of each individual endorsement or guarantee shall not exceed the amount of business transactions between the parties. The term "amount of business transactions" refers to the higher of the purchase or sales amount between the parties.

Article 5 Decision-Making and Authorization Levels

1. Prior to providing endorsements or guarantees for others, the Company shall prudently evaluate whether such action complies with these Procedures. Together with the evaluation results specified in Subparagraph 5 of Article 6, the matter shall be submitted to the Board of Directors for resolution before implementation. The Board of Directors may authorize the Chairman to approve endorsements or guarantees within a single-transaction limit of New Taiwan Dollars Twenty

Million (NTD 20,000,000) in accordance with these Procedures, subject to subsequent ratification by the next Board meeting.

2. Where subsidiaries in which the Company directly or indirectly holds ninety percent (90%) or more of the voting shares intend to provide endorsements or guarantees pursuant to Paragraph 2 of Article 3, such matters shall be submitted to the Company's Board of Directors for approval prior to implementation. This requirement shall not apply to endorsements or guarantees provided between companies in which the Company directly or indirectly holds one hundred percent (100%) of the voting shares.
3. Where the Company, due to business needs, finds it necessary to exceed the limits prescribed in these Procedures and such action complies with the conditions herein, the matter shall be approved by the Board of Directors, and more than one-half of the directors shall provide joint and several guarantees, in their own names, for any losses that may arise from the excess. The Procedures shall be amended accordingly and submitted to the shareholders' meeting for ratification. If the shareholders' meeting does not grant approval, a plan shall be formulated to eliminate the excess portion within a specified period.

When the Board of Directors discusses matters set forth in the preceding paragraph, the opinions of all independent directors shall be fully considered, and their explicit opinions of consent or dissent, together with the reasons for any dissent, shall be recorded in the minutes of the Board meeting.

Article 6 Matters to Be Specified in Endorsements and Guarantees

When providing endorsements or guarantees, the following matters shall be specified and handled in accordance with the prescribed operating procedures:

1. Eligible counterparties for endorsements and guarantees.
2. Where endorsements or guarantees are provided due to business relationships, the evaluation criteria for determining whether the endorsement or guarantee amount is commensurate with the amount of business transactions.
3. Limits on endorsements and guarantees, including the aggregate amount of endorsements and guarantees provided by the Company and the amount provided to any single enterprise, as well as the aggregate amount and single-enterprise limit applicable to the Company and its subsidiaries as a whole. Where the aggregate limit established by the Company and its subsidiaries reaches fifty percent (50%) or more of the Company's net worth, the necessity and reasonableness thereof shall be explained at the shareholders' meeting.
4. Procedures for handling endorsements and guarantees.

5. Detailed review procedures, which shall include:
 - (1) The necessity and reasonableness of the endorsement or guarantee.
 - (2) Credit investigation and risk assessment of the counterparty.
 - (3) The impact on the Company's operational risk, financial condition, and shareholders' equity.
 - (4) Whether collateral should be obtained and the appraised value of such collateral.
6. Control procedures for endorsements and guarantees provided by subsidiaries.
7. Procedures for the use and safekeeping of company seals.
8. Decision-making and authorization levels.
9. Procedures for public announcement and reporting.
10. Penalties for managers and responsible personnel who violate these Procedures or the Company's endorsement and guarantee operating procedures.
11. Where the counterparty for an endorsement or guarantee is a subsidiary whose net worth is less than one-half of its paid-in capital, subsequent relevant control measures shall be clearly specified.
12. Other matters required to be prescribed by the competent authority.

For subsidiaries whose shares have no par value or whose par value per share is not New Taiwan Dollars Ten (NTD 10), the paid-in capital referred to in Subparagraph 11 of the preceding paragraph shall be calculated as the total of capital stock plus capital surplus—share premium.

Article 7 Cancellation of Endorsements and Guarantees

1. Where documents or negotiable instruments related to an endorsement or guarantee are to be released due to debt repayment, extension, or renewal, the guaranteed company shall submit a formal written request and deliver the original endorsement or guarantee documents to the Company's Finance Department. Upon affixing a "Cancelled" stamp, such documents shall be returned, and the application documents shall be retained for record purposes.
2. The Finance Department shall record the cancellation of endorsements and guarantees in the endorsement and guarantee register at all times in order to reduce the outstanding endorsement and guarantee amount.

Article 8 Internal Control

1. The Company's internal auditors shall audit the endorsement and guarantee operating procedures and their implementation at least quarterly and prepare written records. Where any material violation is discovered, the Audit Committee shall be immediately notified in writing.

2. When the Company engages in endorsements and guarantees, such matters shall be handled in accordance with the prescribed procedures. Where any material violation is discovered, the managers and responsible personnel shall be disciplined depending on the circumstances of the violation.
3. Where a public company, due to changes in circumstances, finds that an endorsement or guarantee counterparty no longer complies with these Procedures or that the amount exceeds the prescribed limits, an improvement plan shall be formulated, submitted to the Audit Committee for review, and implemented in accordance with the scheduled timeline.
4. For endorsements and guarantees undertaken by the Company, a register shall be established to record in detail the counterparty, amount, date of Board approval or Chairman's authorization, date of endorsement or guarantee, and matters requiring prudent evaluation in accordance with regulations, for reference and inspection.

Article 9 Safekeeping and Procedures for Company Seals

1. The Company seal registered with the Ministry of Economic Affairs shall be used as the dedicated seal for endorsements and guarantees. Such seal shall be kept by a designated person approved by the Board of Directors, and may be affixed or negotiable instruments issued only in accordance with these Procedures.
2. Where the Company provides guarantees to foreign companies, the guarantee letters issued by the Company shall be signed by persons authorized by the Board of Directors.

Article 10 Procedures for Public Announcement and Reporting

For purposes of these Procedures, "public announcement and reporting" refers to the input of information into the information reporting website designated by the Financial Supervisory Commission. The term "date of occurrence" refers to the earliest of the contract execution date, payment date, date of Board resolution, or any other date sufficient to determine the counterparty and amount of the endorsement or guarantee.

1. The Company shall, by the tenth day of each month, publicly announce and report the outstanding balance of endorsements and guarantees of the Company and its subsidiaries for the preceding month.
2. Where any endorsement or guarantee reaches one of the following thresholds, a public announcement and filing shall be made within two (2) days commencing from the date of occurrence:
 - (1) The aggregate outstanding balance of endorsements and guarantees of the Company and its subsidiaries reaches fifty percent (50%) or more of the net worth

stated in the Company's most recent financial statements.

(2) The outstanding balance of endorsements and guarantees provided by the Company and its subsidiaries to a single enterprise reaches twenty percent (20%) or more of the net worth stated in the Company's most recent financial statements.

(3) The outstanding balance of endorsements and guarantees provided by the Company and its subsidiaries to a single enterprise reaches New Taiwan Dollars Ten Million (NTD 10,000,000) or more, and the aggregate of such endorsements and guarantees, the book value of investments accounted for under the equity method, and the outstanding balance of loans of funds to such enterprise reaches thirty percent (30%) or more of the net worth stated in the Company's most recent financial statements.

(4) The newly added amount of endorsements or guarantees provided by the Company or its subsidiaries reaches New Taiwan Dollars Thirty Million (NTD 30,000,000) or more and also reaches five percent (5%) or more of the net worth stated in the Company's most recent financial statements.

Where a subsidiary of the Company is not a domestic public company and has matters requiring public announcement and reporting under Subparagraph (4) of the preceding paragraph, such announcement and reporting shall be made by the Company.

Article 11

Where a subsidiary of the Company intends to provide endorsements or guarantees for others, the Company shall require such subsidiary to establish procedures in accordance with the Financial Supervisory Commission's Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, and to handle such matters in accordance with the prescribed operating procedures.

Article 12

The Company shall evaluate or recognize contingent losses arising from endorsements and guarantees and shall appropriately disclose relevant endorsement and guarantee information in its financial reports. The Company shall also provide relevant information to the certified public accountants for the performance of necessary audit or review procedures.

Article 12-1

A foreign company as prescribed in Article 165-1 of the Securities and Exchange Act (hereinafter referred to as a "Foreign Company") that provides endorsements or guarantees for others shall apply these Procedures mutatis mutandis.

Where a Foreign Company does not have a company seal, Subparagraph 7 of Paragraph 1 of Article 6 and Paragraph 1 of Article 9 shall not apply. The net worth of a Foreign Company calculated in accordance with these Procedures refers to equity attributable to owners of the parent as stated on the balance sheet.

Article 13

The terms “subsidiary” and “parent company” as used in these Procedures shall be defined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Where the Company’s financial reports are prepared in accordance with International Financial Reporting Standards (IFRS), the term “net worth” as used herein refers to equity attributable to owners of the parent as defined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 14

Any matters not provided for herein shall be handled in accordance with applicable laws and regulations and the Company’s relevant internal rules and regulations.

Article 15

The establishment of these Procedures shall be subject to the consent of more than one-half of all members of the Audit Committee, followed by approval by the Board of Directors, and submission to the shareholders’ meeting for approval. Where any director expresses dissent with a record or written statement, such dissent shall be submitted to the Audit Committee and reported to the shareholders’ meeting for discussion. The same procedure shall apply to any amendments hereto.

When these Procedures are submitted to the Board of Directors for deliberation pursuant to the preceding paragraph, the opinions of all independent directors shall be fully considered. Any dissenting or qualified opinions expressed by independent directors shall be recorded in the minutes of the Board meeting.

Where the Company establishes or amends these Procedures with the consent of more than one-half of all members of the Audit Committee and submits the matter to the Board of Directors for resolution, the provisions of the preceding paragraph shall not apply.

For purposes of these Procedures, the term “all members of the Audit Committee” and “all directors” shall be calculated based on the number of members and directors actually in office.