

MIN AIK TECHNOLOGY CO., LTD.
Procedures for Loaning of Funds to Other

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- Article 1 The Corporation's loaning of funds shall be subject to the provisions of this Procedure.
- Article 2 Pursuant to Article 15 of the Company Act, the Company's funds shall not be loaned to any of its shareholders or any other person except under the following circumstances:
- I. Where an inter-company or inter-firm business dealings.
 - II. When short-term financing is required between Companies or firms. The term "short-term" refers to a period of 1 year or one business cycle, whichever is longer. The term "financing amount" represents the cumulative balance of the Company's short-term financing.
- Article 3 The short-term financing needs referred to in Paragraph 2 of the preceding Article are limited to companies holding more than 20% of the equity of invested company, or companies holding less than 20% of the equity invested company but having significant influence over it, and are recognized under the equity method.
- Article 4 Limit of loaning of funds amount
- I. The total loaning of funds amount shall not exceed 40% of the lender's net worth as stated in its latest financial statements.
 - II. For business transactions
 - 1. The total loaning of funds amount shall not exceed 30 % the lender's net worth as stated in its latest financial statement.
 - 2. The individual limit for business contacts shall not exceed 30% of the Company's net purchase amount or the 20% of the Company's net sales amount in the latest year.
 - III. Short-term financing needs
 - 1. The total loaning of funds amount shall not exceed 30 % of the Company's net worth as stated in its latest financial statement.
 - 2. The individual loaning of funds amount shall not exceed 20 % of the net worth as stated in its latest financial statements.
 - IV. Between overseas companies in which the Company directly and indirectly owns 100% of the voting shares, or overseas companies in which the Company directly and indirectly owns 100% of the voting shares, and which are necessary for the Company's financial intermediation.
 - 1. The total loaning of funds amount shall not exceed 100 % of the Company's net worth as stated in its latest financial statement.
 - 2. The individual loaning of funds amount shall not exceed 30 % of the net worth as stated in its latest financial statements.
- Article 5 Term and interest Calculation:
- I. The term of each loaning of funds is limited to 1 year. The period of financing between overseas companies in which the Company directly and indirectly owns 100% of the voting shares, or between overseas companies in which the Company directly and indirectly owns 100% of the voting shares shall not exceed 3 years. When borrowing money, the repayment date shall be specified first, and in case of failure to repay and extension of repayment, the loan shall be renewed prior to the expiration date.
 - II. The construction loan is limited to a period not exceeding the completion of the project.
 - III. The interest rate shall be determined on the basis of the Company's funding costs and adjusted accordingly. The interest is charged monthly unless there are special circumstances.

IV. When the overdue portion is within 3 months, an additional 30% of the previous interest rate shall be charged; when the overdue portion is more than 3 months, an additional 50% of the previous interest rate shall be charged.

Article 6 Procedures for handling loans of funds:

I. The borrower shall submit an application form detailing the purpose of the funds, amount, period, repayment method, collateral or other means of guarantee, together with basic information and financial statements of the Company, to the Finance Department of the Company for credit reference.

II. The Finance Department should assess the creditworthiness, necessity and reasonableness of the borrower. If the loan is for business transactions, the Finance Department should assess whether the loan amount is equivalent to the amount of business transactions. If the loan is necessary for short-term financing, the Finance Department should explain the reasons and circumstances under which the loan can be borrowed, as well as the impact on the Company's operating risks, financial position, and shareholders' equity, and submit the proposal to the President (CEO) and Chairman of the Board of Directors for approval before submitting it to the Board of Directors for a resolution.

III. Loans of funds between the Company and its parent company or subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the Board of Directors, and the Chairperson may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the Board of Directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.

IV. The "certain monetary limit" mentioned in the preceding paragraph shall be in compliance with Article 4. In addition, the authorized limit on loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth as stated in its latest financial statements of the lending company.

V. "Subsidiary" and "parent company" as referred to in these Regulations shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Where a company's financial reports are prepared according to the International Financial Reporting Standards, "Net Worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 7 The borrower at the time of borrowing, provide the Company with real estate or securities of equivalent value (except for land and securities, which shall be insured against fire), enters into a contract, or issues a security note with a repayment date of the maturity for the Company's custody.

Article 8 The Finance Department should prepare a schedule of borrowings to record the object of borrowing, the amount, the date of board approval, the date of borrowing, and the assessment of the borrowing, to control the collection of interest on borrowings and the recovery of borrowings at maturity, and to keep an eye on the borrowing company's financial, operating, and credit standing. If collateral is provided, the Company should pay attention to any changes in the value of the collateral.

Article 9 If a loan is overdue for collection, the financial department shall immediately report to the matter to the President (CEO) and Chairman of the Board of Directors, and take necessary preservation measures or debt collection.

Article 10 The Accounting Department shall assess the status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports

and provide certified public accountants with relevant information for implementation of necessary auditing procedures, and issue appropriate reports.

Article 11 The Corporation's loaning of funds shall be evaluated in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and the Procedures, and the results of the evaluation shall be submitted to the Board of Directors for its approval and no delegation shall be made to any person in this regard.

The opinions of the independent directors shall be fully considered in the Corporation's loaning of funds. Any dissenting or qualified opinion of the independent directors shall be stated in the minutes of the board meeting.

The internal audit department shall inspect and evaluate the implementation of the lending funds to others and prepare a written report on a quarterly basis. If any violation of the regulations is found and the circumstances are serious, the Audit Committee shall be notified in writing immediately.

If, as a result of a change in circumstances, an entity for which a loan is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to the Audit Committees, and shall complete the rectification according to the timeframe set out in the plan.

In the event that a responsible person of the Company violates the provisions of Articles 4 and 5 of these Procedures, he/she shall be jointly and severally liable with the borrower for return of the loan. He is also liable for damages if the Company suffers any damage. Any contractor who violates the provisions of this Procedure shall be punished in accordance with the provisions of the Company's Reward and Punishment Management Regulations, depending on the severity of the case.

Article 12 Procedures for controlling and managing loaning of funds to others

I.If the subsidiaries intend to lend funds to others, they should also establish this Procedure and follow it.

II.Subsidiaries shall prepare and submit a statement of funds loaned to others during the previous month to the Company by the 9th day of each month.

III.When the Company's auditors visit subsidiaries to conduct audits in accordance with the annual audit plan, they should also understand the implementation of the subsidiaries' Procedures for loaning funds to others. If any deficiencies are found, they should continue to follow up the improvement and submit a tracking report to the general manager (CEO).

Article 13 Announce and report: entering data to the information reporting website designated by the Financial Supervisory Commission.

I.The Company shall announce and report the previous month's loan balances of its head office and subsidiaries by the 10th day of each month.

II.The Company whose loans of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:

1. The balance of loans by the Company and its subsidiaries reaches 20% or more of the Company's net worth as stated in its latest financial statement.
2. The balance of loans by the Company and its subsidiaries to a single enterprise reaches 10 % or more of the Company's net worth as stated in its latest financial statement.
3. The amount of new loans of funds by the Company or its subsidiaries reaches NT\$10 million or more, and reaches 2% or more of the Company's net worth as stated in its latest financial statement.

4. If a subsidiary of the Company is not a domestic public company, the subsidiary should enter the information reporting website designated by the Financial Supervisory Commission as described in the preceding paragraph, which should be done by the Company. The calculation of the proportionate share of the net worth of a subsidiary is based on the proportionate share of the net worth of the subsidiary to the net worth of the Company's net worth as stated in its latest financial statements.

III. "Date of occurrence" means the date of contract signing, date of payment, dates of boards of directors' resolutions, or other date that can confirm the counterparty and monetary amount of the loan of funds, whichever date is earlier

Article 14 This Procedure has been approved by the Audit Committee, then approved by the Board of Directors and submitted to the shareholders' meeting for approval. If any director expresses his/her dissenting opinion and it is recorded or stated in writing, the Company shall submit his dissenting opinion to the shareholders' meeting for discussion, and the same applies to amendments.

The Company submits this Procedures for discussion by the Board of Directors, shall take into full consideration each independent director's opinion. If an independent director expresses any dissent or reservation, it shall be noted in the minutes of the Board of Directors, meeting

Article 15 After the Company submits the Procedure or important loaning of funds to the Board of Directors for discussion, the same shall be approved by a majority of all of the Audit Committee members and submitted to the Board of Directors for resolution. If approval of a majority of all of the Audit Committee members is not obtained, the Procedures may be implemented with the approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors.

The terms "all Audit Committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions