

Tainergy Tech. Co., Ltd.

Endorsement Guarantee Operation Procedure

Article 1: Purpose

To safeguard shareholder rights, ensure sound financial management in handling endorsement guarantees, and reduce operational risks, this procedure is established.

All matters concerning endorsement guarantees to external parties shall be handled in accordance with this operational procedure, unless otherwise stipulated by financial-related laws and regulations.

Article 2: Legal

Basis This operational procedure is formulated in accordance with the provisions of the Financial Supervisory Commission (hereinafter referred to as "FSC") "Guidelines for the Handling of Fund Loans and Endorsement Guarantees by Publicly Issued Companies."

Article 3: Scope of Application

The term "endorsement guarantee" as used in this operational procedure refers to the following:

1. Financing endorsement guarantees, including:
 - (1) Discounting of customer bills for financing purposes.
 - (2) Endorsement or guarantees made for the purpose of financing other companies.
 - (3) Issuance of separate bills for financing purposes by the Company to non-financial enterprises as collateral.
2. Customs duty endorsement guarantees, referring to endorsements or guarantees made for customs duty matters of the Company or other companies.
3. Other endorsement guarantees, referring to endorsements or guarantees that cannot be classified under the preceding two categories. In cases where the Company provides movable or immovable property as collateral for loans to other companies, procedures shall also be conducted in accordance with this operational procedure.

Article 4: Objects of Endorsement Guarantee

The Company may provide endorsement guarantees to the following entities:

1. Companies with which the Company has business dealings.

2. Companies in which the Company directly or indirectly holds more than fifty percent of the voting shares. However, if the net worth of such companies is less than half of their actual paid-in capital, in addition to detailed examination as per Article 7, subsequent evaluations of their financial and operational status by designated personnel on a monthly basis are required, and a report on the tracking and execution status shall be submitted at each board meeting.
3. Companies in which the Company directly or indirectly holds more than fifty percent of the voting shares.

For companies in which the Company directly or indirectly holds more than ninety percent of the voting shares, endorsement guarantees may be provided, provided that the amount does not exceed ten percent of the Company's net worth and the aggregate amount with other subsidiary companies within the group does not exceed ten percent of the most recent financial statement net worth of the ultimate parent company of the group. However, there is no such limit for endorsement guarantees between companies in which the Company directly or indirectly holds one hundred percent of the voting shares.

Endorsement guarantees between companies based on mutual agreements among peers or co-venturers for the purpose of contracting projects, or endorsement guarantees provided by all contributing shareholders according to their shareholding ratios due to common investment relationships, are not subject to the restrictions of the preceding two clauses.

The terms "subsidiary company" and "parent company" shall be determined in accordance with the regulations of the financial report preparation guidelines for securities issuers.

The aforementioned "contribution" refers to direct investments by the Company or investments made through companies in which the Company holds one hundred percent of the voting shares.

For subsidiary companies whose stocks have no face value or a per-share value that is not ten New Taiwan Dollars, the actual paid-in capital calculated according to the provisions of the preceding second clause shall be the total of the share capital plus the capital surplus minus the premium on issuance.

Article 5: Endorsement Guarantee Limits and Evaluation Criteria

The total amount of endorsement guarantees to external parties and the limit for endorsement guarantees to a single enterprise are as follows:

1. The total amount of endorsement guarantees to external parties shall not exceed eighty percent of the Company's net worth.
2. The amount of endorsement guarantees to a single enterprise shall not exceed the higher of thirty percent of the total business transaction amount between the guaranteed company and the Company in the most recent fiscal year or one hundred twenty percent of the total business transaction amount between the guaranteed company and the Company in the most recent three months due to business relationship, and shall not exceed twenty percent of the Company's net worth. For endorsement guarantees between the Company and its subsidiary companies, the amount shall not exceed eighty percent of the Company's net worth. Additionally, for endorsement guarantees between companies based on mutual agreements among peers or co-venturers for the purpose of contracting projects, or endorsement guarantees provided by all contributing shareholders according to their shareholding ratios due to common investment relationships, the amount shall not exceed ten percent of the Company's net worth.
3. The total amount of endorsement guarantees and the amount of endorsement guarantees to a single enterprise for the Company and its subsidiary companies combined shall not exceed one hundred percent of the Company's net worth, and the aggregate amount with other subsidiary companies within the group shall also not exceed one hundred percent of the most recent financial statement net worth of the ultimate parent company of the group.

The term "net worth" refers to the equity attributable to the owners of the parent company as defined in the financial report preparation guidelines for securities issuers.

Article 6: Decision-making and Authorization Levels

1. When the Company handles endorsement guarantee matters, it shall follow the signing procedure as stipulated in Article 7 of this operation procedure, which shall be approved by the board of directors, or it may be carried out by the chairman within the authorized limit defined in the first item of this article, subject to subsequent confirmation by the most recent board of directors meeting. Additionally, before providing endorsement guarantees as per the provisions of Article 4, paragraph 2, to subsidiary companies where the Company directly or indirectly holds more than ninety percent of the voting shares, approval from the Company's board of directors shall be obtained. However, there is no such limit for endorsement guarantees

between companies in which the Company directly or indirectly holds one hundred percent of the voting shares.

2. If the Company needs to exceed the limits set forth in the previous article due to business requirements when handling endorsement guarantees, and if it meets the conditions specified in this operation procedure for endorsement guarantees, it shall obtain approval from the board of directors. Furthermore, more than half of the directors shall jointly guarantee against the potential losses incurred by the Company exceeding the limit, and the operation procedure shall be revised and submitted for shareholder approval. If the shareholders' meeting does not agree, a plan shall be formulated to eliminate the excess within a certain period.
3. If the Company has appointed independent directors, their opinions shall be fully considered during discussions on endorsement guarantee matters as specified in the first and second items of this article. If any independent director has objections or reservations, such opinions shall be recorded in the minutes of the board of directors meeting.
4. The amount of endorsement guarantees authorized by the chairman shall not exceed ten percent of the Company's net worth.

Article 7: Procedures for Handling and Reviewing Endorsement Guarantees

1. Implementation Unit: The Finance Department shall be responsible for handling the Company's endorsement guarantee-related operations. When necessary, the General Manager may designate other dedicated personnel to assist in handling.
2. Review Procedure:
 - (a) When handling endorsement guarantees, the executing unit shall prepare a detailed review and assessment report, which should include the following:
 1. The necessity and reasonableness of the endorsement guarantee.
 2. Creditworthiness and risk assessment of the guaranteed party.
 3. Impact on the Company's operational risks, financial condition, and shareholder equity.
 4. Whether collateral should be obtained and the assessed value of the collateral.
 - (b) When handling endorsement guarantees, the executing unit shall submit a proposal, specifying the endorsed company, the party, the type, the reason, and the amount, along with the assessment report mentioned above. After approval by the General Manager and the chairman, it shall be submitted for approval by the board of directors. However, in cases of business requirements, the chairman may proceed within the authorized limit defined in Article 6, and subsequent confirmation by the most recent board of directors meeting shall be obtained.

3. When handling endorsement guarantees, the executing unit shall assess the risks concretely and, if necessary, obtain collateral from the guaranteed party.
4. The Finance Department shall establish a ledger for endorsement guarantee matters, recording details such as the guaranteed party, amount, date of approval by the board of directors or decision by the chairman, endorsement guarantee date, and items that require careful evaluation as stipulated in Article 2(1)(a).
5. The Finance Department shall prepare a monthly report on changes in the amount of endorsement guarantees to external parties during the previous month and submit it to the most recent board of directors meeting at the beginning of each month.

Article 8: Procedure for the Use and Custody of Seals

The Company shall use the dedicated seal for endorsement guarantees, which is registered with the Ministry of Economic Affairs. The seal and related documents shall be kept by the personnel designated by the chairman authorized by the board of directors, and the procedures specified in the Company's seal management regulations must be followed before affixing or issuing any documents.

When issuing guarantee letters to foreign companies, the authorization for such acts shall be granted by the board of directors and signed by the chairman.

Article 9: Announcement and Reporting Procedure

1. The Company shall provide the parent company with a report on the endorsement guarantee balance of the Company and its subsidiaries for the previous month by the 10th day of each month.
2. If the endorsement guarantee balance of the Company and its subsidiaries meets any of the following criteria, the Company shall provide a notice to the parent company within two days from the occurrence of the event:
 - (a) The endorsement guarantee balance of the Company and its subsidiaries exceeds fifty percent of the net worth of the parent company's most recent financial statements.
 - (b) The endorsement guarantee balance of the Company and its subsidiaries for a single enterprise exceeds twenty percent of the net worth of the parent company's most recent financial statements.
 - (c) The endorsement guarantee balance of the Company and its subsidiaries for a single enterprise exceeds NT\$10 million and the total amount of endorsement guarantees, equity method investments, and loans to the enterprise exceeds thirty percent of the net worth of the parent company's most recent financial statements.

- (d) The Company and its subsidiaries have newly added endorsement guarantees exceeding NT\$30 million and exceeding five percent of the net worth of the parent company's most recent financial statements.

The date of occurrence refers to the earlier of the contract date, payment date, board resolution date, or other dates sufficient to determine the subject and amount of the endorsement guarantee.

3. For subsidiary companies of the Company that are not domestic publicly traded companies and are subject to the matters requiring announcement and reporting as stipulated in the first and second items of this article, such matters shall be handled by the parent company.

Article 10: Internal Audit

The Company's internal audit personnel shall audit the endorsement guarantee operations and their execution at least quarterly and make written records. In case of significant violations, they shall immediately notify the Audit Committee in writing.

Article 11: Control Procedures for Endorsement Guarantees by Subsidiaries

1. When a subsidiary of the Company intends to endorse or guarantee on behalf of others, the Company shall urge the subsidiary to establish endorsement guarantee operating procedures in accordance with the Financial Supervisory Commission's "Guidelines for Handling Loans and Endorsements/Guarantees by Public Issuers of Securities." After approval by the board of directors, it shall be submitted to the shareholders' meeting for consent and revised accordingly.
2. When a subsidiary of the Company intends to endorse or guarantee on behalf of others, it shall obtain approval from the Company. The Finance Department and personnel designated by the General Manager shall assess the necessity, reasonableness, and risks of the endorsement guarantee, as well as its impact on the operational risks, financial condition, and shareholder equity of the parent and subsidiary companies, and submit it for approval by the General Manager and the chairman.
3. The Finance Department shall obtain a monthly report on the changes in the endorsement guarantee amount from each subsidiary at the beginning of each month.
4. The Company's internal audit personnel shall periodically audit the compliance of each subsidiary with its "Endorsement Guarantee Operating Procedures," prepare audit reports, notify the audited subsidiaries of the findings and recommendations

after review, and periodically prepare follow-up reports to ensure that appropriate corrective measures are taken in a timely manner.

Article 12: Penalties

Managers and personnel in charge of the Company who handle endorsement guarantee operations in violation of the FSC's "Guidelines for Handling Loans and Endorsements/Guarantees by Public Issuers of Securities" or the Company's "Endorsement Guarantee Operating Procedures" shall be subject to punishment in accordance with the Company's personnel management regulations and work rules based on the severity of the circumstances.

Article 13: Other Matters

1. If a change in circumstances causes the endorsement guarantee subject to not comply with the procedures outlined in this operation procedure or exceeds the limits, the Company shall formulate improvement plans and submit them to the Audit Committee. The improvement shall be completed according to the plan schedule.
2. The Company shall assess or recognize contingent losses from endorsement guarantees and disclose endorsement guarantee information appropriately in the financial statements, providing relevant information to the auditing accountant to perform necessary audit procedures.

Article 14: Supplementary Provisions on Relevant Laws

All matters not covered by this operation procedure shall be handled in accordance with relevant laws and regulations.

Article 15: Implementation

This operation procedure shall be implemented after being approved by the Audit Committee and the board of directors and obtaining consent from the shareholders' meeting. The same shall apply to revisions.

Article 16: Establishment

This operation procedure was established on June 19, 2008.

1st revision: June 10, 2009.

2nd revision: April 28, 2010.

3rd revision: June 27, 2014.

4th revision: June 6, 2016.

5th revision: June 21, 2019.