

Greatek Electronics Inc.

Management of Endorsement & Guarantee

Article 1.

1. These guarantee items are established and modified based on “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” promulgated by the Financial Supervisory Commission. All matters relating to the endorsement of the company shall be implemented in accordance with the provisions of these Measures. If there are any unfinished matters in this measure, it shall be handled in accordance with the relevant laws and regulations.

Article 2. Definitions :

1. Financing endorsement or guarantee: including endorsement/guarantee of notes issued by customers for cash financing with a discount, endorsement/guarantee for other companies' financing needs; and endorsement/guarantee of notes issued by the Company to non-financial institutions for the Company's own financing needs.

2. Endorsement or guarantee of customs duties: referring to endorsement or guarantee of customs duties and other related payments.

3. Other endorsement or guarantee: any endorsement or guarantee other than those set forth in Paragraphs 1 & 2.

Providing guarantee of other companies' loans by creating liens, pledges or mortgages on the Company's assets shall also follow the policies and procedures set forth herein.

Article 3. Qualifications for Endorseees and Guarantees :

(1) Companies having business relationship with the Company, but Company proposed endorsee or guarantee does not have a good credit history or involves delinquent and bad debt disputes shall not be provided.

(2) Companies whose voting shares are more than fifty percent (50%) owned directly or indirectly by the Company; or

(3) Companies who directly or indirectly own more than fifty percent (50%) of the Company's voting shares.

Subsidiaries whose voting shares are more than 90% owned, directly or indirectly, by the Company may provide endorsement or guarantee for each other, but the amount may not exceed ten percent (10%) of the net worth of the Company; provided however, this limit does not apply to endorsement or guarantee provided by subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company for each other. The limits provided for in this Article shall not apply to endorsements or guarantees provided for joint venture purposes by all stockholders for the joint venture company in proportion to their respective stockholding percentage.

Stockholders of the joint venture company referred to in the preceding paragraph shall include the Company and/or its wholly owned subsidiaries.

“Parent” and “Subsidiary” of a specified company referred to herein shall be identified in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. In case that the financial reports of the Company are prepared applying International Financial Reporting Standards (IFRSs), the term “net worth” used herein shall mean the shareholders' equity attributable to the parent as defined under Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 4. Limits of Endorsement and Guarantee :

(1) The accumulated amount of endorsement and guarantee provided by the Company shall not exceed forty percent (40%) of the net worth of the Company, and the total amount of endorsement and guarantee provided by the Company for another single company shall not exceed ten percent (10%) of

the net worth of the Company.

- (2) The total amount of endorsement and guarantee provided by the Company and its subsidiaries as a whole shall not exceed fifty percent (50%) of the net worth of the Company, and the total amount of endorsement and guarantee provided by the Company and its subsidiaries as a whole for another single company shall not exceed ten percent (10%) of the net worth of the Company.
- (3) In addition to being subject to the limits set forth above, the total amount of endorsement and guarantee provided by the Company for another single company having business relationship therewith shall not exceed the total transaction amount between the parties during the period of twelve (12) months prior to the time of endorsement or guarantee. For the purpose of these Procedures, the "transaction amount" shall mean the sales or purchase amount between the parties, whichever is higher.

Article 5. Excess and Change of endorsement and guarantee

- (1) In the event that, while meeting all the criteria, there is a necessity to provide endorsement or guarantee exceeding the amount limits set forth herein due to a business need, which shall be approved by the Audit Committee and resolved by the Board of Directors, and a joint guarantee shall be required to be provided by a half or more of Directors to the Company to secure the losses which may be incurred to the Company because of the excessive endorsement or guarantee. An amendment to these managements shall also be proposed and approved by the Board of Directors to be submitted to a meeting of the shareholders for their ratification. Should the shareholders present at the meeting decide not to ratify such amendment, a corrective plan shall be adopted to correct the excessive endorsement or guarantee within a specified period.

In determining whether to approve and adopt these Procedures and any amendment hereto, the Board of Directors shall take into full consideration each Independent Director's opinion. Independent Directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the meeting of the Board of Directors.

- (2) In the event that an endorsee or guarantee becomes disqualified or there is any excess over the endorsement and guarantee amount limit(s) set forth in these Managements due to unexpected changes, corrective plans shall be proposed and submitted to the Audit Committee. The Company shall then take such planned correction actions within the period specified in such plans.

Article 6. Procedure, policy and authorization level of Endorsement and guarantee are set forth below :

(1) Procedures of Review

1. When processing endorsement or guarantee to be provided by the Company, the endorsee or guarantee shall submit the required basis information and financial statements to the Financial Department of the Company for conducting the credit check to investigate the name of endorsee or guarantee, date, object to be endorsed or guaranteed, covenants and amount, to evaluate and report the necessity and reasonableness, investigation to endorsee or guarantee and risk evaluation, impacts towards the Company's operating risk, financial position and shareholders' equity, requirement for collateral if necessary, and the assessment of the value of collateral.
2. For the evaluation results and cases have well credit evaluation, the manager shall fill out the report, and the endorsement guarantee conditions shall be approved by the chairman, submitted to the audit committee and to the Board of directors for approval.

(2) Policy and Authorization level

1. Financial and Accounting dept. of the company should carefully assess whether it meets the requirements of the Measures first before endorsement, submit the results of the first item of the sixth article to chairman of the Board of directors, and submit to the audit committee for approval and to the Board of directors for resolution. The Board of Directors may authorize the Chairman to make a decision within the quota set out in the fourth article, and then report it to the Board of Directors for the most recent period.

2. Any subsidiary whose voting shares are more than 90% owned, directly or indirectly, by the

Company intending to provide endorsement or guarantee for another such subsidiary pursuant to paragraph 2 of Article 3 shall submit the relevant proposal to the Board of Directors for its approval unless both of them are wholly owned by the Company.

- (3) The Company shall take into full consideration each Independent Director's opinion. Independent Directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the meeting of the Board of Directors.
- (4) The Company may require collateral with equivalent value of the endorsement or guarantee if necessary, and may consult professional appraisers to assess the value of collateral.
- (5) A memorandum book shall be established and maintained by the Financial Department to record the necessity and rationality of object to be endorsed and guaranteed, the name of endorsee or guarantee, credit check and risk evaluation result, amounts, require the content and the value of collateral, prerequisites, date and reason for release of endorsement or guarantee, cancelled instrument No. and dates of the Board of Directors' approvals and/or the Chairman's decisions, and the matters shall be stated in detail with proper numbering and well preserved in order.
- (6) When processing the cancellation of an endorsement or guarantee, the Company shall require the return of notes and/or any other instruments issued or executed by the Company, and then affix the stamp "Cancelled" thereon to proceed the cancellation. Cancelled notes and/or any other instruments thereof shall be recorded in the relevant memorandum book with proper numbering and well preserved in order.
- (7) The Financial & Accounting Department shall assess and recognize, if any, contingent losses brought about by endorsements or guarantees, to adequately disclose information in the financial statements, and to provide external auditors with necessary information for conducting due auditing.
- (8) The Company's internal auditors shall perform auditing on the Company's endorsement and guarantee activities every quarter and produce written reports. Should there be any violation found, the Audit Committee shall be notified in writing.
- (9) The manager and the organizer of the company shall apply for the endorsement guarantee in accordance with the provisions of these Measures. Violation of these Measures shall be punished in accordance with the provisions of the company's rewards and punishments.
- (10) Where the endorsee or guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, the Financial & Accounting Department shall evaluate risk and adjust the quota of endorsement and guarantee. In the case of subsidiaries whose shares having no par value or a par value other than NT\$10, "paid-in capital" referred to herein shall be the sum of share capital plus share premium.

Article 7. Custody and Use of the Seals

Notes and the registered seals of the Company shall be kept separately by different personnel that shall be assigned by chairman authorized by Board of Directors, and may not be used unless otherwise in accordance with the relevant policies and procedures of the Company. Instruments for endorsement or guarantee may not be deemed effective unless otherwise affixed with the company seals registered at the Ministry of Economic Affairs. When providing endorsement or guarantee to a foreign company, instruments for the endorsement or guarantee shall be signed by the Chairman or authorized personnel.

Article 8. Filing and Disclosure:

The matters to be announced and declared by the Company and its subsidiaries in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" shall be handled in accordance with the provisions of the Regulations.

Article 9. When any subsidiary of the Company plans to provide endorsement or guarantee to others, the

Company shall cause the subsidiary to establish relevant procedures in accordance with “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” and then follow those procedures to deal with its endorsement or guarantee activities.

Article 10. The adoption of this Measures and any amendment hereto shall be approved by the Audit Committee and submitted to the Board of Directors for its approval, and then submitted to a meeting of the shareholders for its approval as well; where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to the Audit Committee and for discussion by the shareholders' meeting.

When the Company submits its management of endorsement & guarantee to others for discussion by the board of directors under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.

These Articles were adopted on May 30, 1997.

The First amendment hereto was adopted on June 3, 2003.

The Second amendment hereto was adopted on June 12, 2006.

The Third amendment hereto was adopted on June 13, 2008.

The Fourth amendment hereto was adopted on June 10, 2009.

The Fifth Amendment hereto was adopted on June 15, 2011.

The Sixth amendment hereto was adopted on June 10, 2013.

The Seventh amendment hereto was adopted on May 29, 2018.