



Sonix Technology Co., Ltd.

Procedures for Endorsements/Guarantees

Article 1: These Procedures are promulgated pursuant to Article 36-1 of the Securities and Exchange Act and Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees.

Article 2: Scope of application

1. Financing endorsements/guarantees, including:

A. Bill discount financing.

B. Endorsement or guarantee made to meet the financing needs of another company.

C. Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.

2. Customs duty endorsements/guarantees, meaning an endorsement or guarantee for the company itself or another company with respect to customs duty matters.

3. Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.

Any creation by the company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with these Procedures.

Article 3: Object of endorsements/guarantee

1. The company may make endorsements/guarantees for the following companies:

A. A company with which it does business.

B. A company in which the company directly and indirectly holds more than 50 percent of the voting shares.

C. A company that directly and indirectly holds more than 50 percent of the voting shares in the company.

2. Companies in which the company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the company, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the company holds, directly or indirectly, 100% of the voting shares.

3. The company where all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages, such endorsements/guarantees may be made free of the restriction of the preceding two paragraphs.

4. Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the company, or through a company in which the company holds 100% of the voting shares.

Article 4: Endorsements/Guarantees Amount

- 1.The total amount of endorsements/guarantees by the company and subsidiaries shall not exceed 50% and the amount for a single enterprise shall not exceed 30% of the net value of the company's latest financial statements. Net value shall be based on the latest financial statement that has been audited or reviewed.
- 2.Endorsements/guarantees amount for a single enterprise due to business relationship, in addition to the provisions of the preceding paragraph, the amount shall not exceed the purchase or sales amount of the transaction between the two parties in the most recent year, whichever is higher.
- 3.The company may require the guaranteed company to provide a mortgage or other guarantees on movable or immovable properties according to actual needs.

Article 5: Hierarchy of decision-making authority and delegation thereof

- 1.The company making an endorsements/guarantees for others, need to carefully evaluate and submitted the results to and resolved upon by the board of directors. In order to meet the statute of limitations, the board of directors may authorize the general manager to make a decision within 10% of the net value of the company's latest financial statement, and then report to the latest board of directors for ratification.
- 2.Where the company needs to exceed the limits set out in the operational procedures for endorsements/guarantees to satisfy its business requirements, and where the conditions set out in the operational procedures for endorsements/guarantees are complied with, it shall obtain approval from the board of directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the company by the excess endorsement/guarantee. It shall also amend the operational procedures for endorsements/guarantees accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the company shall adopt a plan to discharge the amount in excess within a given time limit.
- 3.Before making any endorsements/guarantees pursuant to Article 3, paragraph 2, a subsidiary in which the company holds, directly or indirectly, 90% or more of the voting shares shall submit the proposed endorsements/guarantees to the company's board of directors for a resolution, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the company holds, directly or indirectly, 100% of the voting shares.
- 4.The company and subsidiary make any endorsements/guarantees for net worth is lower than half of its paid-in capital for the subsidiary. The financial department inspects the financial status of the subsidiary and assesses the risk status, and regularly reports to the audit committee. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under the sum of the share capital plus paid-in capital in excess of par shall be substituted.
- 5.When it makes endorsements/guarantees for others, it shall take into full consideration

the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting.

Article 6: Endorsements/guarantees procedures

- 1.The financial department need to review the qualifications and conditions of the endorsements/guarantees object meet the regulations, evaluate the risk and whether the collateral has been obtained, describe the content, reasons and evaluation results, and submit it to the general manager for approval. After the resolution of the board of directors.
- 2.The company shall prepare a memorandum book for its endorsements/guarantees activities and record in detail the following information for the record, the entity for which the endorsements/guarantees is made, the amount, the date of passage by the board of directors or of authorization by the general manager, the date the endorsements/guarantees is made, and the matters to be carefully evaluated under the article.
- 3.The company shall evaluate the status of its endorsements/guarantees and reserve sufficient allowance for loss, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures.
- 4.Where as a result of changes of condition the entity for which an endorsements / guarantees is made no longer meets the requirements of these regulations, or the amount of endorsements/guarantees exceeds the limit, a public company shall adopt rectification plans and submit the rectification plans to the audit committee, and shall complete the rectification according to the timeframe set out in the plan.
- 5.The company's internal auditors shall audit the operational procedures for endorsements/guarantees for others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the audit committee members in writing of any material violation found.

Article 7: Procedures for use and custody of corporate chops

- 1.The company shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements/guarantees, the chop shall be kept in the custody of a designated person approved by the board of directors, the same goes for changes, and may be used to seal or issue negotiable instruments only in prescribed procedures.
- 2.When making a guarantee for an overseas company, the company shall have the Guarantee Agreement signed by a person authorized by the board of directors.



Article 8: Announcement and reporting procedures

1. The company shall announce and report the previous month's balance of endorsements/guarantees of itself and its subsidiaries by the 10th day of each month.
2. The company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:
 - A. The aggregate balance of endorsements/guarantees by the company and its subsidiaries reaches 50 percent or more of the company's net worth as stated in its latest financial statement.
 - B. The balance of endorsements/guarantees by the company and its subsidiaries for a single enterprise reaches 20 percent or more of the company's net worth as stated in its latest financial statement.
 - C. The balance of endorsements/guarantees by the company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, carrying value of equity method investment in, and balance of loans to, such enterprise reaches 30 percent or more of company's net worth as stated in its latest financial statement.
 - D. The amount of new endorsements/guarantees made by the company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the company's net worth as stated in its latest financial statement.
3. The company shall announce and report on behalf of any subsidiary thereof that is not a company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.
4. "Date of occurrence" in these regulations 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 or endorsement/guarantee, whichever date is earlier.
5. "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.
6. Where the 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 9: Procedures for controlling and managing endorsements/guarantees by subsidiaries

1. The company's subsidiary intends to endorsements/guarantees due to business needs, the subsidiary must formulate a procedures in accordance with the regulations of the Financial Supervisory Commission and proceed.
2. The internal auditors conduct annual audits at subsidiaries, they should also check the implementation of the subsidiary's endorsements/guarantees for others. If there have



deficiencies found, they should continue to track their improvement and make a follow-up report to the audit committee.

Article 10: When the company's managers and organizer violate the procedures, they will be punished according to the relevant regulations to the severity of the circumstances.

Article 11: The procedures shall come into effect upon approval of one-half or more of all audit committee members and approved by the board of directors, and furthermore shall be submitted for a resolution by the shareholders meeting, and the same applies to amendments.

Article 12: The Procedures were established on April 10, 1999.
The 1st amendment was made on June 18, 2003.
The 2nd amendment was made on June 15, 2006.
The 3rd amendment was made on June 16, 2009.
The 4th amendment was made on June 15, 2010.
The 5th amendment was made on June 22, 2011.
The 6th amendment was made on June 20, 2013.
The 7th amendment was made on June 15, 2018.
The 8th amendment was made on June 14, 2019.
The 9th amendment was made on July 16, 2021.