

AOPEN Inc.

Procedures Governing Lending of Capital to Others

The Company shall comply with the Procedures as set forth below when lending funds to other parties.

Article 1 Applicability

The Company shall not provide loans to others unless otherwise provided below:

The Company may provide loans to enterprises with which the Company has business relationship; where there is necessity of short-term financing, the Company may provide loans in accordance with these Procedures to subsidiaries in which the Company holds 50% or more of its total outstanding common shares.

Article 2 The Standard for Lending Assessment

1. For enterprises having business relationship with the Company apply funding from the Company, the aggregate amount of the loans provided by the Company shall not exceed the net worth of total trading amount between both parties in the most recent year. The net worth of total trading amount between both parties means the total amount of purchase or re-sale, whichever is higher.
2. For enterprises apply funding from the Company by reason of necessity to have short-term funding, those enterprises shall be limited to subsidiaries in which the Company holds 50% of its total outstanding common shares.

Article 3 Limits on Loan

1. The aggregate amount of loans provided by the Company shall not exceed 50% of the net worth of the Company as shown in the latest financial report audited or reviewed by the CPA. By reason of necessity to have short-term funding, the aggregate amount of loans provided by the Company shall not exceed 40% of the net worth of the Company as shown in the latest financial report audited or reviewed by the CPA
2. By reason of business relations, the limits to lend to each single borrower shall be subject to the percentage provided below:
 - (1) For subsidiary that the Company holds 50% or more of its total outstanding common shares, the aggregate amount of loans shall not exceed 10% of the net worth of the Company.

- (2) For enterprise that the Company holds less than 50% of its total outstanding common shares, the aggregate amount of loans shall not exceed 40% of the net worth of the enterprise, nor exceed 10% of the net worth of the Company.
- (3) For other borrower, the aggregate amount of loans shall not exceed 25% of the net worth of the borrower, nor exceed 10% of the net worth of the Company.
3. By reason of necessity to have short-term funding from the Company, the aggregate amount of loans shall not exceed 10% of the net worth of the Company.

Article 4 Time Limits and Interest Rates

When a borrower gets a loan from the Company, the loan period shall not exceed one year. The Chairman of the board is authorized to decide the method for calculating interest.

Article 5 Procedures for Lending

1. The borrower shall apply in writing to the finance department of the Company for financing by submitting its Certificate of Profit Seeking Enterprise, relevant certificates of the enterprise, a photocopy of the identification of the enterprise's representative, and other required financial information. The finance department shall make a credit investigation and submit the application to the Board of Directors for approval. Nevertheless, any company in which the Company holds, directly or indirectly, 50% or more of the voting shares shall be exempt from providing the aforementioned information.
2. Loans of funds between the Company and its subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the board of directors pursuant to the preceding paragraph, 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.
3. The term "certain monetary limit" mentioned in the preceding paragraph shall be subject to Article 3. The authorization for loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the borrower, but the limited amount for inter-company loans between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares or to loans of fund to the Company by any overseas company in which the Company holds, directly or indirectly,

100% of the voting shares shall be the net worth on the most current financial statements of the borrower.

4. After the amount of loan has been approved, the borrower shall fill out the related application forms and submit to the finance department to withdraw the fund.

Article 6 Review Procedures for Lending

1. When a borrower applies for a loan from the Company, the borrower shall specify the purpose and the necessity of the loan and the finance department shall decide whether to accept the application or not.
2. In addition to credit check on the borrower, the finance department shall make an assessment of impact on operation risk, financial condition and shareholder's rights that may result from said provision of loan, and submit its opinion statement to the Board of Directors for approval.
3. Except for the companies in which the Company holds 50% of its total outstanding common shares, when the borrower applies for withdrawing the funding from the Company, the borrower shall provide the Company with the Banker's acceptance or collateral of the same amount as security. The finance department shall evaluate and determine the value of the collateral.

Article 7 The Standards for Public Announcement

1. The Company shall enter the information regarding the loan amount provided by the Company and its subsidiaries in the most recent month into the information reporting website appointed by the competent authority on or before the 10th date of each month.
2. In the event that the loan amount provided by the Company reaches the following thresholds, the Company shall make a public announcement within two days commencing immediately from the date of occurrence of said lending on the information reporting website appointed by the competent authority:
 - (1) The aggregate amount of the Company and its subsidiaries' loans reaches twenty percent (20%) or more of the Company's net worth as shown in its latest financial report audited or reviewed by the CPA.
 - (2) The aggregate amount of the Company and its subsidiaries' loan for any single enterprise reaches ten (10%) percent or more of the Company's net worth as shown in its latest financial report audited or reviewed by the CPA.

(3) The aggregate amount of the Company and its subsidiaries' new loans reaches NT\$10 million and reaches two percent (2%) or more of the Company's net worth as shown in its latest financial report.

3. The Company shall announce and report on behalf of any subsidiary thereof that is not a public company in Taiwan any matters that such subsidiary is required to announce and report pursuant to item 3 of the preceding paragraph.

Article 8 Subsequent Measures for Control and Management of Loans, and Procedures for Handling Delinquent Claims

1. The finance department of the Company shall prepare a registry containing the basic information of the borrower, the date and amount for Board of Directors' approval, the date of lending, the aggregate amount of loan, the content of the collateral, interest rate, the method and date for discharging the loan for verification conducted by the competent authorities and relevant personnel.
2. After providing of loans, the finance department shall closely observe the borrower and its guarantor's financial, business and credit condition and if the loan is secured by collateral, the finance department shall pay attention to the collateral's value variation. If there is any significant change, the finance department shall notify the Company's Chairman and adopt proper steps to handle as instructed by the Company's Chairman.
3. When the borrower would like to repay its loan on or before expiration date, the interest payable shall be calculated first, and the Banker's acceptance shall not be returned nor collateral registration shall be cancelled until said interest plus the principal are repaid to the Company by the borrower.
4. The borrower shall repay the loan including the principle and interest upon expiration date. If the borrower fails to repay the loan upon expiration date, the Company may institute a legal action against the guarantor or dispose of the collateral pursuant to laws.
5. Where the borrower becomes unqualified under these Procedures or the loan amount exceeds the limit as a result of changes of condition, the Company shall adopt rectification plans and submit the same to each audit committee member, and complete the rectification in accordance with the schedule.

Article 9 Punishment of Violation of These Procedures

If relevant employees and personnel of the Company violate these Procedures, they will be subject to the related rules of the Company's "Personnel Administration Regulations" and other relevant work rules.

Article 10 Control Procedures for the Company's Subsidiaries

1. When the subsidiaries thereof that is not a public company in Taiwan propose to provide loans to others, the subsidiaries shall enact the "Procedures Governing Lending of Capital" and file with the Company's Board of Directors for ratification and shall also comply with these Procedures. The said procedures of the subsidiaries shall be stipulated in accordance with these Procedures; provided, however, that the aggregate loan amount of the subsidiaries and the aggregate loan amount for each enterprise shall not exceed the following thresholds:

For the Company's subsidiaries, the aggregate loan amount and the aggregate loan amount for each enterprise shall be calculated based on the net worth of such subsidiary and these Procedures. Where funds are loaned between the overseas companies in which the Company directly and indirectly holds 100% voting shares or capital, or any overseas companies in which the Company directly and indirectly holds 100% voting shares or capital provides loans to the Company, such funds may be loaned free of the limitation of the aggregate set forth in Paragraph 1 of Article 3, but shall be subject to Paragraph 3 of Article 5.

2. When the subsidiaries thereof that is a public company in Taiwan propose to provide loans to others, the subsidiaries shall enact the "Procedures Governing Lending of Capital" in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and related regulations, and comply with those procedures.

Article 11 The Company shall evaluate and identify the contingency loss from the lending. The Company shall also disclose the information regarding the lending in the financial report and provide the same to the CPA for his proceeding with the necessary audit procedure and issuing the proper audit report.

Article 12 The internal audit personnel of the Company shall verify these Procedures and its implementation at least once every quarter and prepare a written report for record. If there is significant violation, the personnel shall inform audit committee in writing immediately.

Article 13 The opinion of each independent director shall be fully taken into consideration when the Board of Directors discusses these loans. Opinions of each independent director for approval, rejection or reservation and reasons

shall be clearly recorded in the minutes.

Article 14 The loan made before the implementation of these Procedures shall be filed with the Board of Directors for ratification and handled in accordance with these Procedures. If there is any loan exceeded the amount limit, the excess portion shall be withdrawn by installment.

Article 14-1 The adoption and amendment of these Procedures and any major lending executed by the Company shall be commenced after being approved by more than half of all audit committee members and submitted to the Board of Directors for further approval.

If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, these Procedures may be implemented if approved by more than two-thirds of all directors, provided that the resolution of the audit committee is recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in paragraphs 1 and "all directors" in the preceding paragraph shall be calculated as the actual number of persons currently holding those positions.

Article 15 These Procedures shall be approved by more than half of all audit committee members and passed by board resolution, and then submitted to the shareholders meeting for approval. If a director holds dissenting opinions on Company's matters and there were relevant records or made in writing, the Company shall submit materials of the director's dissenting opinions to audit committee, and submitted to the shareholders meeting for discussion, as well as any revision thereto.

Article 16 These Procedures was enforced from on January 15, 1998.

The First amendment was made on April 25, 2002.

The Second amendment was made on June 12, 2003.

The Third amendment was made on June 19, 2009.

The Fourth amendment was made on June 15, 2010.

The Fifth amendment was made on June 10, 2011.

The Sixth amendment was made on June 11, 2013.

The Seventh amendment was made on June 18, 2015.

The Eighth amendment was made on June 12, 2019.

The Ninth amendment was made on July 6, 2021.