

**Cameo Communications Inc.**  
**Procedures of Lending funds to Others**

- Article 1    General Principles  
These Procedures are promulgated pursuant to Article 36-1 of the Securities and Exchange Act ("the Act").
- Article 2    Purpose  
Cameo Communications Inc. (the Company) shall comply with these procedures when lending funds to others; where other laws or regulations provide otherwise, and such provisions shall govern.
- Article 3    Under Article 15 of the Company Act, the Company shall not lend funds to any of its shareholders or any other person except under the following circumstances:  
3.1. Companies having business relationship with the Company.  
3.2. Companies in need of funds for a short-term period, provided that such financing amount shall not exceed 40 percent of the lender's net worth.  
The term "short-term" as used in the preceding paragraph means one year.  
The term "financing amount" as used in Subparagraph 3.2 of this Article means the cumulative balance of the Company's short-term financing.  
The restriction in Subparagraph 3.2 shall not apply to inter-company loans of funds 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. However, the Company shall still prescribe limits on the aggregate amount of such loans and on the amount of such loans permitted to a single borrower, and shall specify limits on the durations of such loans.  
If the Company has paid-in capital of not less than NT\$1 billion and it furthermore has joined a leasing association and stated that it will comply with the self-regulatory rules, and has complied with the requirements of Article 7, the restriction in paragraph 3.2 shall not apply to its provision of short-term financing, provided, however, that the amount loaned by it may not exceed 100 percent of its net worth.  
When a responsible person of a company violates paragraph 1 or the proviso of the preceding paragraph, the responsible person shall bear joint and several liability with the borrower for repayment; if the company suffers damage, the responsible person also shall be liable for damages.  
Companies engaging in short-term financing under Article 5 must comply with the preceding regulations and strengthen risk assessments and set lending limits separately for unsecured loans, the same industry, and affiliated or group companies.
- Article 4    The necessity of lending funds  
The Company having business relationship with other companies shall follow the provisions of Paragraph 5.2 of Article 5, and the Companies in need of funds for a short-term financing , subject to the following circumstances:  
4.1. Other companies need short-term financing due to the needs of purchasing materials or operating  
4.2. Other loans approved by the board of directors of the company.
- Article 5    The aggregate amount of loans and the maximum amount permitted to entity  
5.1. The total loan amount of the company shall not exceed 40% of the net value of the Company's most recent financial statements.  
5.2. The individual loan amount shall not exceed the amount of business dealings between the two parties. The amount of business dealings with refers to the account receivable or the account payable balance, whichever is higher.  
5.3. Companies in need of funds for a short-term period provided that individual financing amount shall not exceed 5 percent of the net worth of the Company's most recent financial statement. However, the individual lending amount to the Company's subsidiaries that directly or indirectly hold 100% of the voting shares, shall not exceed 40%

of the net value of the Company's most recent financial statements.

5.4. Foreign Companies in which the Company holds, directly or indirectly 100% of the voting shares may lend funds to each other, and may not be subject to the provisions of the 3 paragraph above, but the individual loan amount and the total loan amount still must not exceed 40% of the net value of the Company's most recent financial statements.

If, as a result of a change in circumstances, an entity to which lending funds does not meet the requirements of the Procedure or the loan amount exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to Audit Committee, and shall complete the rectification according to the timeframe set out in the plan.

## Article 6 Procedures of Lending funds to Others

### 6.1 Credit verification

Entities to which the Company may loan funds shall attach company profile and financial statements.

### 6.2 Preservation

After the Company accepts the application, the finance department shall investigate and evaluate the business, financial status, solvency and credit, profitability and purpose of the loan, and issue a report.

The Company shall obtain the equivalent amount of guaranteed promissory notes when making loans and, set up mortgages for real property and personal property if necessary. For the guarantee obligation in the preceding paragraph, if the debtor provides an individual or company with considerable resources and credit as a guarantee, instead of providing collateral, the board of directors may refer to the credit report of the Finance Department; Those who use the company as a guarantee should pay attention to whether the articles of incorporation have provisions that can be used as guarantee.

### 6.3 Scope of authorization

When the Company lending funds after financial department credit verification, are submitted to the president for approval and submitted to the board of directors for resolution and processing, and no delegation shall be made to any person in this regard.

Loans to subsidiaries, or loans between subsidiaries, shall be resolved by the board of directors in accordance with the preceding paragraph, and the chairman of the board shall be authorized to handle the matter within the specific amount of fund lending to the same party approved by the Board of Directors and the lending is authorized in installment or revolver within one year. "Specific amount" as referred to above shall mean that the authorized amount of loans by the Company to an individual entity shall not exceed 10% of the Company's net value in their most recent financial statement except paragraph 3.4 of Article 3, and paragraph 5.3 of Article 5. When the Company loans funds to others, it shall take into full consideration each independent director's opinions; 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.

## Article 7 Duration of loans and calculation of interest

### 7.1 Duration of loans

The term of each loan extended by the Company shall not exceed one year.

### 7.2 calculation of interest

7.2.1 Fund loans and interest rates shall be determined with reference to the company's deposit and borrowing interest rates in financial institutions.

7.2.2 For foreign subsidiaries that apply this procedure in accordance with Paragraph 3.4 of Article 3, the method of fund loans and interest calculation may be governed by local laws and regulations, and is not restricted by the preceding paragraph.

## Article 8 Subsequent measures for management of loans, and procedures for handling delinquent creditor's rights

After a loan is extended, the Finance shall periodically evaluate the financial status and credit of the borrower and guarantor (if any). In cases involving collateral, the Company shall pay attention to its guarantee value and any change thereto. In case of major change, the Company shall report to chairman and follow the instructions.

When the borrower repays its borrowed amount on or before the due date, the guarantee notes shall not be released or relevant liens shall not be cancelled until the borrower has repaid the full amount of principal together with interests accrued.

- Article 9
- 9.1 If the Company's subsidiaries propose to lend funds to others, the Company shall require the Subsidiary to establish procedures for lending funds in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" stipulated by the Financial Supervisory Commission, and shall conform to such procedures.
- 9.2 When a subsidiary lends funds to others, it shall provide relevant information to the parent company, and considering the opinions of relevant personnel of the parent company.
- 9.3 After the loan appropriation, the subsidiary shall periodically report the follow-up status of the loan and the amount to the parent company.
- 9.4 For entities that are not subsidiaries of publicly listed company, the procedures for lending funds to others shall not violate the laws, precedents, and interpretations applicable to the competent authority and judicial jurisdiction where the parent company and the subsidiary's located, and shall comply with the company's articles of incorporation, resolutions of the shareholders meeting and relevant regulations.
- 9.5 In the reporting standards of the Subsidiary, "up 20, 10% or more than 2%" of the Company's most recent financial statement is based on the Company's net worth.

Article 10 Disclosure

- 10.1 The Company shall report the balance of loan funds by the Company and its subsidiaries in the preceding month, before the 10th day of the month.
- 10.2. If the loan meets any of the following circumstances, it shall be reported within two days upon occurrence of the fact on MOPS:
- 10.2.1 The balance of the loan funds by the Company and its subsidiaries exceeds 20% of the net worth of the Company, as specified in most recent financial statement.
- 10.2.2 The balance of funds lent to any single entity by the Company and its subsidiaries exceeds 10% of the net worth of the Company, as specified in most recent financial statement.
- 10.2.3 The increase of new loans by the Company or its subsidiaries reached NTD 10 million or more, or is more than 2% of the net worth of the Company, as specified in most recent financial statement.
- The Company shall announce and report on behalf of any of its subsidiaries that are not a domestic public company any matters that such subsidiary is required to announce and report pursuant to preceding paragraph 10.2.3.
- 10.3 The Company shall evaluate the status of loans of funds, and shall set aside sufficient allowance for bad debts. It shall also adequately disclose relevant information in its financial reports and provide the certifying CPAs with relevant materials for the performance of necessary audit procedures.

Article 11 Documentation and keeping

The Company shall maintain a memorandum book recording the following information of the Borrower, amount, the date of approval by Board of Directors, the date of lending and items in

accordance to this Procedure.

After providing of loans, the persons-in-charge shall include the written agreement, promissory note, collateral documents, insurance, and transaction documents in a depositary bag. The bag shall label the contents and borrower and send to supervisor for examination. The bag will be stored after examination and sign or stamp on the registry and keep it in the safekeeping register.

Article 12 Penalty

Managers and persons-in-charge violate the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” stipulated by the Financial Supervisory Commission and the Procedure of Lending Funds to Others shall be punished based on the severity of violation. Auditors and supervisors shall report to president or the Board of Directors.

Article 13 Audit

Internal auditors should audit the procedures and implementation of fund lending to others at least quarterly, and make written records. The parent company should regularly review the audit reports reported by the subsidiaries and track their deficiencies and improvements. The members of the audit committee shall be notified immediately of the severity of violation.

Article 14 Others

14.1 "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.

14.2 Where a public 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.

14.3 The term "announce and report" as used in these Regulations means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).

14.4 “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.

14.5 Foreign companies providing loans to others shall comply with the provisions of this procedure. The net worth calculated under this procedure refers to the balance sheet equity attributable to the owners of the parent company.

Article 15 The procedure requires approval by more than half of the audit committee members, resolved by board of directors and shareholder's meeting. If any director objects with a record or written statement, the objection must be submitted to all independent directors and presented for shareholder meeting discussion. The same applies to any amendments.

When submitting the Procedure for discussion by the board of directors, 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.

Where the Company has established an audit committee, when it adopts or amends Procedures of Lending funds to Others , the procedures or amended procedures shall require the approval of one-half or more of all audit committee members, and furthermore shall be submitted for a resolution by the board of directors, and the provisions of paragraph 2 shall not apply.

If the approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the Procedures may be implemented if 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 meeting.

The terms "all audit committee members" in paragraph 4 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

- Article 16 These rules of procedure were established on April 1, 1999 of the Republic of China.  
Amendment for the 1st instance: March 21, 2002.  
Amendment for the 2nd instance: May 26, 2003.  
Amendment for the 3rd instance: June 14, 2006.  
Amendment for the 4th instance: June 19, 2009.  
Amendment for the 5th instance: June 17, 2010.  
Amendment for the 6th instance: June 18, 2012.  
Amendment for the 7th instance: June 21, 2013.  
Amendment for the 8th instance: June 19, 2014.  
Amendment for the 9th instance: June 16, 2017.  
Amendment for the 10th instance: June 21, 2019.