## Records of Document Approval & Modification

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## Record of Modification

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<th>Approver</th>
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<td>Chairman: Liao, Yi-Yen</td>
<td>General Manager: Chuang, Hsin-Yi</td>
<td>Tsai, Li-Chiu</td>
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Article 1: The Company may grant loans to other persons for the purpose of business needs, and operation shall be handled in accordance with this Procedure. Matters which are not included in this Procedure shall be handled in accordance with relevant laws and regulations.

Article 2: Persons to whom loans may be granted:
Other than the situations prescribed hereunder, funds of the Company may not be loaned to any shareholder or any other person:
1. Business transactions between companies, or, with trading entities or the Company’s affiliate;
2. Short-term financing required between companies, or, with trading entities or the Company’s affiliate.

Article 3: Loan amount limits on total loans and individual loan:
The total amount of loans granted by the Company for the purpose of business transactions and short-term financing shall not exceed thirty percent (30%) and ten percent (10%) respectively of the Company’s net value. Total loan amount granted shall not exceed forty percent (40%) of the Company’s net value. Loan amount to individual entity (single judicial person or group), whether granted for business transactions or for short-term financing, shall not exceed ten percent (10%) of the Company’s net value.

The Company’s financial statements are compiled in line with the International Financial Reporting Standards. Net value referred to herein shall mean and refer to parent company’s owner’s equity on balance sheet prescribed in the Guidelines for Securities Issuer’s Compilation of Financial Statement.

Article 4: Term and Interest Rate
1. In principle, loans shall be granted for short-term financing and the maximum of loan term shall not exceed one year. In the event of any renewal required, a new application shall be filed with the Company accordingly.
2. Interest rates for loans granted shall not be lower than the ones for short-term loans applied to the Company by financial institutions, and shall be accrued on a monthly basis. The Financial Department shall take the initiative to follow up on interest payments.
Article 5: Necessity and Review Procedures for Granting Loans

1. In the event of the Company’s granting of loans to other party, the responsible department shall file an application specifying the amount to be loaned, the borrower, term of the loan and credit verification and risk assessment over the borrower. In the event that the loan is to be granted under a business transaction relationship, the loan amount shall be then compared with the amount of transactions between the Company and the borrower during the year preceding the loan for proper analysis. General short-term financing shall be supported by the reason(s) and situation(s) of the loan. The responsible department shall review necessity and rationality of such loan(s), assess corresponding influences over the Company’s operation risk, financial condition and shareholder’s equity, and submit aforementioned application for approval with comments on if loan approval shall be granted. Financial Department shall propose interest rate and term of loan for the General Manager’s review before submitting aforementioned application to the Board of Directors for resolution.

2. After granting approval resolution, the Board of Directors is also entitled to authorize the Chairman to offer installment drawdown or revolving drawdown within the period not exceeding one year to the same borrower in line with the credit line approved by the Board of Directors’ resolution. The credit line prescribed in the preceding paragraph shall be in line with Article 3 stipulated herein. Furthermore, authorized credit line granted by the Company and its subsidiary (ies) to a single enterprise shall not exceed ten percent (10%) of the enterprise’s net value specified on its latest financial statement.

3. In the event of necessity deemed by the Board of Directors, collateral equivalent to the loan amount shall be required from the borrower. In the event that no collateral can be provided to guarantee the aforementioned loan, the borrower shall then provide a person or a company of sufficient financial capability and credit as a guarantor to guarantee the aforementioned loan.

4. In the event that there is (are) Independent Director(s) in the Company, opinions of Independent Director(s) shall be fully taken into consideration when loans are granted, and specific opinions of approval or objection along with objection reasons shall be included in the minutes of the Board of Directors’ meeting.
Article 6: Follow Up Control Measures on Granted Loans and Handling Procedures for Defaulted Loans

1. Financial Department shall establish “Loan Granting Register” on loan granting matters and specify detail information on borrower, loan amount, term, interest rate, expected reimbursement date, collateral condition, date of approval by the Board of Directors and drawdown date. Memos with regard to the obtainment of collateral or credit guarantees shall be delivered to Accounting Department for the preparation and recording of vouchers.

2. Financial Department shall take the initiative to follow up on loans which have expired to verify if cases for aforementioned loans have been closed or cancelled.

3. In the event of overdue loan which cannot be recovered even after collection, legal action shall be taken against borrower in order to protect the Company’s interests.

Article 7: Guidelines for Loan Granting

1. Prior to granting loans, the Company shall carefully assess if rules of this operation procedure are complied. Operation shall be proceeded accordingly following the Board of Directors’ resolution on aforementioned assessment result. Authorizing others to make decision on aforementioned matters is prohibited.

2. The Company shall assess loan granting status, provide sufficient bad debt provision, appropriately disclose related information on financial statements and provide related materials to certified accountant for execution of necessary auditing process.

3. The Company’s internal audit staff shall audit loan granting procedures and execution status at least on a quarterly basis, and shall prepare records in writing in the event of major violation detected and notify respective Supervisors in writing immediately.

4. In the event that borrower is not line with rules of this procedure, or, outstanding loan amount exceeds limit, due to changes of matters in the Company, rectification plan shall be drafted accordingly and related rectification plan shall be delivered to respective Supervisors and rectification shall be completed in line with schedule set forth in aforementioned plan.

Article 8: Control Procedures for Loan Granted by Subsidiary

1. In the event that the Company’s subsidiary intends to grant loan to other, “Procedures for Granting Loans” shall be established first following related rules of
“Rules of the Granting of Loans and Guarantee Endorsements by Publicly Traded Companies” before operation can then be proceeded accordingly.

2. In the event that the Company’s subsidiary is not a domestic listed company, such subsidiary may be exempted from establishing internal audit unit after considerations on the nature of the business, the operation scale and the number of employees. Instead, the Company’s audit department shall assume the task of auditing and conduct routine or random understanding on the execution of aforementioned subsidiary’s loan granting operation procedure. Irregularity, if any, shall be reported to responsible unit(s) as soon as possible and continued follow up on rectification shall be conducted accordingly.

Article 9: Deadline and Contents Required for Public Announcements

1. Public announcement on outstanding loan amounts granted by the Company and its subsidiaries from the previous month shall be made by the 10th day of each month.

2. In the event that outstanding amounts of granted loans reach one of the following thresholds, public announcements shall be made within 2 days starting from the occurrence of the incidents: the so-called incident occurrence day shall mean and refer to transaction agreement signing day, payment day, Board of Directors resolution day, and other days which can be utilized to identify definite transaction counterparty and transaction day, whichever comes first.

(1) Outstanding loan amounts granted by the Company and its subsidiaries exceed twenty percent (20%) of the Company’s net value specified on the latest financial statement;

(2) Outstanding loan amounts granted by the Company and its subsidiaries to a single enterprise exceed ten percent (10%) of the Company’s the net value specified on the latest financial statement;

(3) New loan amounts granted by the Company and its subsidiaries exceed Ten Million New Taiwan Dollars (NT10m) as well as two percent (2%) of the Company’s net value specified on the latest financial statement.

3. The Company shall make public announcement on its subsidiaries’ matters for public announcement prescribed in clause 3 of the preceding paragraph in the event that aforementioned subsidiaries are not domestic listed companies.
Article 10: Penalties

Breach of procedures stipulated herein and relevant laws or regulations by manager or responsible personnel of the Company shall be reported to responsible department for performance review. Disciplinary treatment shall be imposed in accordance with the Company’s management guidelines based on the gravity of the aforementioned breach.

Article 11: Implementation and Amendments

After being approved by the Board of Directors, this Procedure shall be submitted to respective Supervisors and implementation shall be conducted after approval from shareholder meeting is obtained. In the event of director’s objection which comes with records or statement in writing, the Company shall submit aforementioned objection to respective Supervisors and shareholder meeting for discussion. The same shall also apply to modification of this procedure.

In the event that the Company has Independent Director(s) and this procedure is submitted to the Board of Directors for discussion in compliance with the preceding paragraph, opinions from respective Independent Director(s) shall be fully taken into consideration, and specific consent or objection opinion as well as reason(s) for objection shall be included in the Board of Directors Meeting minutes.