

Formosa Saint Jose Corp.

Endorsement and Guarantee Operating Procedures

1. Purpose:

To establish clear operating guidelines for the Company when providing endorsements or guarantees for others, these Operating Procedures are hereby formulated. These Procedures are established in accordance with Article 36-1 of the Securities and Exchange Act, the "Regulations Governing the Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the Financial Supervisory Commission, and the relevant provisions of the Company's Articles of Incorporation.

2. Scope of Application:

Unless otherwise provided by applicable laws and regulations or the Company's Articles of Incorporation, these Operating Procedures shall apply to all endorsements and guarantees provided by the Company for others.

2.1. Endorsements and Guarantees for Financing include:

2.1.1. Financing through discounting of commercial bills.

2.1.2. Endorsements or guarantees provided for the purpose of financing another company or business entity.

2.1.3. Issuance of negotiable instruments by the Company to non-financial institutions as collateral for the purpose of the Company's own financing.

2.2. Customs Endorsements and Guarantees, refer to endorsements or guarantees provided in connection with customs matters for the Company itself or for other companies or business entities.

2.3. Other Endorsements and Guarantees

These refer to endorsements or guarantees that cannot be classified under the preceding two categories.

2.4. Provision of Collateral

Where the Company provides movable or immovable property as collateral by creating a pledge or mortgage to secure borrowings of another company or business entity.

3. Authority and Responsibility

- 3.1. The Finance Unit shall serve as the competent authority for this operational procedure and is responsible for its interpretation and revision.
- 3.2. This operational procedure shall be approved by the Audit Committee and passed by the Board of Directors, and then submitted to the Shareholders' Meeting for approval. If any director raises objections and provides a record or written statement, the Company shall submit such objections to the Shareholders' Meeting for discussion. The same applies to any amendments.
- 3.3. When submitting this operational procedure to the Board of Directors for discussion in accordance with the preceding provision, the opinions of all independent directors shall be fully considered. If any independent director has objections or reservations, such opinions shall be recorded in the minutes of the Board meeting.
- 3.4. The adoption or amendment of this operational procedure shall be approved by more than half of all members of the Audit Committee, then passed by the Board of Directors, and finally submitted to the Shareholders' Meeting for approval. If approval by more than half of all Audit Committee members is not obtained, the procedure may be approved by more than two-thirds of all directors, and the Audit Committee's decision shall be recorded in the Board meeting minutes. The terms "all members of the Audit Committee" and "all directors" refer to those actually in office.

4. Definitions

- 4.1. The terms "subsidiary" and "parent company" as used in this operational procedure shall be identified in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- 4.2. The term "net worth" as used in this operational procedure refers to the equity attributable to the parent company's owners as stated in the balance sheet under the Regulations Governing the Preparation of Financial Reports by Securities Issuers, based on the most recent financial statements audited or reviewed by a certified public accountant.
- 4.3. The term "public announcement and filing" as used in this operational

procedure refers to the Company entering information into the information filing website designated by the Financial Supervisory Commission (hereinafter "FSC") or by other prescribed methods.

4.4. The term "date of occurrence" as used in this operational procedure refers to the earliest of the following: contract signing date, payment date, date of Board resolution, or any other date sufficient to determine the beneficiary and amount of the endorsement/guarantee.

5. Endorsement and Guarantee Targets

The Company may provide endorsements or guarantees to the following entities:

5.1. Companies or business entities in which the Company directly or indirectly holds more than 50% of the voting shares.

5.2. Companies or business entities that directly or indirectly hold more than 50% of the voting shares of the Company.

5.3. Companies or business entities having business dealings with the Company.

5.4. Financing guarantees for the purpose of the Company' s acquisition of a subsidiary, provided for the Company' s shareholders.

6. Endorsement and Guarantee Limits

6.1. The Company' s total cumulative amount of external endorsements and guarantees shall not exceed 25% of the Company' s net worth. The endorsement or guarantee limit for a single enterprise shall not exceed 10% of the Company' s net worth, and shall also not exceed the net worth of the company or business entity being guaranteed. The total endorsement or guarantee exposure of the Company and its subsidiaries to a single enterprise shall not exceed 10% of the Company' s net worth, and shall also not exceed the net worth of the company or business entity being guaranteed. The total cumulative amount of endorsements and guarantees provided by the Company and its subsidiaries shall not exceed 50% of the Company' s net worth.

6.2. For endorsements and guarantees provided by the Company due to business dealings, the amount of endorsement or guarantee for a single

counterparty shall not exceed the higher of the purchase or sales transaction amounts between the two parties within the twelve months prior to the endorsement or guarantee, and shall not exceed 10% of the Company' s net worth.

- 6.3. If the Company needs to provide endorsements or guarantees exceeding the limits set in the preceding paragraph due to business requirements, and the conditions specified in this operating procedure are met, it shall obtain approval from the Board of Directors. More than half of the directors must jointly and explicitly assume responsibility for potential losses arising from exceeding the limit. The operating procedure shall then be amended and submitted to the shareholders' meeting for ratification. If the shareholders' meeting does not approve, the finance unit shall prepare a plan to eliminate the excess within a specified period and submit it to the Board of Directors for approval before implementation.
- 6.4. If the total amount of endorsements or guarantees provided by the Company and any company or business entity in which the Company directly or indirectly holds more than 50% of voting shares exceeds 50% of the Company' s net worth, it shall be submitted to the shareholders' meeting, with an explanation of its necessity and reasonableness.
- 6.5. Endorsements or guarantees between companies or business entities in which the Company directly or indirectly holds 90% or more of the voting shares are permitted, provided that the amount does not exceed 10% of the Company' s net worth and does not exceed the net worth of the guaranteed company or entity. However, endorsements or guarantees between companies or entities in which the Company directly or indirectly holds 100% of the voting shares are not subject to these limits.
- 6.6. When the Company, or a company or business entity in which the Company directly or indirectly holds more than 50% of the voting shares, provides endorsements or guarantees for a subsidiary or business entity whose net worth is less than half of its paid-in capital, the Company must, in addition to conducting a detailed review of the necessity, reasonableness, and risk assessment of the endorsement or guarantee in accordance with applicable laws and regulations, establish subsequent control measures to manage the potential risks arising from the endorsement or guarantee.
- 6.7. If a subsidiary' s shares have no par value or each share' s par value is not

NT\$10, then for the purpose of calculating the paid-in capital under the preceding provisions, the paid-in capital shall be computed as the sum of the share capital plus the capital surplus arising from the issuance premium.

6.8. When a company or business entity in which the Company directly or indirectly holds more than 90% of the voting shares intends to provide a guarantee, in addition to following the procedures set forth in Article 7 of this operational procedure and submitting it to the board of directors of that company for approval, it must also be submitted to the Company's board of directors for approval before execution. However, guarantees between companies or entities in which the Company directly or indirectly holds 100% of the voting shares are exempt from this requirement.

7. Review and Handling Procedures

7.1. When the Company provides a guarantee or endorsement for others, the requesting unit must fill out a "Guarantee/Endorsement Application Form", clearly stating the details of the guarantee or endorsement, the target entity, type, rationale, amount, and whether collateral is provided, etc., and submit it to the Finance unit. The Finance unit may directly decide whether to accept the application from the requesting unit.

7.2. The Finance unit shall, based on the "Guarantee/Endorsement Application Form," review and assess the necessity and reasonableness of the guarantee or endorsement; the financial condition and risk assessment of the guaranteed party; the impact on the Company's operational risk, financial condition, and shareholders' equity; and whether collateral should be obtained, including the appraised value of such collateral. After consolidating opinions from the relevant units, if the assessment concludes that the guarantee or endorsement may be provided, the assessment results shall be submitted to the Board of Directors for review and approval before implementation.

7.3. The Finance unit shall establish a "Guarantees and Endorsements Register" to record in a timely and detailed manner the following items for reference: the matters undertaken for guarantees or endorsements; the guaranteed party; the amount; the results of the risk assessment; details of any collateral obtained; the date of approval by the Board of Directors or the date of final decision by the Chairman; the date on which the guarantee or endorsement is provided; and the matters that are required to be prudently

evaluated pursuant to Paragraph 1 of this Article.

7.4. The responsible personnel shall prepare a detailed schedule of guarantees and endorsements for the preceding month on a monthly basis and submit it for review by the competent supervisor.

7.5. The Finance unit shall assess and/or recognize any contingent losses arising from guarantees and endorsements, appropriately disclose related information in the financial reports, and provide relevant information to the certifying certified public accountants for the performance of necessary audit or review procedures.

8. When the Company provides endorsements or guarantees for external parties, it may require the guaranteed company or business entity to provide collateral.

9. Procedures for the Use and Safekeeping of Seals

The Company shall use the company seal registered with the Ministry of Economic Affairs as the exclusive seal for endorsements and guarantees. Such seal shall be kept by the person specifically authorized by the Board of Directors and may be affixed or negotiable instruments issued only in accordance with the Company's Seal Management Policy. Where the Company provides endorsements or guarantees for foreign companies, any guarantee letter issued by the Company shall be signed by a person authorized by the Board of Directors.

10. Decision-Making and Authorization Levels

10.1. Any endorsement or guarantee undertaken by the Company shall be subject to approval by the Board of Directors prior to implementation.

Where subsidiaries in which the Company directly and indirectly holds ninety percent (90%) or more of the voting shares intend to provide endorsements or guarantees pursuant to Paragraph 5 of Article 6 of these Procedures, such matters shall be submitted to the Company's Board of Directors for approval prior to execution. However, this requirement shall not apply to endorsements or guarantees provided between companies in which the Company directly and indirectly holds one hundred percent (100%) of the voting shares.

10.2. When the Company undertakes any endorsement or guarantee, it shall

conduct the assessment procedures in accordance with Article 7 of these Procedures and obtain approval from the Board of Directors prior to execution. However, where timeliness is required and the transaction amount does not exceed ten percent (10%) of the Company's net worth, the Board of Directors may authorize the Chairman to make a decision in advance. Such decision shall be reported to and ratified by the next meeting of the Board of Directors.

10.3. In undertaking any endorsement or guarantee, the Company shall fully consider the opinions of all directors. Each director's explicit consent or objection, together with the reasons for any objection, shall be recorded in the minutes of the Board of Directors' meeting.

10.4. If, due to changes in circumstances, the endorsement or guarantee counterparty no longer complies with the provisions of these Operating Procedures or the guaranteed amount exceeds the prescribed limits, the Finance Department shall formulate an improvement plan and submit it to the Board of Directors for review, and shall also submit the relevant improvement plan to the Audit Committee. The Company shall implement the improvement plan in accordance with the approved schedule.

Where the guaranteed amount exceeds the prescribed limit due to changes in circumstances, the Finance Department shall formulate a plan to eliminate the excess amount within a specified period and submit it to the Board of Directors for approval prior to implementation.

10.5. When the Company submits endorsement or guarantee matters to the Board of Directors for discussion in accordance with relevant regulations, it shall give full consideration to the opinions of the independent directors. If any independent director expresses an objection or reservation, such opinion shall be recorded in the minutes of the Board meeting.

10.6. The Company's provision of endorsements or guarantees for others shall be subject to the approval of more than one-half of all members of the Audit Committee and shall be submitted to the Board of Directors for review and approval.

If the matter referred to in the preceding paragraph has not been approved by more than one-half of all members of the Audit Committee, it may be carried

out with the approval of at least two-thirds of all Directors. The resolution of the Audit Committee shall be recorded in the minutes of the Board meeting. The terms “all members of the Audit Committee” and “all Directors” refer to those actually in office at the relevant time.

11. Information Disclosure

11.1. The Company shall public announce and filing, by the 10th day of each month, the outstanding balances of endorsements and guarantees of the Company and its subsidiaries for the preceding month.

11.2. Where the Company’s endorsements or guarantees meet any one of the following standards, the Company shall public announce and filing the relevant information within two days commencing from the date of occurrence of the fact:

11.2.1. The outstanding balance of endorsements and guarantees provided by the Company and its subsidiaries reaches 50% or more of the Company’s net worth as shown in the most recent financial statements.

11.2.2. The outstanding balance of endorsements and guarantees provided by the Company and its subsidiaries to a single enterprise reaches 20% or more of the Company’s net worth as shown in the most recent financial statements.

11.2.3. The outstanding balance of endorsements and guarantees provided by the Company and its subsidiaries to a single enterprise reaches NTD 10 million or more, and the aggregate amount of such endorsements and guarantees, the carrying amount of investments accounted for using the equity method, and the outstanding balance of funds loaned to such enterprise reaches 30% or more of the Company’s net worth as shown in the most recent financial statements.

11.2.4. The newly added amount of endorsements and guarantees provided by the Company or its subsidiaries reaches NTD 30 million or more and 5% or more of the Company’s net worth as shown in the most recent financial statements.

11.3. If the Company has subsidiaries that are not domestic public companies, and such subsidiaries are required to make public announcements or filings pursuant to applicable regulations, the Company shall make such announcements and filings on their behalf.

11.4. For the purpose of calculating the ratio of a subsidiary' s outstanding balance of endorsements and guarantees to net worth, such ratio shall be calculated based on the outstanding balance of endorsements and guarantees provided by the subsidiary as a percentage of the Company' s net worth.

12. Control Procedures for Endorsements and Guarantees Provided by Subsidiaries

12.1. Where a subsidiary of the Company intends to provide endorsements or guarantees to external parties, the Company shall supervise and require the subsidiary, with reference to the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies and the Company' s opinions, to establish its own "Procedures for Endorsements and Guarantees." Such procedures shall be approved by the subsidiary' s board of directors and submitted to its shareholders' meeting for approval, and the same shall apply to any amendments thereto. When a subsidiary provides endorsements or guarantees to external parties, it shall act in accordance with its duly adopted procedures. The aforementioned "Procedures for Endorsements and Guarantees" of the subsidiary shall be formulated in compliance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies prescribed by the competent authority (the Financial Supervisory Commission) and with reference to the Company' s opinions.

12.2. The Company shall supervise and require its subsidiaries to self-assess whether their established procedures comply with the relevant regulations and whether they execute related matters in accordance with their own adopted procedures.

12.3. Before a subsidiary of the Company conducts external endorsements or guarantees, it must obtain approval from the Company. When a subsidiary intends to provide an external endorsement or guarantee, it shall first submit the matter for approval by its own board of directors and then forward it to the Company for review. The Company' s finance unit shall concretely assess the necessity and reasonableness of the subsidiary' s

endorsement or guarantee, its associated risks, the impact on the operations, financial condition, and shareholders' equity of both the Company and the subsidiary, and submit the assessment to the Company' s board of directors for approval. Only after the Company' s board approval may the subsidiary proceed. For subsidiaries in which the Company directly or indirectly holds 90% or more of the voting shares, prior to providing endorsements or guarantees in accordance with Article 6, Section 5 of these procedures, in addition to obtaining approval from the subsidiary' s board, approval from the Company' s board of directors is also required. However, endorsements or guarantees between companies in which the Company directly or indirectly holds 100% of the voting shares are not subject to this requirement.

12.4. Endorsements or guarantees may be provided between companies or business entities in which the Company directly or indirectly holds 90% or more of the voting shares, and the amount of such endorsements or guarantees shall not exceed 10% of the Company' s net assets. However, endorsements or guarantees between companies in which the Company directly or indirectly holds 100% of the voting shares are not subject to this limit.

12.5. The subsidiary shall regularly report the follow-up status of endorsements and guarantees to the Company in accordance with the "Subsidiary Supervision Operational Procedures."

12.6. The internal audit personnel of the Company shall review the subsidiary' s self-inspection reports and other related matters.

13. Internal Audit

The Company' s internal audit personnel shall audit this operating procedure and its implementation at least quarterly, and prepare written records. If any material violations are discovered, the internal audit personnel shall immediately notify the Audit Committee in writing or electronically.

14. Penalties

If any managers or personnel of the Company violate the provisions of this operating procedure, they shall immediately report to their direct supervisor and the highest financial decision-making officer, and be subject to disciplinary actions in accordance with relevant laws or the Company' s personnel

management regulations. If the violation is intentional or due to gross negligence, legal action may be taken when necessary.

15. Others

Matters not covered in this operating procedure shall be handled in accordance with relevant laws and the Company's internal regulations.

Applicable Regulations: Procedures for Seal Management.

This operating procedure shall take effect after approval by the shareholders' meeting, and the same shall apply to any amendments.

16. Revision Record

This procedure was established on May 21, 2023.