PlayNitride Inc.

Management of Endorsement and Guarantees

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Approved by the meeting of the term Board of Directors on February 11, 2022.

Approved by the Shareholders meeting on February 18, 2022.

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Article 1

The Regulation for Endorsement & Guarantee of PlayNitride Inc. (hereinafter as "the Regulation") is the guideline for PlayNitride Inc. (hereinafter as "the Company") to provide endorsement and/or guarantee to outside parties. Matters not set forth in the Regulation shall be dealt with in accordance with the applicable laws, rules and regulations.

Where **the Company**'s financial reports are prepared in accordance with *the International Financial Reporting Standards*, the term "**net worth**" in **the Regulation** 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 2

The party to whom the Company may provide endorsement and/or guarantee include the following:

- 1. Any company who has business relationship with **the Company**.
- 2. Any subsidiary whose voting shares are fifty percent (50%) or more owned, directly or indirectly, by **the Company**.
- 3. A parent company who directly or through its subsidiaries indirectly own fifty percent (50%) or more of **the Company**'s voting shares.

Subsidiaries whose voting shares are at least ninety percent (90%) owned, directly or indirectly, by **the Company** may provide endorsement and/or guarantee to each other, and the total amount of such endorsement/guarantee shall not exceed ten percent (10%) of **the Company**'s net worth. The limit restriction shall not apply to endorsement/guarantee when such subsidiaries' voting shares are 100% owned, directly or indirectly, by **the Company**.

Article 3

The term "Endorsement and/or Guarantee" as used in the Regulation is defined as:

- 1. Financing endorsement/ guarantee, including:
 - (1) Bill discounting financing;
 - (2) Endorsement or guarantee made to meet the financing needs of another company;
 - (3) Issuance of a separate negotiable instrument to a non-financial enterprise as security to mee the financing needs of the company itself.
- 2. Customs duty endorsement/guarantee, 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 paragraphs.

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 **the Regulation**.

Article 4

The total amount of endorsement/guarantee provided by **the Company** or by **the Company** and its subsidiaries is subject to the following limits:

- 1. The total amount of endorsement/guarantee shall not exceed thirty-five percent (35%) of **the Company**'s net worth.
- 2. The total amount of endorsement/guarantee provided by **the Company** to any individual entity shall not exceed ten percent (10%) of **the Company**'s net worth, or the net worth of such entity, whichever is lower. Subject to the approval of the **Board of Directors** (hereinafter as "**the Board**"), the aforementioned 10% limit and the limit of the net worth for any individual entity may be lifted for endorsement/guarantee provided by **the Company** for the benefit of the subsidiaries whose voting shares are one-hundred percent (100%) directly or indirectly owned by **the Company**.

In case the above limits have to be exceeded to accommodate business needs, the approval from the Audit Committee and a resolution of the Board shall be obtained and over half of all the directors of the Board shall jointly endorse the potential loss that may be brought about by the excess of limits. The Board shall also revise the Regulation, and has it ratified at the Shareholders' Meeting. If the revised Regulation is not ratified at the Shareholders' Meeting, the Board shall furnish a plan containing a timetable to withdraw the excess portion.

The total amount of endorsement/guarantee provided by **the Company** to any individual entity deriving from business relations shall not exceed the total **business amount** between such party and **the Company** for the twelve-month period immediately before the extension of endorsement/guarantee (the term "**business amount**" herein shall refer to purchase amount or sales amount of the goods between the parties, whichever is higher).

Article 5

If, due to changes of circumstances, the party to whom **the Company** provided endorsement and/or guarantee no longer satisfies the criteria set forth in Article 2 herein, or the amount of endorsement and/or guarantee exceeded the limits due to changes of basis on which the amounts of limits are calculated, a corrective plan shall be provided to the **Audit Committee** and the proposed correction actions shall be implemented within the period specified in the plan.

Article 6

The procedures and authority level for providing endorsement and/or guarantee are defined as follows: Any endorsement and/or guarantee to be provided by the Company shall be evaluated with the *Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Company* announced by the securities regulatory authority, and the Regulation. Finance Division shall then evaluate the necessity and rationality of the endorsement/guarantee, the credibility and risk of involved parties, the risks towards the Company's business operation, financial position and shareholders' equity, and the necessity to acquire collateral and appraisal of collateral. Such evaluation results, along with comments and opinions provided by other related departments, shall be submitted to the Board for approval. A pre-determined limit may be delegated to the Chairman of the Board by the Board to facilitate execution and such endorsement/guarantee shall be reported to the most upcoming meeting of the Board for ratification.

Material endorsements and/or guarantees shall be approved by the Audit Committee in accordance with relevant regulations and submitted to the Board for a resolution.

In case the Company or its subsidiaries desires to provide endorsement/guarantee for the benefit of a subsidiary whose net worth is lower than half of its paid-in capital, Finance Division and related departments shall evaluate the relevant risks, establish risk control measures and exercise implementation review, as well as regularly report the same to the Audit Committee.

For the purpose of determining the paid-in capital of the above-mentioned subsidiary receiving any PlayNitride Inc. or PlayNitride Inc. subsidiaries endorsement/guarantee who has no par value or has a par value other than NT\$10, the sum of the share capital plus "capital surplus – additional paid-in capital" shall be deemed as its paid-in capital.

The company shall establish and maintain a memorandum book for its endorsement / guarantee activities and carefully record the following information: endorsement/guarantee, amount, date of

approval by the board of directors or the execution date by the Chairman, the date of endorsement / guarantee and matters to be carefully evaluated under paragraph 1 of the preceding Article.

The Company shall assess and recognize, if any, contingent losses brought about by the endorsement/guarantee, to adequately disclose information in the financial statements, and to provide certified public accountants with necessary information for conducting due auditing and issuing auditing report.

Article 7

When providing endorsement/guarantee to another company, the Company may request the endorsee/guarantee company to provide collaterals.

Article 8

A public 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 and may be used to seal or issue negotiable instruments only in prescribed procedures.

When making a guarantee for an overseas company, a public company shall have the Guarantee Agreement signed by a person authorized by the board of directors.

Article 9

Should there be any endorsement/guarantee which is required to be reported to the governmental authority-in-charge or to be publicly announced, such report or public announcement shall be made by **the Company** in accordance with the relevant laws, rules, and regulations. If there is any reporting and announcement required for **the Company**'s subsidiary which is not a Taiwan public company, **the Company** shall follow the requirement on behalf of its subsidiary.

Article 10

Unless otherwise prescribed in Article 2, **the Company**'s subsidiaries shall not provide endorsement or guarantee to other parties.

Article 11

The Company's internal auditors shall audit the Regulation and the implementation thereof no less frequently than quarterly and prepare written auditing reports accordingly. Should there be any violation found, a written report is needed to notify the Audit Committee immediately.

Article 12

The Company's managers and persons-in-charge shall follow the Regulation in order to prevent the Company from incurring any losses. Any violation of related regulations or the Regulation shall be subject to discipline in accordance with the related personnel provisions of the Company.

Article 13

The Regulation shall be approved by the Audit Committee and then submitted to the Board of Directors for approval. The Regulation shall be submitted to the Shareholders' Meeting for approval. The same shall apply to any amendments to the Regulation.

If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to the Shareholders' Meeting for discussion.