

WIN Semiconductors Corp.

Procedures for Endorsement & Guarantee

Article 1 The Procedures set forth below are the guidelines for the Company to provide endorsement and/or guarantee to outside parties. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.

Article 2 The term “endorsement and/or guarantee” used in the Procedure is defined as follows:

1. Financial endorsement and/or guarantee, including:
 - (1) Discounted bill financing;
 - (2) Endorsement or guarantee made for the financing needs of other companies;
 - (3) Issuing negotiable instruments for the purpose of providing guarantee to obtain finance for its own businesses to an entity other than the financial institutions.
2. Custom duty endorsement and/or guarantee, which shall mean endorsement or guarantee for the Company itself or other companies in respect of the custom duty matters.
3. Other endorsement and/or guarantee, which shall mean other endorsement or guarantee which cannot be included in the above two categories.
4. When the Company creates a pledge or mortgage on its chattel or real estate as a collateral for the loans of another company, the collateral shall also be the subject of the Procedure.

Article 3 Applicability

The Company may provide endorsement and/or guarantee for the following companies:

1. Subsidiaries in which the Company directly and indirectly holds more than 50% of its total outstanding common shares.
2. The Company and its subsidiaries on a consolidated basis hold more than 50% of its total outstanding common shares.

Each of the companies, in which the Company holds more than 90% shareholding directly or indirectly, may make endorsement and/or guarantee for each other. The amount shall not exceed 10% of the net worth of the Company. The limits to the companies in which the Company holds 100% of the voting shares directly or indirectly do not follow the same rule.

Article 4 Limits of endorsements and/or guarantees

1. The aggregate amount of endorsements and/or guarantees of the Company shall not exceed the 50% of net worth of the latest financial statements audited or reviewed by the certified public accountants. The limits to any single enterprise shall not exceed the 50% of the net worth of the latest financial statements audited or reviewed by the certified public accountants.
2. The limits of the Company and its subsidiaries’ endorsements and/or guarantees shall not exceed 50% of the Company’s net worth as stated in its latest financial statements audited or reviewed by the certified public accountants. The limits of the Company and its subsidiaries’ endorsements and/or guarantees to

any single enterprise shall not exceed 50% of the net worth of the latest financial statements audited or reviewed by the certified public accountants.

Article 5 Decision of endorsements and/or guarantees and level of authorization:

1. Any endorsement and/or guarantee shall be processed and approved in accordance of Article 6 of the Procedure and the Board of Directors of the Company shall approve the making of endorsements and/or guarantees, however, the Board of Directors may authorize the Chairman of the Board of Directors to decide such matters when the transaction is within 20% of the net worth of the latest financial statements audited or reviewed by the certified public accountants and then submit such matter to the Board of Directors for ratification.
2. When any subsidiaries in which the Company holds more than 90% of the voting shares directly or indirectly plan to provide endorsements and/or guarantees in accordance of the second paragraph of Article 3, the proposal shall be submitted to the Board of Directors for approval. The endorsements and/or guarantees provided between the companies in which the Company holds 100% of the voting shares directly or indirectly do not follow the same rule.
3. When the Company submits the endorsement and/or guarantee decisions for the Board of Directors' approval, the Board shall fully take each independent director's opinions into consideration and record each director's reasons for pros and cons in the minutes.

Article 6 Endorsements and/or guarantees procedures

1. The requesting enterprise shall submit an endorsement and/or guarantee application form or a letter with the financial data in detail to the financial department of the Company.
2. In effecting the endorsement and/or guarantee, the financial department shall review the qualification item by item of the Company to be endorsed and/or guaranteed, whether the amount is in conformity with the Procedure, and if it has satisfied the criteria for disclosure and report, and shall evaluate the necessity and rationality of the endorsement and/or guarantee, the impact towards the Company's operating risk, financial position and shareholders' equity, the credit and risk of the endorsed and/or guaranteed enterprise. If necessary, collateral shall be obtained from the Company to be endorsed and/or guaranteed. Then it shall, with clear reporting of the content, reason and risk evaluation, be reported to the Chairman of the Board of Directors for its approval, and then presented to the Board of Directors to be discussed and consented to. If it is within the authorized amount, the Chairman of Board of Directors may approve first and then reported to the Board of Directors for approval. After these procedures, the financial department shall apply for sealing and note issuance, transfer all the relevant records to the accounting department and report to the shareholders' meeting.
3. The financial department shall request the delivery of notes of the same amount and maturity as a counter guarantee.
4. The financial department shall make a detailed list of the guarantee provided and cancelled every month for the purpose of tracing and disclosure and report and, periodically assess and acknowledge contingent losses of the endorsement and/or guarantee, and disclose relevant information in the

financial reports and provide the certified public accountants with relevant information.

5. A registry for the record of endorsement and guarantee and its relief shall be established by financial department. After the endorsement and/or guarantee have been approved by the Board of Directors or the Chairman of Board of Directors, in addition to the application for the chop, the party endorsed and/or guaranteed, amount of endorsement, the date of approval of the Board of Directors or the Chairman of Board of Directors, the date of the endorsement and/or guarantee and all the evaluation issues according to the Procedure shall be recorded in detail for reference. All relevant documents such as notes and contracts should be copied and kept.

Article 7 Extension for endorsement and/or guarantee

The extension for such endorsement and/or guarantee when the original term expires shall be processed in accordance with Article 6.

Article 8 The cancellation of endorsement and/or guarantee

If the endorsement and/or guarantee needs to be cancelled upon request of the endorsed and/or guarantee company or the Company, the financial department shall execute the following procedures:

1. If the endorsement and/or guarantee needs to be cancelled due to performance of debt or change of note as a result of extension of the term, the endorsed company shall deliver a formal letter with the original notes endorsed and relevant documents to the financial department to be chopped "cancellation" and returned, the application letter shall be kept for reference.
2. The financial department shall submit a report to the CEO, the Chairman of the Board of Directors and get approval and then return the notes to the endorsed and/or guaranteed company.
3. The financial department shall register the cancelled notes into the registry to reduce the accumulated amount of the endorsement.

Article 9 The using and keeping procedure for the Company's chop and notes

1. The Company's chop for the registration to the Ministry of Economic Affairs shall be used as the special chop for endorsement and/or guarantee.
2. Notes used for issuing endorsement and/or guarantee and seals of the Company shall be kept separately by persons appointed and authorized by the Chairman of Board of Directors. Internal procedures must be followed for sealing and note issuance purposes.
3. When the Company provides guarantee to foreign companies, the letter of guarantee shall be signed by the Chairman of Board of Directors or CEO authorized by the Board of Directors.

Article 10 Attentions

1. Internal auditors shall perform auditing on the Company's endorsement and/or guarantee procedures and execution thereof and produce written auditing reports. Should there be any violation found, the internal auditors shall inform the Chairman of Board of Directors and CEO, handle the matters under their instructions, and a written report is needed to notify the audit committee.
2. 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 3 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 should be implemented within the period specified in the plan.

3. When and if from business perspective, it is necessary that the aggregate amount of endorsements and/or guarantees of the Company exceed the limited amount specified in the Procedure and the applicants' other conditions qualify the criterion of the Procedure. Under such circumstance, the Board of Directors shall approve the making of endorsement and/or guarantee and majority of the directors shall sign as joint guarantors for the contingency loss and the Procedure shall be modified and submitted to the shareholders' meeting for confirmation thereafter. If the shareholders' meeting does not approve it, the Company shall make a plan to eliminate such exceeding amount within certain period of time.
4. In case the Company or its subsidiary desires to provide endorsement and/or guarantee for the benefit of a subsidiary whose net worth is lower than half of its paid-in capital, the financial department shall get the financial data of the subsidiary to be endorsed and/or guaranteed every month.

Article 11 Internal control procedures of the Company's subsidiaries

1. The Company shall urge its subsidiaries to enact the "Procedures for Endorsement & Guarantee" and implement the procedures in accordance with proper authorizations of the organizations in charge.
2. The Company shall supervise subsidiaries to provide endorsement and/or guarantee to outside parties are in compliance with the "Procedures for Endorsement & Guarantee".

Article 12 Disclosure and report

When the Company provides endorsement and/or guarantee to other parties, the related information shall be disclosed and reported to Market Observation Post System website designated by the government agency in charge of securities:

1. The Company shall monthly disclose and report the Company's and its subsidiaries' remaining amount of endorsement and/or guarantee of the last month before the tenth day of every month.
2. If the Company and its subsidiaries meet any of the following criteria, the Company shall disclose and report the relevant information within two days of the occurrence of the event.
 - (1) The Company's and its subsidiaries' remaining amount of the endorsement and/or guarantee reaches the amount higher than the 50% of the net worth of the Company's latest financial reports.
 - (2) The Company's and its subsidiaries' remaining amount of the endorsement and/or guarantee to one single company reaches the amount higher than the 20% of the net worth of the Company's latest financial reports.
 - (3) The Company's and its subsidiaries' remaining amount of the endorsement and/or guarantee to one single company reaches NT\$10 millions or more, and the total remaining amount of

endorsement and/or guarantee, carrying amounts of investments accounted for using the equity method and loan exceeds 30% of the net worth of the Company's latest financial reports.

- (4) The Company's and its subsidiaries' newly increased amount of the endorsement and guarantee reached NT\$30,000,000 and more, and the amount exceeds 5% of the net worth of the Company's latest financial reports.

If the subsidiary of the Company is not a public listed company of the country, and is applied to subparagraph two, item four of the preceding paragraph, it shall be disclosed and reported by the Company.

Article 13 Penalty provisions

The Company's managers and persons-in-charge shall follow the Procedure in order to prevent the Company from incurring any losses. Should there be any violation of related regulations or the Procedures, subsequent castigation is subject to the related personnel guidelines and procedures of the Company.

Article 14 Effectiveness and amendment

After the Procedures have been approved by the Board of Directors, they shall be submitted to a shareholders' meeting for approval; if any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to a shareholders' meeting for discussing; the same applies when the procedures are amended.

The Procedures, and any amendments to them, shall be subject to the consent of one-half or more of all audit committee members and be submitted to the Board of Directors for a resolution. Any matter that has not been approved with the consent of one-half or more of all audit committee members may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the directors meeting.