

# Bora Pharmaceuticals Co., Ltd.

## Procedure for Endorsement and Guarantee

### Article 1 Purpose

The Procedure set forth below are the guidelines for the Company to provide endorsement and/or guarantee to outside parties. If there is unaccomplished matter, please follow “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”.

### Article 2 Scope

1. Financial endorsement and/or guarantee, including: discounted bill financing; endorsement or guarantee made for the financing needs of other companies, 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. The Company creates a pledge or mortgage on its chattel or real estate as collateral for the loans of another Company.

### Article 3 Applicability

The Company can provide endorsement and/or guarantee when contracting construction project with same industry company or in joint investment where endorsement and/or guarantee is provided proportionally by shareholders.

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 share are fifty percent or more owned, directly or indirectly by the Company.
3. Any parent company who directly or through its subsidiaries indirectly own fifty percent or more of the Company’s voting shares.

Subsidiaries whose voting shares are at least 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 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.

The Company and its subsidiary shall follow the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”. The Company’s financial reports is prepared in accordance with the International Financial Reporting Standards. The “net worth” mentioned in this procedure means the equity attributable to shareholders of the parent in the balance sheet in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers”. The latest financial report

means the Company's latest financial reports audited or reviewed by the certified public accountant in accordance with local regulation.

#### Article 4 Limits on Endorsement and/or Guarantee

1. The total amount of endorsement/guarantee provided by the Company and its subsidiaries shall not exceed five times of the Company's net worth. The total amount of the endorsement/guarantee provided by the Company to any individual entity shall not exceed five times of the Company's net worth. If the aforementioned endorsement and or guarantee amount has reached 50% of the Company's net worth, the Company shall explain its necessity and rationality on stockholder's meeting.
2. In the event that the Company provides endorsements and/or guarantees due to having the business relationship with the Company. Despite the above limit, the aggregate amount of the endorsements and/or guarantees shall not exceed the trading amount between the two companies in the most twelve month before the guarantee. The trading amount between the two companies means the total amount of purchase, or sale, whichever is higher.

#### Article 5 Decision Making and Authorization

1. The Company's endorsement and/or guarantee shall be approved by the Board of Directors. The Board of Directors may authorize the Company's Chairman to decide such matters within five times of the Company's net worth and then submit to the Board of Director for ratification. For material guarantee, it shall be approved by the audit committee and be submitted to and approved by the Board of Director.

For subsidiary's endorsement and/or guarantee in accordance Article 3 Section 3, whose voting share is more than 90% owned directly or indirectly, by the Company, it shall be approved by the Board of Director. The above criteria does not apply to subsidiary's endorsement and/or guarantee in accordance whose voting share is 100% owned directly or indirectly, by the Company

2. When the Company provides endorsement and/or guarantee due to having the business relationship with other company which the endorsement and/or guarantee amount exceeds the limit but other criteria are followed in accordance with this Procedure. It should be approved by the Board of Director, and more than half of the directors should name the joint guarantee for the company's possible losses that exceed the limit, and revise the endorsement guarantee operating procedures and report it to the shareholders' meeting for ratification; if the shareholders' meeting does not approve, a plan should be formulated to eliminate the excess within the time limit  
When the Company lends funding to others, each Independent Director's opinion shall be fully taken into consideration. If any Independent Director has any dissenting opinions or makes any reservation, they shall be recorded in the minutes of the meeting of the Board of Directors.

## Article 6 Procedures for Processing Endorsements and/or Guarantees

1. When the Company provides endorsement and/or guarantee, the other party should fill out the “Endorsement and/or Guarantee Application Form” and apply with the Company’s finance department. The finance department should evaluate the risk, document the result, obtain the approval from the president and the chairman, and send to the Board of Director for approval. When the Company provides endorsement and/or guarantee to others, each Independent Director’s opinion shall be fully taken into consideration. If any Independent Director has any dissenting opinions or makes any reservation, they shall be recorded in the minutes of the meeting of the Board of Directors.
2. The finance department shall review and perform risk evaluation, evaluation item shall include:
  - a. The necessity and rationality of the endorsement/guarantee.
  - b. The credibility and risk of involved parties.
  - c. Whether the accumulated endorsement and/or guarantee amount is within the limit.
  - d. When the endorsement and/or guarantee is arise due to having the business relationship with the Company, endorsement and/or guarantee amount should be evaluated if it is within the trading limit.
  - e. The impact toward the Company’s operating risk, financial position and shareholder’s equity.
  - f. Necessity to acquire collateral and appraisal of collateral.
  - g. The credit and risk evaluation on endorsement and/or guarantee party.
3. The Company shall prepare a registry containing the guarantee item, endorsement date, name of endorsement party, result on risk evaluation, the amount of the endorsements/guarantees, the date of approval of the Board of Directors, collateral acquired, and criteria for discharging the collateral, endorsement, and guarantee.
4. The Company shall assess and recognize, if any, contingent loss brought about by the endorsement/guarantee, to adequately disclose information in the financial statements, and to provide external auditors with necessary information for conducting due auditing and issuing auditing report.
5. When the net worth of the Company or subsidiaries for which the Company provides endorsements/guarantees is less than one-half of its paid-in capital, the relevant finance department shall re-estimate the risk of the principal debt. In case there is the real risk that the principal debt will default, the finance department shall submit an improvement plan to the Company’s Chairman for approval and implement accordingly.

In the case of a subsidiary with shares having no par value or a par value other than NT\$10, the paid-in capital shall be calculated based on the sum of the share capital plus paid-in capital in excess of par.

## Article 7 Discharge on Endorsement and/or Guarantee

1. Upon the expiration of endorsement and/or guarantee, the endorsement and/or guarantee shall be terminated automatically. Before the expiration date, the endorsed and/or guaranteed enterprise shall file a cancellation form in order to terminate the endorsement and/or guarantee.

2. The finance department should record the cancellation of the endorsement guarantee in the endorsement guarantee registry book at any time to reduce the amount of the endorsement guarantee

#### Article 8 Procedure for Safekeeping the Corporate Chop

1. The Company shall use the Corporate Chop registered with the Ministry of Economic Affairs for the use of endorsement and/or guarantees. The Corporate Chop shall be under the safekeeping of special personnel appointed and approved by the Company's Board of Director. The re-appointment of the special personnel shall follow the same procedure. The Corporate Chop may be used or to issue negotiable instruments only in accordance with the internal procedure.
2. When the Company provides guarantees to a foreign company, the guarantee agreement shall be signed by the personnel authorized by the Board of Directors.

#### Article 9 Internal Audit

The internal audit personnel of the Company shall verify these Procedures and its implementation and make a report in writing for record on a quarterly basis. If there is any significant violation, the personnel shall inform audit committee in writing immediately.

#### Article 10 Public Announcement

1. The Company shall make a public announcement on the amount of the Company and its subsidiaries endorsements and/or guarantees on or before the 10<sup>th</sup> date of each month. The Company shall make a public announcement within two days in the event that the amount reaches any of the following threshold:
  - a. The total amount of endorsements and/or guarantees reaches 50% or more of the Company's net worth as shown in its latest financial report.
  - b. The amount of endorsement and/or guarantee to any single enterprise reaches 20% or more of the Company's net worth as shown in its latest financial report.
  - c. The amount of endorsement and/or guarantee to any single enterprise reaches NT\$10 million, and the aggregate amount of the endorsement and/or guarantees, investment accounted for under the equity method at its book value reaches 30% or more of the Company's net worth as shown in its latest financial report.
  - d. The aggregate amount of new endorsement and/or guarantee made reaches NT\$30 million and 5% or more of the Company's net worth as shown in its latest financial report.
2. If there is any reporting and announcement required for the Company's subsidiary which is not a domestic public company, and the subsidiary reaches the above four public announcement requirement, the Company will follow the requirement on behalf of its subsidiary.

#### Article 11 Control on Subsidiary's Endorsement and/or Guarantee

When endorsement/guarantee extended to other parties is contemplated by the Company's subsidiary, the Company shall mandate the subsidiary to establish relevant procedures for endorsement/guarantee. When the subsidiary is established in foreign country, the aforementioned Article 8 Corporate Chop

registered with the Ministry of Economic Affairs for the use of endorsement and/or guarantees will be adjust to local registered Corporate Chop.

#### Article 12. Penalty

When the Company engages in endorsement and/or guarantee, operating guideline and this Procedure shall be followed. If the manager or in charge violates this Procedure and cause material damage to the Company, the Company will impose sanction in accordance with Reward and Punishment Guideline and related personnel regulation.

#### Article 13. Implementation and revision

The Procedure shall be agreed by no less than half of all audit committee members and approved by the Board of Directors, and enter into force after the approval of resolution by the Shareholders Meeting.

When the Company formulate or amend this Procedure, it shall be agreed by no less than half of all audit committee members, and approval of resolution by the Board of Director and Shareholder Meeting.

If approval by no less than half of the audit committee member is not obtained in accordance with the foregoing provisions, the approval of two-thirds of all the Directors shall be obtained instead. In this case, the resolution made by the audit committee members shall be stated in the minutes of the meeting of the Board of Directors.

The calculation of the number of the abovementioned audit committee members and Directors is based on those who at the time take office.

The procedure is approved on May 14, 2014. The First amendment was made on August 25, 2014; the Second amendment was made on April 9, 2015; the Third amendment is made on June 20, 2017; the Fourth amendment was made on June 11, 2019. The Fifth amendment was made on May 24, 2021. The Sixth amendment was made on May 24, 2022.