

TTY BIOPHARM COMPANY LIMITED.

Regulations for Endorsement and Guarantee

Article 1 Purpose:

These regulations have been formulated to safeguard the company's shareholder equity and ensure sound financial management of endorsements/guarantees with low operational risks. For matters not specifically covered in these regulations, regulations set forth in relevant laws shall apply.

Article 2 Legal basis:

These operational procedures have been formulated pursuant to relevant provisions set forth in the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies of the Financial Supervisory Commission.”

Article 3 Application scope:

The term endorsement/guarantee as used in these regulations shall refer to the following:

1. Financial endorsement/guarantee:

- (1) Discounted bill financing
- (2) Endorsement or guarantee made for the financing needs of another company.
- (3) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.

2. Customs duty endorsement/guarantee: Endorsement or guarantee for the company itself or another company with respect to customs duty matters.

3. Other endorsements/guarantees: Endorsements or guarantees beyond the scope of the preceding two clauses. 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 these Regulations.

Article 4 Endorsement/guarantee beneficiaries:

The Company may make endorsements/guarantees for the following companies:

1. A company with which it has business dealings
2. A company in which it directly and indirectly holds more than 50 percent of the voting shares.
3. A company that directly and indirectly holds more than 50 percent of the voting shares in the Company
4. Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry for hospital or government procurement needs, or where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages. Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the Company, or through a company in which the company holds 100% of the voting shares.
5. Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other. The amount of endorsements/guarantees may not exceed 10% of the net worth of the Company. This restriction shall not apply to endorsements/guarantees made between companies in which the public company holds, directly or indirectly, 100% of the voting shares.

The terms “subsidiary” and “parent company” as used in these regulations shall be defined in accordance with the provisions set forth in the Regulations Governing the Preparation of Financial Reports by Security Issuers.

Article 5 Ceilings on the amount of endorsements/guarantees:

Aggregate endorsement/guarantee amounts permitted for the Company and its subsidiaries as a whole as well as the permitted amount for single entities are defined as follows:

1. The ceiling on endorsement/guarantee amounts for single entities shall not exceed 20% of the net worth of the Company as stated in the most

recent financial statement

2. The aggregate endorsement/guarantee amount shall not exceed 50% of the net worth as stated in the most recent financial statement
3. The balance of endorsements/ guarantees by the company and its subsidiaries for a single enterprise shall not exceed 20 percent or more of the company's net worth as stated in its latest financial statement.
4. The aggregate of endorsements/ guarantees by the company and its subsidiaries shall not exceed 50 percent or more of the company's net worth as stated in its latest financial statement.
5. Where the company engages in endorsements/guarantees due to business dealings, the aggregate transaction amount with the Company in the most recent fiscal year shall not be exceeded.” Transaction amount” means order or sales amount whichever is higher.

The term “Most Recent Financial Statement” as used in these regulations shall refer to financial statements for the most recent period composed in accordance with the International Financial Reporting Standards and certified by a CPA. The term “Net Worth” shall refer to balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 6 Hierarchy levels:

When make Endorsements/ guarantees, Hierarchy levels is as below,

1. The Company shall carefully assess based on this regulation prior to Endorsements/guarantees, and submit the analysis report of Article 7, Item 1, Clause 2 to resolution of the board of directors for approval, The board may authorize the chairman to give preliminary approval to endorsements/guarantees not exceeding 20% of the current net worth subject to subsequent ratification by the next board.
2. If it is deemed necessary by the company to exceed the ceiling stipulated in Article 5 for business needs, approval by the board shall be required and a majority of the board members shall serve as joint guarantors for potential losses caused by exceeding the permitted limit.

In addition, these regulations shall be amended subject to ratification by the shareholders meeting. If the shareholders meeting disapproves excess endorsements/guarantees, plans shall be formulated to remove the excess amount within a specified time limit.

3. The opinions of these independent directors shall be taken into full consideration when making endorsements/guarantees for others. Specific assenting or dissenting opinions of independent directors and the reasons for their dissent shall be included in the board meeting minutes.

Article 7 Detailed handling and review procedures for endorsements/guarantees:

When endorsements/guarantees issuing, the Company shall hand and detailed review in accordance with below:

1. The company requesting an endorsement/guarantee shall submit detailed financial information to the financial unit of the Company. Prior to the handling of endorsements/guarantees, the financial unit shall conduct credit checks and assessments of the operational risks and impacts on the financial status and shareholders' equity of the company itself generated by the guarantee/endorsement. This unit shall also review the qualifications of the company requesting an endorsement/guarantee and the reasons thereof and determine whether or not the endorsement/guarantee amount is equivalent to the amount of mutual business dealings if endorsements/guarantees are issued due to such dealings. The financial unit shall compile this information into an analysis report.
2. The Company shall immediately prepare a memorandum book to truthfully record the following information in a detailed manner: endorsement/guarantee beneficiaries, amounts, pledges and warranties, dates of board approval or authorized decisions by the chairman, endorsement/guarantee dates, description of collateral and assessment of its value as well as terms and dates of discharge of liability.
3. The chairman shall be authorized to approve endorsements/guarantees for companies within a ceiling of 20% of the current net worth of the Company. The financial unit shall be in charge of execution subject to subsequent ratification by the next board meeting. If the accumulated balance of endorsements/guarantees exceeds 20% of the current net

worth, approval by the board shall be required and the matter shall be handled in accordance with board.

4. The financial unit shall obtain a promissory note of an equivalent value and the same time limit from the company for which an endorsement or guarantee is issued and request collateral if deemed necessary.
5. Intern The financial unit shall also be in charge of tracking and evaluation of the financial status and use of funds by the company for which an endorsement is issued. In case of major changes, the chairman shall be notified immediately and the matter shall be handled in an appropriate manner.
6. When the company for which an endorsement/guarantee has been issued pays back its loan, it shall submit relevant data to the Company so that the liability incurred through the guarantee can be discharged and a record can be made in the memorandum book.
7. The company shall evaluate or record the contingent loss for endorsements/guarantees, and shall adequately disclose information on endorsements/guarantees in its financial statements and provide certified public accountants with relevant information for implementation of necessary audit procedures.
8. Internal auditors of the Company shall review the operational procedures governing endorsements/guarantees and the implementation conditions thereof at least on a quarterly basis and create written records. Where serious infractions are detected, Audit Committee shall be notified in a prompt manner.
9. For circumstances in which an entity for which the company makes any endorsement/guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, the financial unit shall regularly assess the financial status and capital flow of said company, submit reports to the chairman, and handle relevant matters in and appropriate manner.

In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.

Article 8 Follow-up control and management measures for endorsements/guarantees issued by subsidiaries:

Subsidiaries intend to issue endorsements/guarantees to others shall also formulate and abide by their own Operational Procedures pursuant to the provisions set forth herein.

1. Subsidiaries shall also formulate and abide by their own Regulations Governing Endorsements/Guarantees pursuant to the provisions set forth herein. Net worth calculations shall be based on the net worth of the subsidiary. Subsidiaries shall submit data on endorsements/guarantees issued in the previous month to the financial unit of the Company by the tenth of every month for future reference.
2. The financial unit shall submit detailed lists of the balance of endorsements/guarantees issued by subsidiaries of the Company or with an equity investment of over 50% in the previous month to the chairman for review and approval.
3. Internal auditors of subsidiaries shall also review the Operational Procedures for Loaning Funds to Others and the implementation conditions thereof at least on a quarterly basis and create written records. Where serious infractions are detected, the supervisor of subsidiaries shall be notified in writing in a prompt manner. If audit committee set up, shall comply mutatis mutandis with these Regulations set forth for the supervisor.
4. When auditors of the Company conduct reviews in subsidiaries in accordance with annual audit plans, they shall also examine the implementation conditions of the Operational Procedures Governing Endorsements/Guarantees. Where deficiencies are detected, improvements shall be tracked constantly and tracking reports shall be compiled and submitted to the chairman.
5. Subsidiaries in which the Company holds, directly or indirectly, 90% or more of the voting shares shall submit reports to the board of directors of the Company for resolution prior to making endorsements/guarantees pursuant to Article 4, Clause 5. The amount of endorsements/guarantees may not exceed 10% of the net worth of the Company. This restriction shall not apply to endorsements/guarantees made between companies in which the public company holds, directly or indirectly, 100% of the

voting shares.

Article 9 Public announcement and declaration procedures time limit and standards:

The company shall publicly announce and declare the balance of endorsements/guarantees of its HQ and subsidiaries for the previous month on the Market Post Observation System by the 10th of each month. In addition, endorsement/guarantee balances of this company shall be publicly announced and declared on the Market Post Observation System within two days upon the date of occurrence if one of the following criteria is met:

1. The balance of endorsements/guarantees issued by the Company and its subsidiaries exceeds 50% of the net worth of the Company as stated in the most recent financial statement.
2. The balance of endorsements/guarantees issued by the Company and its subsidiaries to a single entity exceeds 20% of the net worth of the Company as stated in the most recent financial statement.
3. The balance of endorsements/guarantees issued by the Company and its subsidiaries to a single entity exceeds NT\$ 10 million, and the book value of equity-method investment in such single entity, and the aggregate amount of all endorsements/guarantees for that single entity, and balance of loans to, such enterprise reaches 30 percent or more of the net worth of the Company as stated in its most recent financial statement.
4. Newly added endorsement/guarantee amounts of the Company and its subsidiaries exceed NT\$ 30 million and 5% of the net worth of the Company as stated in the most recent financial statement.

The Company shall make public announcements and declarations on behalf of subsidiaries that are not public companies of the Republic of China for matters requiring announcement and declaration pursuant to Clause 4 of the preceding paragraph.

The term “occurrence date” as used in these operational procedures shall refer to the contract signature date, the payment date, the board resolution date, or other dates that can confirm the Endorsement/guarantee beneficiaries and monetary amount, whichever date is earlier.

Article 10 Seal safekeeping and usage procedures:

The company seal registered with the Ministry of Economic Affairs is the official seal for endorsements/guarantees. This seal shall be kept in custody of designated personnel and shall be used or affixed to promissory notes in accordance with these regulations and the Operational Regulations Governing Seal Management. Designated personnel in charge of safekeeping of the official seal for endorsements/guarantees and changes thereof shall be reported to the board of directors for approval.

Where the Company issues endorsements/guarantees for foreign companies, the letter of guarantee shall be signed by a person authorized by the board of directors.

Article 11 Transitional provisions:

Where endorsement/guarantee recipients originally conform to the regulations set forth in Article 4 but fails to conform to the provisions set forth in these regulations or endorsement/guarantee amounts exceed the authorized limit due to a change in ceiling calculation standards, improvement plans shall be devised and submitted to Audit Committee. Improvements shall be implemented in accordance with these plans within the prescribed time limit.

Article 12 Penalties for violations by managers and personnel in charge:

Where managers and personnel in charge violate these regulations, penalties shall be imposed in accordance with the severity of the violation and the matter shall be reported for consideration during performance evaluations in accordance with the employee manual.

Article 13 These operational procedures and all amendments shall be approved by a majority of the members of the Audit Committee and by board resolution and enforced upon reporting to a Shareholders Meeting for approval.

If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in paragraph 1 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

These regulations were formulated on May 22, 1998.

They were amended for the first time on March 24, 2000.

They were amended for the second time on May 19, 2003.

They were amended for the third time on June 19, 2009.

They were amended for the fourth time on June 25, 2010.

They were amended for the fifth time on June 25, 2013.

They were amended for the sixth time on June 24, 2016.

They were amended for the seventh time on June 25, 2019.