

Prime Oil Chemical Service Corporation

Procedures for Endorsements and Guarantees

Revised at the general shareholders' meeting on June 10, 2025

Article 1: Purpose

These Procedures shall be followed in order to strengthen the financial management of the Company's endorsements and guarantees and reduces operational risk.

Article 2: Legal Basis

These Procedures are formulated in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies". However, if the relevant financial laws and regulations provide otherwise, such provisions shall prevail.

Article 3: Scope of Application

All external endorsements and guarantees of the Company and its reinvested subsidiaries shall be implemented in compliance with these Procedures. The scope of application of the Procedures includes:

- I. Financing endorsements and guarantees:
 - (I) Customer bills discount financing.
 - (II) Endorsements or guarantees for the purpose of financing for other companies.
 - (III) Issuing bills to non-financial enterprises as security for the purpose of financing of the Company.
- II. Tariff endorsement guarantee: The endorsement or guarantee provided for the Company's or other companies' tariff matters.
- III. Other endorsements/guarantees: Endorsements or guarantees that cannot be classified under the preceding two paragraphs.

The Procedures shall also be followed if the company provides real estate or chattel properties as the pledge or mortgage for any other company's loans.

Article 4: Endorsement/guarantee Objects

- I. Companies that have business dealings with the Company.
- II. The Company directly or indirectly holds more than 50% of the voting shares of the other company.
- III. Companies directly or indirectly hold more than 50% of the voting shares of the Company.

Between companies in which the Company directly or indirectly holds more than 90% of their voting shares; however, the endorsement or guarantee shall be submitted to the Board of Directors of the Company for a resolution before proceeding, and the amount shall not exceed 10% of the net value of the Company. Endorsements and Guarantees for companies

with 100% of their voting shares held directly or indirectly by the Company are not subject to the restrictions above.

The restrictions in the two paragraphs above do not apply to cases where a public company guarantees each other with its peers or co builders in compliance with the provisions of the contract due to the needs of the project contracting, or all the shareholders of capital contribution endorse and guarantee the invested company in accordance with their shareholding ratio due to the joint investment relationship, or the industry peers are engaged in a joint performance guarantee of the pre-sale housing sales contract in accordance with the provisions of the Consumer Protection Act,

The capital contribution mentioned in the preceding paragraph refers to the company's direct capital contribution or capital contribution through a company that holds 100% of the voting shares.

The provisions of these Guidelines shall apply mutatis mutandis to a foreign company under Article 165-1 of the Securities and Exchange Act provides endorsements or guarantees for others.

The provisions of subparagraph 7, paragraph 1, Article 12 and paragraph 4, Article 17 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies may not apply to a foreign company that does not have a seal.

The net value of a foreign company calculated in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies refers to the equity attributable to the owners of the parent company on the balance sheet.

The "subsidiaries" and "parent company" as used in the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies shall be recognized in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The financial report of a public company is prepared in accordance with the International Financial Reporting Standards. The term "net value" in the Standards refers to the equity of the owners of the parent company in the balance sheets as stipulated in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 5: Endorsement/guarantee Limits

- I. The Company's total amount of external endorsements and guarantees shall be limited to 60% of its net value. However, the total amount of endorsements and guarantees for a single enterprise shall be limited to 50% of the net value of the Company. The net value is based on the latest financial statements of the Company that have been audited and certified or reviewed by a certified public accountant. The net value is based on the latest financial statements of the Company that have been audited and certified or reviewed by a certified public accountant.
- II. The Company's and its subsidiaries' total amount of external endorsements and guarantees shall be limited to 60% of its net value. However, the total amount of

endorsements and guarantees for a single enterprise shall be limited to 50% of the net value of the Company. The net value is based on the latest financial statements of the Company that have been audited and certified or reviewed by a certified public accountant.

- III. For the Company's endorsements and guarantees due to business relationship, the amount of individual endorsement and guarantee shall not exceed the amount of business relationship between the two parties, except for the limit specified in the preceding two paragraphs. The said business transaction amount refers to the purchase or sales amount between the two parties, whichever is higher.

Article 6: Decision-Making and Authorization Levels

- I. For the external endorsements and guarantees by the Company, the Board of Directors shall authorize the Chairman to approve in advance within the aforesaid limits, and then they shall be reported to the next Audit Committee meeting and Board of Directors for ratification.
- II. If the Company's endorsement/guarantee exceeds the limits set in the Procedures due to business needs, it shall be approved by the Board of Directors, and more than half of the directors shall be jointly liable for the Company's possible loss that may be caused by exceeding the limit; the Procedures shall also be amended and the amendment be reported to the shareholders' meeting for ratification; if it is not approved by the shareholders' meeting, a plan shall be made to cancel the excess portion within a certain period of time.

Article 7: Procedures for Endorsements and Guarantees

- I. When handling endorsements and guarantees, the finance unit shall, on the basis of the application of the endorsement and guarantee object, examine the eligibility and quota of the endorsement and guarantee one by one to see whether they meet the requirements of these Procedures, and whether they have met the standards for announcement and filing; the risks of the endorsement and guarantee shall be assessed in detail and a credit investigation be conducted. The evaluation items include the necessity and rationality, whether the amount of the endorsement/guarantee corresponds to the business transaction amount if the endorsement/guarantee is due to business relationship, the impact on the Company's operational risk, financial status and shareholders' equity, and whether a collateral and valuation of the collateral shall be obtained. The review and evaluation results shall be submitted to the Board of Directors for discussion and approval after being signed and approved by the Chairman; if the amount is within the prescribed authorization limit, the Chairman shall make a decision based on the credit level and financial status of the object of endorsement and guarantee, and then report it to the next Audit Committee meeting and Board of Directors for ratification.
- II. The finance unit shall establish a memorandum book for endorsements and guarantees.

After the endorsement/guarantee is approved by the Board of Directors or decided by the Chairman, in addition to applying for the Company seal in accordance with the prescribed procedures, the endorsement/guarantee object, amount, date of approval by the Board of Directors or decision by the Chairman of the Board of Directors, date of endorsement/guarantee, and matters that should be carefully evaluated in accordance with these Procedures shall be recorded in detail in the memorandum book and approved by the finance director for recordation. The related bills and agreements shall also be photocopied and kept properly.

- III. The finance unit shall prepare a detailed statement of the guarantees that occur and are cancelled each month, so as to control tracking and make public announcement and filing. It shall also assess or recognize the contingent losses of endorsements and guarantees, properly disclose the information in the financial report, and provide the certified public accountant with relevant information, so that the certified public accountant can adopt the necessary audit procedures and issue a fair audit report.
- IV. The Company's internal auditors shall audit the Procedures for Endorsements/Guarantees and the execution status at least quarterly, and prepare written records accordingly. If any major violations are found, it shall notify the Audit Committee in writing immediately.
- V. If due to changes in circumstances, the endorsement/guarantee object subsequently does not meet the requirements or the amount later exceeds the limit, the finance unit shall set the improvement plan and send it to the Audit Committee, and complete the improvement according to the planned schedule.
- VI. Before the end of the endorsement and guarantee period, the finance unit shall take the initiative to notify the guaranteed company to take back the guaranteed bills retained at the bank or creditor institution, and cancel the relevant deeds of endorsement and guarantee.

Article 8: Seal Storage and Application Procedures

- I. The seal for the Company's external endorsements and guarantees shall be the Company's seal registered with the Ministry of Economic Affairs. The Company's corporate seal and the responsible person's seal shall be managed by dedicated personnel.
- II. After the endorsement/guarantee is approved by the Board of Directors or decided by the Chairman, the finance unit shall use the seal kept by the seal keeper in compliance with the Company's provisions on the procedures for using the seal.
- III. When using the seal, the seal keeper shall verify that the approval record is consistent with the application document beforehand. After using the seal, the seal keeper shall keep the application form which indicates the purpose of using the seal for future reference.
- IV. In case of endorsement/guarantee for a foreign company, the letter of guarantee issued by the Company shall be signed by a person authorized by the board of directors.

Article 9: Control Procedures for Endorsements/guarantees for Subsidiaries

- I. If a subsidiary of the Company intends to provide an endorsement/guarantee for others, the Company shall order the subsidiary to formulate procedures for endorsements/guarantees in accordance with these Procedures, and follow the prescribed procedures; the total amount of endorsements and guarantees shall not exceed the total net value or paid in capital of the company in its most recent financial statements, whichever is lower.
- II. The limit of endorsements and guarantees by a subsidiary for a single enterprise shall not exceed half of the net value or capital amount of the subsidiary in the latest financial statement, whichever is lower.
- III. Before the fifth day of each month, a subsidiary shall report to the Company in writing the balance, objects and periods of endorsements and guarantees in the previous month. If a subsidiary is not a public company and its balance of endorsements and guarantees meets the criteria set forth in paragraph 2 of the standards of these Procedures, it shall notify the Company on the date of the occurrence of the fact to facilitate the input of the information on the designated website for reporting.
- IV. The subsidiary's internal auditors shall audit the Procedures for Endorsements/Guarantees and the execution status at least quarterly, and prepare written records accordingly. If any major violations are found, it shall notify the Company's audit unit in writing immediately, and the audit unit shall send the written information to the Audit Committee.
- V. When the audit unit of the Company goes to the subsidiary to conduct an audit according to the annual audit plan, it shall also understand the subsidiary's implementation status of its procedures of endorsements/guarantees. If there is any deficiency, it shall continue to track the improvement, and prepare a follow-up report and submit it to the Chairman.

Article 10: Announcement and Filing Procedure

Before the tenth day of each month, the Company shall post on the MOPS the endorsement/guarantee balance of the Company and its subsidiaries in the previous month. If the balance of endorsements and guarantees meets any of the following criteria, an announcement and filing shall be made within two days from the date of the occurrence of the fact. The announcement and filing refers to input of information on the information reporting website designated by the Financial Supervisory Commission:

- I. The balance of endorsements/guarantees by the Company and its subsidiaries reaches 50% of the Company's net value in its latest financial statements.
- II. The balance of the endorsement/guarantee by the Company and its subsidiaries to a single enterprise reaches 20% of the Company's net value in its latest financial statements.
- III. The balance of endorsement/guarantee to a single enterprise by the Company and its

subsidiaries reaches NTD10 million, and the sum of endorsements/guarantees to it, the book value of the investment in it by the equity method and the balance of outstanding loans reach 30% of the net value of the Company in its latest financial statements.

IV. The balance of new endorsements/guarantees by the Company and its subsidiaries reaches NT\$30 million and 5% of the Company's net value in its latest financial statements.

If a subsidiary of the Company is not a domestic public company but has the matters that should be announced and filed in subparagraph 4 of the preceding paragraph, the Company shall do so on its behalf.

If the shares of the subsidiary have no par value or the denomination per share is not NT\$10, the paid-in capital amount calculated in accordance with the with the provisions of subparagraph 2, paragraph 9 shall be the total amount of the share capital plus the additional paid-in capital.

The provisions of these Guidelines shall apply mutatis mutandis to a foreign company under Article 165-1 of the Securities and Exchange Act provides endorsements or guarantees for others.

The provisions of subparagraph 7, paragraph 1, Article 12 and paragraph 4, Article 17 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies may not apply to a foreign company that does not have a seal.

The net value of a foreign company calculated in accordance with the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies refers to the equity attributable to the owners of the parent company on the balance sheet.

The date of occurrence refers to the contract date, payment date, Board of Directors resolution date, or a date which is sufficient to determine the endorsement/guarantee object and the amount, whichever is earlier.

Article 11: Penalties

The Company's managers and responsible personnel violating these Procedures are subject to penalties based on the severity of the case.

Article 12: Implementation and Amendments

The formulation of the Procedures shall be approved by more than half of the members of the Audit Committee and submitted to the Board of Directors for resolution, and then submitted to the shareholders' meeting for approval. If not approved by more than half of the members of the Audit Committee, the Procedures may be implemented after being approved by more than two-thirds of all the directors, and may be implemented after being submitted to the shareholders' meeting for approval, with the minutes of the Board of Directors containing the resolution of the Audit Committee. If any director expresses dissent with records or written statements, the Company shall submit the dissent to the shareholders' meeting for discussion, and the same shall apply to the amendments.

Article 13: Date of Implementation

- I. The Procedures were established and approved by the shareholders' meeting on June 15, 1995.
- II. The 1st amendment was approved by the shareholders' meeting on June 17, 1997.
- III. The 2nd amendment was approved by the shareholders' meeting on June 20, 2003.
- IV. The 3rd amendment was approved by the shareholders' meeting on June 14, 2006.
- V. The 4th amendment was approved by the shareholders' meeting on June 10, 2009.
- VI. The 5th amendment was approved by the shareholders' meeting on June 17, 2010.
- VII. The 6th amendment was approved by the shareholders' meeting on June 28, 2013.
- VIII. The 7th amendment was approved by the shareholders' meeting on June 30, 2016.
- IX. The 8th amendment was approved by the shareholders' meeting on June 27, 2019.
- X. The 9th amendment was approved by the shareholders' meeting on June 23, 2022.
- XI. The 10th amendment was approved by the shareholders' meeting on June 10, 2025.