

Taiwan Fructose Co., Ltd.

Procedures for Loaning of Funds

Article 1 General Provisions.

The Company shall comply with these operating procedures when leading funds to others. Any matters which are not provided herein shall be governed by applicable laws and regulations.

Article 2 Entities to which the Company may loan funds.

1. Pursuant to Article 15 of the Company Act, the Company shall not lend fund to a shareholder or any others expect a situation following within those enumerated below:
 - (1) A company or firm in business transaction with the Company. The term “business transaction” denotes the acts of purchase or sales with the Company.
 - (2) A company or firm in a need of a short-term financing with the Company. The term “short term” denotes one year. Where the Company’s business operation cycle is longer than one year, nevertheless, the Company’s business operation cycle shall prevail.
 - (3) Other related parties with short-term funding requirements due to business operation need.
2. The aggregate amount of loans and the maximum amount permitted to a single borrower
 - (1) Where funds are lent to a company or business relationship, the accumulated amount of such loan shall not exceed 40% of the Company’s net worth. Where funds are lent to a company or business with a short-term financing need, the accumulated amount of such loans shall not exceed 30% of the Company’s net worth in latest six month.
 - (2) Where funds are lent to a company or business with short-term financial need, each individual loan shall not exceed 40% of the Company’s net worth. Where funds are lent to a company or business with a short-term-financing need, the accumulated amount of such loans shall not exceed 30% of the Company’s net worth in latest year.
 - (3) Each funds are lent to a company or business with short-term financial need, each individual loan shall not exceed 50% of the Company’s net worth.
 - (4) “Subsidiary” and “parent company” as referred to in these Procedures are defined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

“Net worth” as referred to in the Procedures shall be equity attributable to owners of the parent company in the balance sheet.

Article 3 Duration of loans and calculation of interests.

1. Durations of loans:

The duration of loans for each time shall be calculated based on the borrower’s requirement, which shall not be more than one year or one operating cycle period (the longer period shall prevail).

2. Calculation of interests:

- (1) The interest rate for each loan or funding shall be adjusted variably according to the funding cost of the Company.
- (2) The calculation of interests of fund lending is based on daily interest. It is calculated by the total of loan balances each day multiplied by its annual interest rate, then divided by 365 days.
- (3) The calculation of loan interests shall be principally collected once a month unless otherwise provided for and the borrower shall be noticed to pay the interests within one week of the agreed payment date.
- (4) Liquidated damages: When the borrowing company delays the repayment of principal or interest payment, if the overdue be within six months, the original credit shall be credited to the overdue amount plus 10% of the liquidated damages; if the overdue be exceed six months, the original credit shall be credited to the overdue amount plus 20% of the liquidated damages.

Article 4 The Company shall lend funds through the procedures enumerated below.

1. Procedures for application:

- (1) The borrowing company should fill in the application form, and attach the basic information, financial information, capital use and expected potential benefits and repayment plans and other relevant information, and send it to the Company’s capital loan and management authority.
 - (a) If you are engaged in fund lending due to business transaction, the fund lending and management authority should examine whether the fund lending and the case comply with the provisions of Article 2, including whether the amount of the loan and the amount of business transactions are equivalent.
 - (b) If it is necessary for short-term financing the fund loan and management authority should review whether the fund loan and the case meet the requirements of Article 2.
- (2) If the above mentioned application documents are complete and meet the requirements for loan and funds, the loan and management authority unit may

send the credit management authority and unit of the Company for credit investigation.

2. Credit information and risk assessment:

- (1) The credit management authority and responsibility unit may only handle the credit collection operation after obtaining the application and relevant information of the borrowing enterprise.
- (2) Credit management authorities should pay attention to collecting, analyzing and evaluating the credit and operating conditions of the borrowing enterprise when conducting credit investigation operations, submit the credit investigation results in a written report to the Board of Directors as a risk assessment reference.

3. Valuation of collateral:

- (1) If collateral needs to be collected in a loan-and-loan case, the borrowing company shall provide collateral, and the capital loan and management authority shall evaluate the value of the collateral, and report the results to the Board of Directors as a reference for risk assessment.
- (2) If the target of the loan is a Company that directly or indirectly hold 40% of the voting shares or has substantial control, it is exempt from providing collateral.

4. Fund loan approval:

- (1) The Company's capital loan and management authority should review the relevant information of the fund loan and case, including the results of the credit investigation, the collateral evaluation report, the impact on the Company's operation risk, financial status and shareholders' equity, and the conditions for lending, then report to the Board of Directors for resolution.
- (2) The loan of funds between the Company and its subsidiaries or between subsidiaries shall be submitted to the Board of Directors in accordance with the regulations, and the chairman of the Board of Directors may be authorized to allocate the same loan to a certain amount of the Board of Directors' resolution within a period not exceeding one year Sub-loan or revolving.
- (3) A certain amount is the authorized amount for the Company or its subsidiary to loan funds to a single enterprise, and it shall not exceed 10% of the net value of the Company's most recent financial statements.
- (4) If the Company has set up Independent Directors and there is a case of loaning funds to others, the opinions of each Independent Director shall be fully considered, and the clear opinions and reasons for their opposition or reservation shall be included in the minutes of the Board meeting.

5. Loan approval and notice:

- (1) In the case of a loan approved by the resolution of the Board of Directors, the fund lending and management authority should notify the borrowing company as soon as possible, detailing the loan conditions, including the amount,

duration, interest rate, collateral and guarantor, etc. The borrowing company shall sign the contract within the deadline.

- (2) In cases where the Board of Directors decides not to make loans, the fund lending and management authority shall respond to the borrowing company as soon as possible with reasons for refusal.

6. Guarantee quality right setting and insurance:

- (1) If a collateral is required in a loan and lending case, the borrowing company shall immediately complete the procedure for setting the pledge or mortgage right after receiving the notice to ensure the Company's rights.
- (2) Except for land and marketable securities, all collateral should be insured, and the amount of insurance should not be less than the amount of the guarantee quality deposit. The insurance policy should indicate that the Company is the beneficiary. The name, quantity, storage location, insurance conditions, insurance approvals, etc. of the subject matter on the insurance policy shall be in accordance with the Company's original condition.
- (3) Fund lending and management authority should pay attention to notify the borrowing company to renew the insurance before the insurance period expires.

7. Verification for contract execution

- (1) The fund-lending provisions shall be drafted by the handling personnel, and reviewed by the supervisors, obtain approval of the contract by legal consultants.
- (2) The contents in fund lending contracts shall be consistent with the approved terms and conditions of loaning. After the borrower and the joint guarantor have executed the contract, the handling personnel shall undertake the verification process.

8. Where the fund lending has been approved, and the borrower has executed a contract, deposited a promissory note, and completed registration for the pledge or mortgage of collateral, the Company may appropriate funds according to the verification of the subparagraph 6 and subparagraph 7.

Article 5 Case registration.

After the funds have been appropriated, the handling personnel shall place the contract, promissory notes and other debt certificates, and certification documents of the collateral, insurance policy, and correspondence documentation, into the safekeeping package in an organized manner, and shall mark on the safekeeping package the contents and the name of the customer, and submit it to the management for examination.

Article 6 Repayment.

1. After appropriating of loaned funds, the financial status, business conditions, and credits of borrower and guarantor shall be noted. When involving collaterals, the value of collaterals shall be noted in case any changes. The borrower shall be notified to pay off the principal and interest on the expiration date of the loan or extend its loan term before one month prior to the expired date of the loan term.
2. When the borrower makes repayment depending on the expired date of the loan term, the required interest shall first be calculated and then paid off together with the principal, before any promissory notes, IOUs and other debt certificates may be revoked and returned to the borrower.
3. If the borrower applies to cancel the mortgage, the Company shall first check whether there are any outstanding loan balances, before determining whether or not to cancel the mortgage.

Article 7 Additional Guidelines of Lending Funds to others.

1. The fund loan and management authority shall handle a record of financial loans and issues, and shall establish a record book for details on the following objects: amounts, date of approval by the Board of Directors, date of the loan of funds, and matters that should be carefully evaluated in accordance with this operating procedure for future reference.
2. The capital loan and management authority responsible for the capital loan and the case should submit the contract, the promissory note and other credit certificates, as well as collateral documents, insurance policies, and transaction documents to the custody and management authority for inspection after disbursing the loan.
3. The internal audit unit of the Company shall audit the operating procedures and implementation of the loans to others at least quarterly and make a written record. If a major violation is found, the audit committee shall be notified in writing.
4. Should a borrower no longer satisfy the criteria set forth in the relevant regulations or the Procedures or there be any excess over the lending limit due to unexpected changes of the Company, a corrective plan has to be provided to the Audit Committee and the Board of Directors and the proposed correction actions should be implemented within the period specified in such plan.
5. The fund lending and management authority and responsibility unit shall prepare a detailed list of the fund lending to other companies over the past month before the 10th of each month.
6. The Company shall evaluate the loan and situation of the funds and provide adequate allowance for bad debts, and appropriately disclose relevant information in the financial report, and relevant information to the visa accountant to preform the necessary verification procedures.

Article 8 The procedures for announcement to public.

1. The Company shall announce to public the balance of funds loaned by the Company and its subsidiaries of the preceding month before 10th every month.
2. Where the funds loaned by the Company are up to a situation falling within those enumerated below, the Company shall announce to public within two days from the date of occurrence of fact:
 - (1) Where the balance of funds loaned by the Company and its subsidiaries to others exceeds 20% of the net worth of the latest term financial statements of the Company.
 - (2) Where the balance of funds loaned by the Company and its subsidiaries to a single entrepreneurs exceeds 10% of the net worth of the latest term financial statements of the Company.
 - (3) Where funds are lent to a company with business relationship, the accumulated amount of such loan exceeds the business transaction amount in the past one year.
 - (4) Where the aggregate total of newly increased funds loaned by the Company and its subsidiaries is up to NT\$ 10 million and exceeds 2% of the net worth of the latest term financial statement of the Company.

Where a subsidiary of the Company is not a company listed in the territories of the Republic of China and that subsidiary has any facts failing within preceding paragraph 4, the Company shall announce such facts to public on behalf.

The term “date of occurrence of fact” as set forth in the first paragraph denotes the date upon execution of the Agreement, date of payment, date when the Board of Directors resolves the decision or other date while the transaction target and amount of transaction may be ascertained.

Article 9 The procedures over a subsidiary on the funds granted to others.

1. For a Subsidiary that wishes to lend funds to others, the Subsidiary shall be handled in accordance with the Operation Procedures prescribed by the Company.
2. The Company’s control procedures for the loan of funds to subsidiaries and others are handled in accordance with the Company’s “internal control system”, “supervision and management of subsidiary” and other relevant regulations.
3. If the subsidiary of the Company is not a public company, the subsidiary shall have the items to be announced and declared in the preceding paragraph, which shall be done by the Company. The calculation of the ratio of the capital loan and balance of the subsidiary to the net value in the preceding paragraph is calculated based on the ratio of the fund loan and balance of the subsidiary to the net value

of the Company.

Article 10 Penalty Provisions.

If any of the Company's managers or personnel in charge violates the Operating Procedures, the person who violates the Operating Procedures will receive penalties commensurate with the severity of such violation according to the Company's working rules.

When the person in charge of the Company violate the first paragraph of Article 2, it shall be jointly responsible for the return with the borrower, if the Company is damaged, it shall also be liable for damages.

Article 11

1. This operation procedure is approved by the audit committee and approved by the Board of Directors, and then submitted to the shareholders' meeting for approval. If any Director expresses an objection and has a record or written statement, the Company shall submit its objection to the shareholders' meeting for discussion.
2. When submitting this operating procedure to the Board of Directors for discussion in accordance with the provisions of the preceding paragraph, the opinion of each Independent Director shall be fully considered, and the opinions and reasons for their objections or disapproval shall be included in the Board's records.
3. The setting or amending to these procedures shall be approved by more than one-half of all members of the audit committee, and a resolution of the Board of Directors shall be proposed. If the agreement not exceed one-half of all the members of the audit committee agree, it may be agreed by more than two-third of all members of Board of Directors, and the resolutions of the audit committee shall be stated in the minutes of the Board meeting. All members of the Audit Committee and all Directors mentioned in the preceding paragraph shall be calculated based on the actual incumbents.
4. The procedures were enacted on June 24, 1995.
The 1st amendment was made on June 17, 2009.
The 2nd amendment was made on June 15, 2010.
The 3rd amendment was made on June 25, 2013.
The 4th amendment was made on June 27, 2019.
The 5th amendment was made on June 23, 2020.