

**Acer Cyber Security Incorporated**  
**Procedures Governing Lending of Capital to Others**

Article 1    Applicability

The Company shall not provide loans to others unless otherwise provided below:

Where there is necessity of short-term financing, the Company may provide loans in accordance with these Procedures to subsidiaries, affiliated enterprises, or enterprises in which the Company proposes to make equity investment.

Article 2    The Standard for Lending Assessment

1. For enterprises apply funding from the Company by reason of necessity to have short-term funding, those enterprises shall be limited to subsidiaries, affiliated enterprises or enterprises in which the Company proposes to make equity investment.

The term "short-term" used in these Procedures means the period of one year or one operating cycle, whichever is longer.

The term "financing amount" used in these Procedures means the cumulative balance of the Company's short-term financing.

2. The term "parent company" or "subsidiary" used in these Procedures means which is provided pursuant to Regulations Governing the Preparation of Financial Reports by Securities Issuers.
3. The term "affiliated enterprise" used in these Procedures means any company having controlling or subordinate relation with the Company pursuant to Item 1, Article 369-1 of the Company Act.

Article 3    Limits on Loan

1. The aggregate amount of loans provided by the Company shall not exceed 40% of the net worth of the Company as shown in the latest financial report audited (reviewed) by the CPA.
2. By reason of necessity to have short-term funding, the limits to lend to each single borrower shall be subject to the percentage provided below:
  - (1) For subsidiary or afflated enterprise, the aggregate amount of loans shall not exceed 10% of the net worth of the Company.

- (2) In the event the Company provides loans to enterprise in which the Company proposes to make equity investment and there is necessity of short-term funding, each application shall be submitted to the Board of Directors for approval and the aggregate amount shall not exceed 10% of the net worth of the Company.
3. The term "net worth" in these Procedures means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 4 Time Limits and Interest Rates

When a borrower gets a loan from the Company, the loan period shall not exceed one year. The method for calculating interest shall be approved by the Board of Directors.

Article 5 Procedures for Lending

1. The borrower shall apply in writing to the finance department of the Company for financing by submitting its Certificate of Profit Seeking Enterprise, relevant certificates of the enterprise, a photocopy of the identification of the enterprise's representative, and other required financial information. The finance department shall make a credit investigation and submit the application to the Board of Directors for approval.
2. After the amount of loan has been approved, the borrower shall fill out a payment application form and submit to the finance department to withdraw the fund.
3. Where funds are loaned between the Company and its subsidiary or afflated enterprise or between the Company's subsidiaries and/or afflated enterprises, the Board of Directors of the lender may authorize the Company's Chairman to appropriate funds in installments or as revolving funds to the same borrower within a specified amount approved by the Board of Directors and within one-year period. Except as funds are loaned in accordance with Clause 3 of Article 10, a loan amount for each enterprise shall not exceed ten (10%) percent of net worth of the borrower as shown in its latest financial report.

Article 6 Review Procedures for Lending

1. When a borrower applies for a loan from the Company, the borrower shall specify the purpose and the necessity of the loan and the finance department shall decide whether to accept the application or not.
2. The finance department shall truly proceed with credit check on borrower's business operation situation. The personnel in charge shall

prepare a report including credit check result, opinion and devise the criterion of the loan for cases with good credit reputation and justifiable purposes and then submit the same to the Board of Directors for approval.

3. In addition to credit check on the borrower, the finance department shall make an assessment of impact on operation risk, financial condition and shareholder's rights that may result from said provision of loan, and submit its opinion statement together with credit check report to the Board of Directors for approval.
4. When the borrower applies for withdrawing the funding from the Company, the Company shall evaluate whether the borrower shall provide the Company with the Banker's acceptance or collateral of the same amount as security. The finance department shall evaluate and determine the value of the collateral.

#### Article 7 The Standards for Public Announcement

1. The Company shall enter the information regarding the loan amount provided by the Company and its subsidiaries in the most recent month into the information reporting website appointed by the competent authority on or before the 10<sup>th</sup> date of each month.
2. In the event that the loan amount provided by the Company reaches the following thresholds, the Company shall make a public announcement within two days commencing immediately from the date of occurrence of said lending:
  - (1) The aggregate amount of the Company and its subsidiaries' loans reaches twenty percent (20%) or more of the Company's net worth as shown in its latest financial report audited or reviewed by the CPA.
  - (2) The aggregate amount of the Company and its subsidiaries' loan for any single enterprise reaches ten (10%) percent or more of the Company's net worth as shown in its latest financial report audited or reviewed by the CPA.
  - (3) The aggregate amount of the Company and its subsidiaries' new loans reaches NT\$10 million and reaches two percent (2%) or more of the Company's net worth as shown in its latest financial report.
3. The term "date of occurrence" in paragraph 2 means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the loan of funds, whichever date is earlier.
4. The Company shall announce and report on behalf of any subsidiary thereof that is not a public company in Taiwan any matters that such

subsidiary is required to announce and report pursuant to item 3 of paragraph 2.

5. The Company shall evaluate the status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures.

#### Article 8 Subsequent Measures for Control and Management of Loans, and Procedures for Handling Delinquent Claims

1. The finance department of the Company shall prepare a registry containing the basic information of the borrower, the date and amount for Board of Directors' approval, the date of lending, the aggregate amount of loan, the content of the collateral, interest rate, the method and date for discharging the loan for verification conducted by the competent authorities and relevant personnel.
2. After providing of loans, the finance department shall closely observe the borrower and its guarantor's financial, business and credit condition and if the loan is secured by collateral, the finance department shall pay attention to the collateral's value variation. If there is any significant change, the finance department shall notify the Company's Chairman and adopt proper steps to handle as instructed by the Company's Chairman.
3. When the borrower would like to repay its loan on or before expiration date, the interest payable shall be calculated first, and the Banker's acceptance shall not be returned nor collateral registration shall be cancelled until said interest plus the principal are repaid to the Company by the borrower.
4. The borrower shall repay the loan including the principle and interest upon expiration date. If the borrower fails to repay the loan upon expiration date and needs to file for extension, the borrower shall file a written application with the Board of Directors for approval in advance. The borrower is only allowed to file for extension twice for the same loan and the extension period cannot exceed three (3) months each time within the time limit provided in Article 4. In the event the borrower violates these Procedures, the Company may institute a legal action against the guarantor or dispose of the collateral pursuant to laws.

#### Article 9 Punishment of Violation of These Procedures

If relevant employees and personnel of the Company violate these Procedures, they will be subject to the related rules of the Company's personnel administration regulations or other relevant work rules.

When a responsible person of a company violates the provisions of Article 3 or Article 4, the responsible person shall bear joint and several liability with the borrower for repayment; if the company suffers damage, the responsible person also shall be liable for damages.

#### Article 10 Control Procedures for the Company's Subsidiaries

1. When the subsidiaries thereof that is not a public company in Taiwan propose to provide loans to others, the subsidiaries shall enact the "Procedures Governing Lending of Capital" and file with the Company's Board of Directors for ratification. The said procedures of the subsidiaries shall be stipulated in accordance with these Procedures; provided, however, that the aggregate loan amount of the subsidiaries and the aggregate loan amount for each enterprise shall not exceed the following thresholds:
  - (1) For the subsidiaries in which the Company directly or indirectly holds 100% of its total outstanding common shares, the aggregate loan amount and the aggregate loan amount for each enterprise shall be calculated based on the net worth of such subsidiary and its Procedures; provided, however, that if Clause 3 of this Article applies, the aforementioned threshold shall be calculated based on the Company's net worth instead.
  - (2) For the subsidiaries in which the Company did not directly or indirectly holds 100% of its total outstanding common shares, the aggregate loan amount and the aggregate loan amount for each enterprise shall be calculated based on the net worth of the subsidiaries and its Procedures.
  - (3) Where funds are loaned between the overseas companies in which the Company directly and indirectly holds 100% voting shares or capital, or any overseas companies in which the Company directly and indirectly holds 100% voting shares or capital provides loans to the Company, such funds may be loaned free of the limitation of the aggregate amount of short-term funding provided in Paragraph 1 of Article 3, the limits to each borrower provided in Paragraph 2 (1) of Article 3 and Article 4; provided, however, that the loan period shall not exceed three (3) years and the limit to lend to each borrower and the aggregate loan amount shall not exceed 50% of the Company's net worth.
2. When the subsidiaries thereof that is a public company in Taiwan propose to provide loans to others, the subsidiaries shall enact the "Procedures Governing Lending of Capital" in accordance with "Regulations Governing Loaning of Funds and Making of

Endorsements/Guarantees by Public Companies” and related regulations, and comply with those procedures.

Article 11 The Company shall evaluate and identify the contingency loss from the lending. The Company shall also disclose the information regarding the lending in the financial report and provide the same to the CPA for his proceeding with the necessary audit procedure and issuing the proper audit report.

Article 12 The internal audit personnel of the Company shall verify these Procedures and its implementation at least once every quarter and prepare a written report for record. If there is significant violation, the personnel shall inform audit committee in writing immediately.

Article 13 The opinion of each independent director shall be fully taken into consideration when the Board of Directors discusses these loans. Opinions of each independent director for and against the said matter and reasons against said matters shall be clearly recorded in the minutes.

Article 14 The loan made before the implementation of these Procedures shall be filed with the Board of Directors for ratification and handled in accordance with these Procedures. If there is any loan exceeded the amount limit, the excess portion shall be withdrawn by installment.

Where the borrower becomes unqualified under these Procedures or the loan amount exceeds the limit as a result of changes of condition, the Company shall adopt rectification plans and submit the same to audit committee, and complete the rectification in accordance with the schedule.

Article 15 These Procedures shall be commenced after being approved by more than half of all audit committee members and passed by board resolution, and submitted to the shareholders meeting for approval. If a director holds dissenting opinions on Company’s matters and there were relevant records or made in writing, the Company shall submit materials of the director’s dissenting opinions to audit committee, and submitted to the shareholders meeting for discussion, as well as any revision thereto.

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

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

Article 16 Another stricter management principles may be drafted by the Company's Chairman in accordance with these Procedures and be effective after approval by the Board of Directors with two-thirds vote at a meeting attended by more than two-thirds of the directors. The same procedure shall apply to any amendment thereto.

Article 17 All loans made by the Company shall comply with these Procedures. Matters not provided herein shall be governed by the relevant laws and regulations and the relevant regulations of the Company.

Article 18 These Procedures shall be enforced from November 27, 2017.

The First amendment was made on June 1, 2018.

The Second amendment was made on December 13, 2018.

The Third amendment was made on June 21, 2019.