

Operational Procedures for Loaning Funds to Others

Of

CHC Healthcare Group (The “Company”)

Article 1 Purpose

In order to protect shareholders’ right and meet business needs, the Procedure is made according to “Regulations Governing Loaning of Funds and Making of Endorsements /Guarantees by Public Companies” enacted by Securities and Futures Bureau, Financial Supervisory Commission, R.O.C. (SFB). Any other matters not set forth in the Procedure shall be dealt with in accordance with the applicable laws, rules, and regulations.

Article 2 Applicable Subjects

Any loans of funds made by the Company to other parties shall be applied to the Procedure.

Article 3 Authority

Finance Accounting Department is in charge of management of loaning funds and responsible for the custody of relevant documents.

Article 4 Risk Assessment

1. The risk of uncollectible of funds due to loans of funds made to others has not been done with credit status investigation and evaluation by the Finance Accounting Department.
2. Penalties received from competent authority due to loans of funds made to others fail to meet the restrictions on borrowers and amount.
3. The risk of uncollectible of funds due to loans of funds made to others is unauthorized by management personnel in charge.
4. Penalties received from competent authority due to not compliance with regulations of announce and report the previous month's loan balances of its own and subsidiaries by the 10th day of each month or internal auditors of the Company do not audit the Procedure and implementation of loans of funds.

Article 5 Procedures

1. Applicability

The Company can only loan funds under the following circumstances and shall not loan funds to any of its shareholders or any other person.

(1) Those companies or entities that have business relationships with the Company.

(2) Those companies or entities that have short-term financing needs, provided that such financing amount shall not exceed 40% of the Company's net worth.

The term "short-term" used in subparagraph 2 of this paragraph means one year, or where the Company's operating cycle exceeds one year, one operating cycle.

The term "financing amount" used in subparagraph 2 of this paragraph means the cumulative balance of the public company's short-term financing.

The restriction in subparagraph 2 of this paragraph shall not apply to loans of funds between

foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares, or when foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares loan funds to the Company. However, the aggregate amount of loans and the maximum amount permitted to a single borrower, together with the durations of loans shall still apply.

The responsible person of the Company who has violated the provisions of item 1 shall be liable, jointly and severally with the borrower, for the repayment of the loan at issue and for the damages, if any, to the Company resulted there-from.

2. Evaluation Standards of Loaning Funds

(1) Where funds are loaned for reasons of business relationship, evaluation shall be done in accordance with "5. Procedures for Handling Loans of Funds and Reviewing" in this article for determining whether the amount of a loan of funds is commensurate the total amount of trading between the two companies.

(2) Where funds are loaned for reasons of short-term financing needs can only be made under the following circumstances:

A. Those companies in which the Company holds, directly or indirectly, 50% of the voting shares that have short-term financing needs due to operation purpose.

B. Those that have short-term financing needs due to strategic purpose.

C. Other circumstances that have been approved by the Board of Directors.

3. Amount of Loaning Funds

Only own funds and operating working capital of the Company can be used for loans of funds, and any funds loaning must not affect the Company's normal operation. Limits of loaning funds are listed as follows:

(1) Total amount of loaning funds: shall be limited to 40% of the Company's net worth as stated in its latest financial statement.

(2) Amount of loaning funds to any individual business or entity:

A. Loans of funds provided due to business relationship: Amount of loaning funds shall not exceed the business transaction amount between the parties. "Business transaction amount" refers the amount of purchases/services or sales/services between the parties in the most recent year, whichever is greater.

B. Loans of funds provided due to short-term financing needs: Amount of loaning funds shall not exceed 10% of the Company's net worth as stated in its latest financial statement.

4. Duration of Loans and Calculation of Interest

(1). Duration of each loan of funds shall be within a period not to exceed one year.

(2). When making loans of funds to any entity that is not a subsidiary of the Company, in no event the interest rate shall be lower than the Company's highest short-term bank loans rate at the time of lending. And the interests shall be calculated on a monthly basis.

When making loans of funds to any subsidiary of the Company, calculation of interest shall be followed by the resolution made by the Board of Directors.

5. Procedures for Handling Loans of Funds and Reviewing

(1). Any borrower, when applying for a loan from the Company, shall submit an application or

a letter describing in detail the loan purpose, term and amount, together with certain basic information and financial data, to the Finance Accounting Department of the Company.

- (2). Finance Accounting Department shall conduct evaluation on the borrower and the items to be evaluated shall include the follows:
 - A. The necessity of and reasonableness of extending loans to others.
 - B. Borrower credit status and risk assessment.
 - C. Impact on the Company's business operations, financial condition, and shareholders' equity.
 - D. Whether collateral must be obtained and appraisal of the value thereof.
 - (3). For loans of funds provided due to business relationship, Finance Accounting Department shall evaluate whether the amount of loaning is commensurate to the total amount of trading between the two companies. For loans of funds provided due to short-term financing needs, the reasons for and conditions of extending loans shall be enumerated.
 - (4). After credit status investigation and evaluation, if the Finance Accounting Department intends not to provide the loan of funds due to the borrower's poor credit status or the improper use of funds, it shall detail reasons for rejection and submit to the general manager or the President. The general manager or the President shall reply to the borrower as soon as possible after reviewing relevant information provided by the Finance Accounting Department.
 - (5). After credit status investigation and evaluation, if the Finance Accounting Department intends to provide the loan of funds due to the borrower's good credit status or the legitimate use of funds, it shall submit related documents and terms of the loan of funds to the general manager or the President for approval.
 - (6). After credit status investigation and evaluation and also a resolution made by the Board of Directors, the personnel in charge for the case shall inform the borrower as soon as possible of the details of the loan of funds including the amount, duration, interest, collateral and guarantor and ask the borrower to complete contract signing procedures within the stipulated time.
 - (7). The Finance Accounting Department shall establish and maintain a memorandum book for its fund-loaning activities and truthfully record the borrower, amount, date of approval by the Board of Directors, lending/borrowing date and the matters shall to be carefully evaluated according to the Procedure.
6. Decision Making and Authorization
- (1). Before making a loan of funds to others, the Company shall carefully evaluate whether the loan is in compliance with the Procedure. The Company may loan funds to others only after the evaluation results under paragraph 5 of this article been approved by more than half of all audit committee members and submitted to the Board of Directors for resolution. If approval of more than half of all audit committee members as required above 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 meeting minutes of the Board of Directors. Loans of funds between the Company and

its subsidiaries, or between its subsidiaries, shall be first approved by the audit committee and then submitted to the Board of Directors for a resolution, and the President may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the Board of Directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down. The "certain monetary limit" mentioned above shall be in compliance with subparagraph 4 in paragraph 1 the article. In addition, the authorized limit on loans extended by the Company or any of its subsidiaries to any single entity shall not exceed 10% of the Company's net worth as stated in its latest financial statement.

The terms "all audit committee members" and "all directors" mentioned above shall be counted as the actual number of persons currently holding those positions.

- (2). When providing loans of funds to others, the comments of the Independent Directors shall be fully considered. Any objection reasons shall be clearly recorded in the minutes of the meeting of the Board of Directors.

7. Changes of Condition in Loans of Funds

If, as a result of a change in circumstances, an entity for which a loan of funds is made does not meet the requirements of "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to the audit committee, and shall complete the rectification according to the timeframe set out in the plan.

8. Subsequent Measures for Control and Management of Loans and Procedures for Handling Delinquent Creditor's Rights

- (1). After the loan of funds is granted, financial status, business and credit status of the borrower shall be followed and traced. In case any collateral is furnished, attention shall be paid to the value change of it. In case of material change in the value of the collateral, the general manager or the President shall immediately be notified and proper measures shall be taken as instructed by the general manager or the President.

- (2). When the loan of funds is due or the borrower pays the loan before the due date, the borrower shall calculate the interests payable and pay the interests with the principal before the promissory note and the borrowings may be rescinded and returned to the lender or the mortgage registration may be cancelled.

- (3). If the timely repayment could not be effected when the loan of funds is due, appropriate conservatory measures shall be adopted to safeguard the Company's rights as a creditor after notice of collection had been sent by the Company.

9. Information Disclosure

- (1). The Company shall announce and report the previous month's loan balances of its own and subsidiaries by the 10th day of each month.

- (2). When the Company's loans of funds reach one of the following levels, it shall announce and report such event within 2 days or 2 hours before the commencement of trading hours of the trading day next from the date of occurrence:

- A. The aggregate balance of loans to others made by the Company and its subsidiaries

reaches 20% or more of the Company's net worth as stated in its latest financial statement.

B. The balance of loans made by the Company and its subsidiaries to a single entity reaches 10% or more of the Company's net worth as stated in its latest financial statement.

C. The amount of new loans of funds made by the Company or its subsidiaries reaches NT\$10 million or more, and reaches 2% or more of the Company's net worth as stated in its latest financial statement.

(3). The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.

(4). The Company shall evaluate 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.

10. Internal Audit

To strengthen the Company's control and management in loans of funds, the Company's internal auditors shall audit the Procedure and implementation thereof no less frequently than quarterly and prepare written records accordingly and shall promptly notify the audit committee in writing if any material violation found.

11. Procedures Controlling the Loans of Funds of Subsidiary

(1) If the subsidiary intends to make loans of funds for others, it shall promulgate and enforce its own procedure for loaning funds in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements /Guarantees by Public Companies" enacted by SFB.

(2) The total amount of the subsidiary's loans of funds is limited to 40% of its net worth as stated in its latest financial statement. And the amount of the subsidiary's loans of funds to any individual entity is limited to 20% of its net worth as stated in its latest financial statement.

(3) The subsidiary shall make detailed list and report to the Company of its loans of funds of the last month before the 10th day of every month.

12. Penalty

Any manager or personnel in charge for loans of funds of the Company violate the Procedure will receive penalties commensurate with the severity of such violation in accordance with the Company's human resources management measure.

Article 6 Concern of Internal Control

1. The applicability and amount for loans of funds shall be complied with relevant regulations and shall not exceed the monetary limit.

2. The Company shall keep certificates and documents for auditing loans of funds well.

3. The Company shall charge interest from borrowers if it is stated in terms of loans of funds.

4. The Company shall first check if there is any loan balances before agree the cancellation of mortgage registration applied by borrowers.

5. The Company shall evaluate status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports.
6. The Company shall prepare a memorandum book for its fund-lending activities and truthfully record the borrower, amount, lending/borrowing date, date of approval by the Board of Directors and other items in accordance with regulations.
7. The Company shall assess the re-payment status on a regular basis and shall maintain data integrity.
8. The Company shall disclose relevant information in accordance with prescribed form on a monthly basis, or within two days commencing immediately from the occurrence of the event when meet any of the criteria.
9. Any account receivable due from related parties exceeds the normal loan term shall be record in detail and authorized by management personnel in charge.

Article 7 Implementation and Amendment

1. The Procedure shall be approved by more than half of all audit committee members and subsequently submitted to the Board of Directors and the shareholders' meeting for approval. Any objection by the Director which is recorded or in writing shall be submitted to the Shareholders' meeting for discussion. Any amendment is subject to the same procedures. If approval of more than half of all audit committee members as required above 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 meeting minutes of the Board of Directors.
2. When submitting the Procedure to the Board of Directors, the comments of the Independent Directors shall be fully considered. When an independent director has a dissenting or qualified opinion, it shall be clearly recorded in the minutes of the meeting of the Board of Directors.

Version	Date of Implementation/Amendment	Type of Approval
1	2010/01/15	Approved by Board of Directors
	2010/02/10	Approved on Special Shareholders' Meeting
2	2012/08/03	Approved by Board of Directors
	2013/06/14	Approved on Shareholders' Meeting
3	2014/03/27	Approved by Board of Directors
	2014/06/17	Approved on Shareholders' Meeting
4	2017/03/24	Approved by Board of Directors
	2017/05/02	
	2017/06/13	Approved on Shareholders' Meeting
5	2017/11/13	Approved by Board of Directors
	2018/06/11	Approved on Shareholders' Meeting
6	2019/03/22	Approved by Board of Directors
	2019/06/12	Approved on Shareholders' Meeting