

Procedures for Endorsement & Guarantee 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 Risk Assessment

1. The Company's interest may be harmed if it is not completed according to the law and internal regulation when making endorsements/guarantees.
2. The Company will be punished for doesn't eliminate the exceeding amount of endorsements/guarantees within a specific period of time.

Article 3 Authority

Finance Accounting Department is in charge of management of endorsements /guarantees and responsible for the custody of relevant documents.

Article 4 Procedures

1. Applicable Subjects

The term "endorsements/guarantees" used herein are defined as:

(1) Financing endorsements/guarantees, including:

- A. Endorsement/guarantee to customers' notes for cash financing with a discount;
- B. Endorsement/guarantee for another company for its financing needs;
- C. Endorsement/guarantee to the notes issued by the Company to non-financial institutions and entities for the Company's own financing needs.

(2) Customs duty endorsement/guarantee, meaning an endorsement/guarantee for the Company itself or another company with respect to customs duty matters.

(3) Other endorsements/guarantees which are not included under 1-(1) and 1-(2) of this Article.

(4) 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 the Procedure.

2. Applicability

(1) The party whom the Company may provide endorsement/guarantee includes the following:

- A. Any company who has business relationship with the Company.
- B. Any subsidiary whose voting shares are fifty percent (50%) or more owned, directly or indirectly by the Company.
- C. Any parent company who directly or through its subsidiaries indirectly owns fifty percent (50%) or more of the Company's voting shares.
- D. Subsidiaries whose voting shares are at least 90% owned, directly or indirectly, by the Company may provide endorsement/guarantee to each other, and the total amount of

such endorsement/guarantee shall not exceed 10% of the Company's net worth. The limit restriction shall not apply to endorsement /guarantee when such subsidiaries' voting shares are 100% owned, directly or indirectly, by the Company.

- (2) In the situation of where all capital contributing shareholders make endorsements /guarantees for their jointly invested company in proportion to their shareholding percentages, such endorsements/guarantees may be made free of the restriction of 2-(1) of this Article.

"Capital contribution" in 2-(2) of this Article shall mean capital contribution directly by the Company, or through a company in which the Company holds 100% of the voting shares.

3. Limits of Endorsements/Guarantees

- (1) The total amount of the Company's endorsement/guarantee is limited to three times of the Company's net worth.
- (2) The amount of the Company's endorsement/guarantee to any individual entity is limited to two times of the Company's net worth.
- (3) The total amount of endorsement/guarantee from the Company and subsidiaries is limited to 300% of the Company's net worth.
- (4) The total amount of endorsement/guarantee to any individual entity from the Company and subsidiaries is limited to 200% of the Company's net worth.
- (5) Where endorsements/ guarantees are provided for an entity due to the business relationship of the Company, in addition to the requirements of the above (1)-(4), the amount of the individual endorsement/guarantee in respect of the business or company cannot 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.

4. Procedures for Processing Endorsements/Guarantees and Reviewing

- (1) Enterprises which intend to apply for endorsement/guarantee from the Company shall file a document including amount, expiration date and type of endorsement/guarantee to Finance Accounting Department of the Company to review and do the risk assessment. If it has satisfied the criteria, such evaluation results will be submitted to the Board of Directors for approval.
- (2) Credit survey and risk assessment shall be conducted by the Finance Accounting Department. The items to be evaluated include:
 - A. The necessity and reasonableness of the endorsement/guarantee.
 - B. The credibility and risk of involved parties.
 - C. The impact on the operation risk, financial status and shareholder's equity.
 - D. Whether the collateral shall be acquired and the assessed value of the collateral.
 - E. The assessment of the whether the amount of endorsement/guarantee and the amount of business is within the limit when the endorsement/guarantee is provided due to business relationship.
- (3) Once the Finance Accounting Department regards the collateral acquired after risk assessment, the Company shall take some necessary actions. (e.g., pledge, mortgage)
- (4) If the subject of endorsements/guarantees is a subsidiary whose net worth is lower than

50% of its paid-in capital, the Company shall do the risk assessment on a quarterly basis and submit the result to the Board of Directors. In the case of the subsidiary of the Company whose shares have no par value or a par value other than NT\$10, the paid-in capital shall refer to the sum of the share capital plus the capital reserve minus the original issue premium.

- (5) The Finance Accounting Department shall establish and maintain a reference book for its endorsement/guarantee activities and record the following information for the record: the subject for which the endorsement/guarantee is made, the amount, the date of passage by the Board of Directors or of authorization by the President, the date the endorsement/guarantee is made, and the matters to be carefully evaluated under 4-(2) of this Article.

5. Decision Making and Authorization

- (1) When the Company makes any endorsement/guarantee, the evaluation results made in accordance with 4 of this Article shall be 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. The terms "all audit committee members" and "all directors" mentioned above shall be counted as the actual number of persons currently holding those positions. A pre-determined limit of not exceed 200% of the Company's net worth may be delegated to the President by the Board of Directors to facilitate execution and such endorsement/guarantee shall be submitted to the most coming Board of Directors' Meeting for ratification and the implementation shall be reported to shareholders on next year's shareholders' meeting.
- (2) A resolution of the Board of Directors' meeting of the Company should be obtained before the making of endorsements/guarantees between such subsidiaries whose voting shares are at least 90% owned, directly or indirectly, by the Company, pursuant to set forth in 2-(1)-D of this Article. This shall not apply to such subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company.
- (3) When the Company makes endorsements/guarantees for others, it shall take into full consideration each Independent Director's opinions; Independent Directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the Board of Directors' meeting.

6. Exceeding Amount and Changes of Condition in Endorsements/Guarantees

- (1) Due to business relations, where the aggregate amount of endorsements /guarantees of the Company will exceed the limited amount specified in 3 of this Article, and the applicants are qualified for other requirements provided in these Procedures, such endorsements/guarantees shall be approved by the Board of Directors with majority of the board members sign as guarantors for the contingency loss resulting therefrom, and these Procedures shall be modified and then submitted to the shareholder meeting for ratification. If the aforesaid endorsement/guarantee is not approved by the shareholders'

meeting, the Company shall make a plan to eliminate such exceeding amount within a specific period of time. The opinion of each independent director shall be fully taken into consideration when the Board of Directors discusses the above issue. Opinions of each independent director for and against the endorsement/guarantee and reasons against said matter shall be clearly recorded in the minutes.

- (2) If, due to change of circumstances, the endorsement/guarantee which in the first place is in conformity with 2 of this Article becomes against it, or, due to the change of basis for the calculation of the limit, the amount of endorsement /guarantee exceeds the limit that specified in 3 of this Article, a corrective plan shall be made and submit to the audit committee. And the proposed correction actions should be implemented within the period specified in the plan.

7. Procedures for Use and Custody of Corporate Chops

- (1) The Company shall use the Corporate Chop registered with the Ministry of Economic Affairs for the use of endorsements/guarantees (hereinafter, the "Chop"). The Chop shall be under the safekeeping of special personnel appointed by the Company's Board of Director. "Regulations for Corporate Chops" of the Company must be followed for sealing and note issuance purposes.
- (2) When providing endorsement/guarantee to a foreign company, the endorsement /guarantee letter should be executed and signed by the person delegated by the Board of Directors.

8. Public Announcement and Declaration

- (1) The Company shall monthly disclose and report the Company's and its subsidiary's remaining amount of endorsement/guarantee of the last month before the tenth day of every month.
- (2) If the Company and its subsidiary meet any of the following criteria, the Company shall disclose and report the relevant information within two days commencing immediately from the occurrence of the event or 2 hours before the beginning of trading hours on the trading day following the date of occurrence of the event.
 - A. The Company's and its subsidiary's remaining amount of the endorsement /guarantee reaches the amount higher than the 50% of the net worth of the Company's latest financial report.
 - B. The Company's and its subsidiary's remaining amount of the endorsement /guarantee to one single company reaches the amount higher than the 20% of the net worth of the Company's latest financial report.
 - C. The Company's and its subsidiary's remaining amount of the endorsement/guarantee to one single company reaches NT\$10,000,000 or more, and the total remaining amount of endorsement/guarantee, carrying amount of investment accounted for using the equity method and loan exceeds 30% of the net worth of the Company's latest financial report.
 - D. The Company's and its subsidiary's newly increased amount of the endorsement/guarantee reached NT\$30,000,000 and more, and the amount exceeds 5% of the net worth of the Company's latest financial report.

(3) If the subsidiary of the Company is not a public listed company of the country, and is applied to 8-(2)-D of this Article, it shall be disclosed and reported by the Company.

(4) The Company shall assess/acknowledge contingent losses of the endorsement /guarantee, disclose relevant information in the financial report and provide the certified public accountant with relevant information to proceed with the necessary auditing procedure.

9. Internal Audit

Internal auditors shall perform auditing on the Company's endorsement/guarantee profile on a quarterly basis and produce written auditing reports. If any significant violation found, a written report is needed to notify the audit committee.

10. Procedure for Controlling the Subsidiary's Endorsement/Guarantee

(1) If the subsidiary intends to make endorsement/guarantee for others, it shall make its own procedure for endorsement & guarantee and follow it according to "Regulations Governing Loaning of Funds and Making of Endorsements /Guarantees by Public Companies" enacted by SFB.

(2) The total amount of the subsidiary's endorsement/guarantee is limited to three times of its net worth. And the amount the subsidiary's endorsement/guarantee to any individual entity is limited to two times of its net worth.

The limit restriction shall not be applied when the subsidiary makes endorsement/guarantee for its parent company. In this kind of situation, the subsidiary's own procedure for endorsement & guarantee shall be followed.

(3) In making the endorsement/guarantee, the subsidiary shall provide relevant data to the Company and proceed with the endorsement/guarantee after considering the opinions of the relevant personnel of the Company.

(4) The subsidiary shall make detailed list and report to the Company of its endorsement/guarantee of the last month before the tenth day of every month.

11. Castigation for Non Compliance

If the Company's managers and persons-in-charge violate the Procedures, subsequent castigation is subject to the related Personnel Articles of the Company.

Article 5 Concern of Internal Control

1. In effecting the endorsement/guarantee, risk assessment shall be done and the report shall be approved by the audit committee and submitted to the Board of Directors for resolution.

2. Limits of endorsements/guarantees shall be approved by the audit committee and subsequently submitted to the Board of Directors and the shareholders' meeting for approval.

3. A reference book shall be prepared containing the object, the party, the amount and the condition for and date of relieving the endorsement/guarantee.

4. The Company shall check if there is any endorsement/guarantee ought to register the cancelled notes into the registry due to cancelled or expired.

5. Applicability and amount of endorsements/guarantees shall stick to the regulation of the Procedure.

6. The dedicated chop for endorsements/guarantees shall be under the safekeeping of special personnel appointed by the Company's Board of Director. Any subsequent change is subject

to the same procedures.

7. The Company shall assess contingent losses of the endorsement/guarantee on a regular basis and disclose relevant information in the financial report.
8. Any person-in-charge for endorsements/guarantees doesn't completed follow the Procedure shall be punished.
9. 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.
10. Any endorsements/guarantees made for others shall be submitted to the Board of Directors for approval. Amount of endorsements/guarantees within the limit delegated to the President by the Board of Directors shall be submitted to the most coming Board of Directors' Meeting for ratification.

Article 6 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	2015/03/23	Approved by Board of Directors
	2015/06/12	Approved on Shareholders' Meeting
5	2017/03/24	Approved by Board of Directors
	2017/06/13	Approved on Shareholders' Meeting
6	2017/11/13	Approved by Board of Directors
	2018/06/11	Approved on Shareholders' Meeting
7	2019/03/22	Approved by Board of Directors
	2019/06/12	Approved on Shareholders' Meeting