FOCI FIBER OPTIC COMMUNICATIONS, INC.
Procedures for Endorsements and Guarantees
(Translation)

Amended by the General Shareholders' Meeting on May 28, 2026

Article 1: Purpose

These Procedures for Endorsements and Guarantees (the "Procedures") are established by the Company to strengthen the financial management of endorsements and guarantees and to reduce operational risks, in accordance with Article 36-1 of the Securities and Exchange Act and the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies".

Article 2: Scope of Application

The term "endorsements and guarantees" as used in these Procedures includes the following:

I. Financing endorsements/guarantees:

(I) Bill discount financing.

(II) Endorsement or guarantee made to meet the financing needs of another company.

(III) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the Company itself.

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

III. Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.

IV. 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 these Procedures.

Article 3: Counterparties Eligible for Endorsements and Guarantees

I. The Company may provide endorsements or guarantees for the following entities:

(I) Companies having business dealings with the Company.

(II) Companies in which the Company directly or indirectly holds more than 50% of the voting shares.

(III) Companies that directly or indirectly hold more than 50% of the voting shares of the Company.

II. Endorsements and guarantees may be provided among companies in which the Company directly or indirectly holds 90% or more of the voting shares; provided that the total amount shall not exceed 10% of the Company's net worth. However, endorsements and guarantees among companies in which the Company directly or indirectly holds 100% of the voting shares shall be limited to the Company's net worth.

The term "net worth" as used in these Procedures refers to the equity attributable to owners of the parent as presented in the balance sheet in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

III. Where the Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where each of the capital contributing shareholders makes endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, such endorsements/guarantees may be made free of the restriction of the preceding two paragraphs.

Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the Company, or through a company in which the Company holds 100% of the voting shares.

Article 4: Limits on Endorsements and Guarantees

I. The total amount of the Company's external endorsements and guarantees shall not exceed 50% of its current net worth. The amount of endorsements and guarantees provided to a single enterprise shall not exceed 20% of the Company's current net worth, and for a single overseas affiliated company, shall not exceed 30% of the Company's net worth. Where endorsements and guaranees are provided due to business relationships, the amount shall not exceed the total transaction amount between the Company and the counterparty in the most recent fiscal year (whichever is higher between the purchase amount and the sales amount). The net worth shall be based on the most recent financial statements audited or reviewed by a certified public accountant.

II. The total amount of external endorsements and guarantees of the Company and its subsidiaries on a consolidated basis shall not exceed 50% of the Company's current net worth. The amount of endorsements and guarantees provided to a single enterprise shall not exceed 20% of the Company's current net worth. The net worth shall be based on the most recent financial statements audited or reviewed by a certified public accountant. Where the total amount of endorsements and guarantees of the Company and its subsidiaries reaches more than 50% of the Company's net worth, the Company shall explain the necessity and reasonableness thereof at the shareholders' meeting.

Article 5: Decision-Making and Authorization Levels

I. The Company shall prudently assess whether any endorsement or guarantee complies with these Procedures and, together with the evaluation results set forth in Paragraph I of Article 6, submit the matter to the Board of Directors for approval prior to implementation. However, where necessary to meet time constraints, the Board of Directors may authorize the Chairman to make decisions within a specified limit, with such decisions to be subsequently submitted to the next Board meeting for ratification.

II. Before a subsidiary in which the Company directly or indirectly holds 90% or more of the voting shares provides an endorsement or guarantee in accordance with Subparagraph II, Paragraph I of Article 3, such matter shall be submitted to the Company's Board of Directors for approval prior to implementation. However, this requirement shall not apply to endorsements and guarantees provided among companies in which the Company directly or indirectly holds 100% of the voting shares.

III. The Company has appointed Independent Directors. When providing endorsements or guarantees for others, the opinions of each Independent Director shall be fully considered, and their explicit opinions of agreement or disagreement, along with the reasons for their objection, shall be recorded in the Board Meeting Minutes.

Article 6: Endorsement and Guarantee Procedures

I. When a company receiving an endorsement or guarantee needs to use the amount of the endorsement or guarantee within the limit, it shall provide basic information and financial data and submit an application form to the Company's finance department. The finance department shall conduct a detailed evaluation to determine whether it complies with the provisions of these Procedures. Evaluation items include the necessity and reasonableness of the endorsement or guarantee, whether the endorsement or guarantee amount is commensurate with the business transaction amount, the impact on the Company's operational risks, financial condition, and shareholders' equity, and whether collateral should be obtained and its valuation.

II. The responsible personnel of the Company's finance department shall compile the relevant information and evaluation results set forth in the preceding paragraph. If, at the time of processing the endorsement or guarantee, the cumulative outstanding balance does not exceed 30% of the Company's current net worth, the matter shall be submitted to the Chairman for approval prior to implementation and subsequently reported to the next Board meeting for ratification. If the cumulative outstanding balance exceeds 30% of the Company's current net worth, the matter shall be submitted to the Board of Directors for approval and handled in accordance with its resolution.

III. The register of endorsements and guarantees established by the finance department shall record in detail the endorsed or guaranteed party, amount, date of approval by the Board of Directors or approval by the Chairman, date of the endorsement or guarantee, matters required to be carefully evaluated in accordance with these Procedures, details of the collateral and its appraised value, and the conditions and date for the release of the endorsement or guarantee obligations.

IV. Upon repayment by the endorsed or guaranteed party, relevant repayment information shall be provided to the Company so that the Company may be released from its guarantee obligations, and such information shall be recorded in the register of endorsements and guarantees.

V. The finance department shall periodically assess and recognize any contingent losses arising from endorsements and guarantees, make appropriate disclosures in the financial statements, and provide relevant information to the certified public accountant for the performance of necessary audit procedures and the issuance of an appropriate audit report.

Article 7: Custody and Procedures for Corporate Seals

The official seal designated for endorsements and guarantees shall be the Company's seal registered with the Ministry of Economic Affairs. Such seal shall be kept in the custody of a designated person approved by the Board of Directors; the same shall apply in the event of any change. When providing endorsements or guarantees, the seal shall be affixed or negotiable instruments issued in accordance with the Company's prescribed procedures. Where the Company provides guarantees for foreign entities, any guarantee letter issued by the Company shall be signed by a person authorized by the Board of Directors.

Article 8: Matters to Be Noted in Handling Endorsements and Guarantees:

I. The Company's internal auditors shall audit the Procedures for Endorsements and Guarantees and their implementation at least on a quarterly basis and prepare written records. In the event of any material violation, a written notice shall be submitted to the Audit Committee.

II. Where, due to changes in circumstances, an entity that originally met the requirements of Article 3 of these Procedures subsequently no longer qualifies, or where the amount of endorsements or guarantees exceeds the limits set forth in Article 4 due to changes in the basis for calculation, the internal auditors shall urge the finance department to ensure that the amount of endorsements or guarantees provided to such entity, or the excess portion, is eliminated upon expiration of the contractual term or within a specified period. The remediation plan shall be submitted to the Audit Committee and reported to the Board of Directors, and corrective actions shall be completed in accordance with the prescribed timeline.

III. Where, due to business needs, the Company is required to provide endorsements or guarantees in excess of the limits prescribed under these Procedures and such arrangements meet the applicable requirements, the matter shall be approved by the Board of Directors. More than one-half of the Directors shall jointly assume liability for any potential losses arising from the excess amount, and these Procedures shall be amended and submitted to the shareholders' meeting for ratification. If the shareholders' meeting does not grant approval, the Company shall formulate a plan to eliminate the excess portion within a specified period. Where the Company has established Independent Directors, when such matters are submitted to the Board of Directors for discussion, full consideration shall be given to the opinions of the Independent Directors. Any objection or qualified opinion expressed by an Independent Director, together with the reasons therefor, shall be recorded in the minutes of the Board meeting.

Article 9: Time Limits and Content for Public Announcement and Filing

I. The Company shall, by the 10th of each month, input the outstanding balance of endorsements and guarantees of the Company and its subsidiaries for the preceding month into the Market Observation Post System (MOPS).

II. Where the Company's outstanding balance of endorsements and guarantees meets any of the following thresholds, it shall, within two days from the date of occurrence of the event, input the relevant information into the Market Observation Post System (MOPS):

(I) The outstanding balance of endorsements and guarantees of the Company and its subsidiaries reaches 50% or more of the Company's net worth as stated in its most recent financial statements.

(II) The outstanding balance of endorsements and guarantees provided by the Company and its subsidiaries to a single enterprise reaches 20% or more of the Company's net worth as stated in its most recent financial statements.

(III) Where the outstanding balance of endorsements and guarantees provided by the Company and its subsidiaries to a single enterprise reaches NT$10 million or more, and the aggregate of such endorsements and guarantees, the carrying amount of equity-method investments, and the balance of loans to such enterprise reaches 30% or more of the Company's net worth as stated in its most recent financial statements.

(IV) The amount of a new endorsement or guarantee provided by the Company or its subsidiaries reaches NT$30 million or more and 5% or more of the Company's net worth as stated in its most recent financial statements.

The term "date of occurrence" as used herein refers to the earliest of the contract execution date, payment date, date of Board resolution, or any other date on which the counterparty and the amount of the endorsement or guarantee can be definitively determined.

III. Where a subsidiary of the Company is not a domestic public company and has any matter subject to public announcement and filing under Subparagraph (IV) of the preceding paragraph, the Company shall make such announcement and filing on its behalf on the Market Observation Post System.

IV. The Company shall, in accordance with International Financial Reporting Standard 9, evaluate or recognize any contingent losses arising from endorsements and guarantees, make appropriate disclosures in the financial statements, and provide relevant information to the certified public accountant for the performance of necessary audit procedures.

Article 10: Control Procedures for Subsidiaries' Endorsements and Guarantees

I. Where a subsidiary of the Company intends to provide endorsements or guarantees for others, it shall establish its own Operating Procedures for Making of Endorsements/Guarantees and conduct such activities in accordance herewith.

II. Each subsidiary shall, prior to the 10th of each month, prepare a detailed statement of endorsements and guarantees provided for others in the preceding month and submit it to the Company for review.

III. The internal auditors of each subsidiary shall audit the Procedures for Endorsements and Guarantees and their implementation at least on a quarterly basis and prepare written records. In the event of any material violation, they shall immediately notify the Company's internal auditors in writing, and the Company's internal auditors shall submit such written information to the Audit Committee.

IV. When the Company's auditors conduct audits at subsidiaries in accordance with the annual audit plan, they shall also review the implementation of the subsidiaries' Procedures for Endorsements and Guarantees. If any deficiencies are identified, the auditors shall continuously monitor the status of corrective actions and prepare a follow-up report to be submitted to the Audit Committee.

Article 11: Penalties

Where managerial officer or responsible personnel of the Company violate these Procedures, such violations shall be subject to performance evaluation and disciplinary action in accordance with the Company's personnel management rules and employee handbook, depending on the severity of the circumstances.

Article 12: Subsequent Control Measures Where the Endorsed or Guaranteed Party Is a Subsidiary with Net Worth Less Than One-Half of Paid-in Capital

Where the Company or its subsidiaries provide endorsements or guarantees for a subsidiary whose net worth is less than one-half of its paid-in capital, in addition to conducting a detailed review of the necessity, reasonableness, and risk assessment of such endorsements or guarantees in accordance with Paragraph I of Article 6, the Company shall regularly evaluate the financial condition, business operations, and credit status of such subsidiary, as well as whether any loans arising from such endorsements or guarantees have become overdue. Furthermore, when the Company's internal auditors conduct audits of subsidiaries in accordance with the annual audit plan, they shall also review the implementation of endorsements and guarantees provided by or to such subsidiaries. Any irregularities identified shall be documented and reported.

Where a subsidiary has no par value shares or a par value other than NT$10 per share, the paid-in capital as calculated in accordance with the preceding paragraph shall be determined as the sum of share capital and capital surplus—share premium.

Article 13: Implementation and Amendments

These Procedures shall be established by the Company in accordance with applicable regulations and, upon approval by more than one-half of all members of the Audit Committee and by the Board of Directors, shall be submitted to the shareholders' meeting for approval prior to implementation. Where any Director expresses dissent with a record or written statement, the Company shall submit such dissent together with the materials to the Audit Committee and the shareholders' meeting for discussion. The same shall apply to any amendments thereto.

Where approval by more than one-half of all Audit Committee members is not obtained, the matter may be approved by more than two-thirds of all Directors, and the results of the Audit Committee review shall be recorded in the minutes of the Board meeting.

The Company has established Independent Directors. When these Procedures are submitted to the Board of Directors for discussion in accordance with the first paragraph, full consideration shall be given to the opinions of the Independent Directors. Any objection or qualified opinion expressed by an Independent Director shall be recorded in the minutes of the Board meeting.