

Acer Incorporated

Procedures Governing Lending of Capital to Others

Article 1 Applicability

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

The Company may provide loans to enterprises with which the Company has business relationship; where there is necessity of short-term financing, the Company may provide loans in accordance with these Procedures to subsidiaries in which the Company holds 50% or more of its total outstanding common shares, or enterprises in which the Company proposes to make equity investment.

Article 2 The Standard for Lending Assessment

1. For enterprises having business relationship with the Company apply funding from the Company, the aggregate amount of the loans provided by the Company shall not exceed the net worth of total trading amount between both parties in the most recent year. The net worth of total trading amount between both parties means the total amount of purchase or re-sale, whichever is higher.
2. For enterprises apply funding from the Company by reason of necessity to have short-term funding, those enterprises shall be limited to subsidiaries in which the Company holds 50% or more of its total outstanding common shares or enterprises in which the Company proposes to make equity investment.
3. "Subsidiary" used in these Procedures means which is provided pursuant to Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 3 Limits on Loan

1. The aggregate amount of loans provided by the Company shall not exceed 50% of the net worth of the Company as shown in the latest financial report audited or reviewed by the CPA. Out of the aforesaid amount, the aggregate amount of loans for necessity of short-term funding shall not exceed 20% of the net worth of the Company as shown in the latest financial report audited or reviewed by the CPA.
2. By reason of business relations, the limits to lend to each single borrower shall be subject to the percentage provided below:

- (1) For subsidiary that the Company holds 50% or more of its total outstanding common shares, the aggregate amount of loans shall not exceed 10% of the net worth of the Company.
 - (2) For enterprise that the Company holds less than 50% of its total outstanding common shares, the aggregate amount of loans shall not exceed 5% of the net worth of the Company, nor exceed 40% of the net worth of the enterprise.
 - (3) For other borrower, the aggregate amount of loans shall not exceed 3% of the net worth of the Company, nor exceed 25% of the net worth of the borrower.
3. By reason of necessity to have short-term funding from the Company, the limits to loan to each single borrower shall be subject to the percentage provided below:
- (1) For subsidiary that the Company holds 50% or more of its total outstanding common shares, the aggregate amount of loans shall not exceed 10% of the net worth of the Company.
 - (2) For enterprise that the Company holds less than 50% of its total outstanding common shares, the aggregate amount of loans shall not exceed 5% of the net worth of the Company, nor exceed 40% of the net worth of the enterprise.
 - (3) For other borrower, the aggregate amount of loans shall not exceed 3% of the net worth of the Company, nor exceed 25% of the net worth of the borrower.

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 the aforesaid limits.

4. "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 Chairman of the board is authorized to decide the method for calculating interest.

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 subsidiaries or between the Company's subsidiaries, 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 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 Market Observation Post System on or before the 10th date of each month.
2. In the event that the loan amount provided by the Company and its subsidiaries 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 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 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 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 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 the preceding paragraph.

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 Articles 37 and 38 of the Company's "Personnel Administration Regulations".

Article 10 Control Procedures for the Company's Subsidiaries

When the subsidiaries over which the Company has control 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, 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 3 (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.

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 Procedures and provision of 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, as well as any revision thereto, shall be approved by more than half of all audit committee members and submitted to the Board of Directors for further approval, 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.

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 Approved by General Shareholder's Meeting held on January 15, 1993.

The First amendment was made on March 24, 1995.

The Second amendment was made on February 14, 1996.

The Third amendment was made on August 23, 1996.

The Fourth amendment was made on March 11, 1997.

The Fifth amendment was made on April 29, 2002.

The Sixth amendment was made on May 31, 2002.

The Seventh amendment was made on October 28, 2002.

The Eighth amendment was made on June 11, 2003.

The Ninth amendment was made on June 19, 2009.

The Tenth amendment was made on June 18, 2010.

The Eleventh amendment was made on June 15, 2012.

The Twelfth amendment was made on June 18, 2014.