Risk Management Methods and Procedures

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Article 1 Risk management policies

To implement corporate governance duties, maintain sustainable operations, and control the internal and external economic, social, and environmental risks that the Company faces, each department must act within its authority to identify and clarify risks which may disrupt corporate operations or sustainable development. Latent risks shall be monitored, and preventive measures shall be implemented to strengthen risk management, enhance systematic response capabilities, and achieve risk control objectives, thus maintaining shareholders’ rights and interests, raising competitiveness, and establishing the foundation for the Company’s sustained operations and development.

Article 2 Purpose

To effectively identify and clarify risks, manage responses, monitor preventive measures and coordinate reporting procedures, as well as strengthen preventive and systematic strategies and management measures to counter risks, the Company establishes this policy.

Article 3 Risk management organizational framework and responsibilities

A. Board of Directors:

The Board of Directors is the highest governance unit of the company’s risk management. The Board’s risk management objectives include upholding compliance with laws and regulations as well as promoting and implementing the Company’s overall operational risk management goals. In addition, The Board needs to clearly understand the risks that could impact sustainable operations and ensure the effectiveness of risk management.

B. Audit Committee:

The Audit Committee is the highest supervisory unit of the company's risk management. It is responsible for reviewing risk management policies and major risk management matters planning, as well as the implementation of risk management and supervising the improvement of risks control. It reports on the operational status and implementation results of risk management to the Board of Directors at least once a year.

C. Risk Management Center:

The Risk Management Center is responsible for formulating quantitative or qualitative measurement standards based on the characteristics of the risks that serve as the basis for risk analysis. It also reviews and controls the risk assessment and response command of various plans and projects initiated by the accountable department through the operational risk management meetings chaired by the president or relevant operational executives. It reports on the operational status of risk management to the Audit Committee at least once a year.

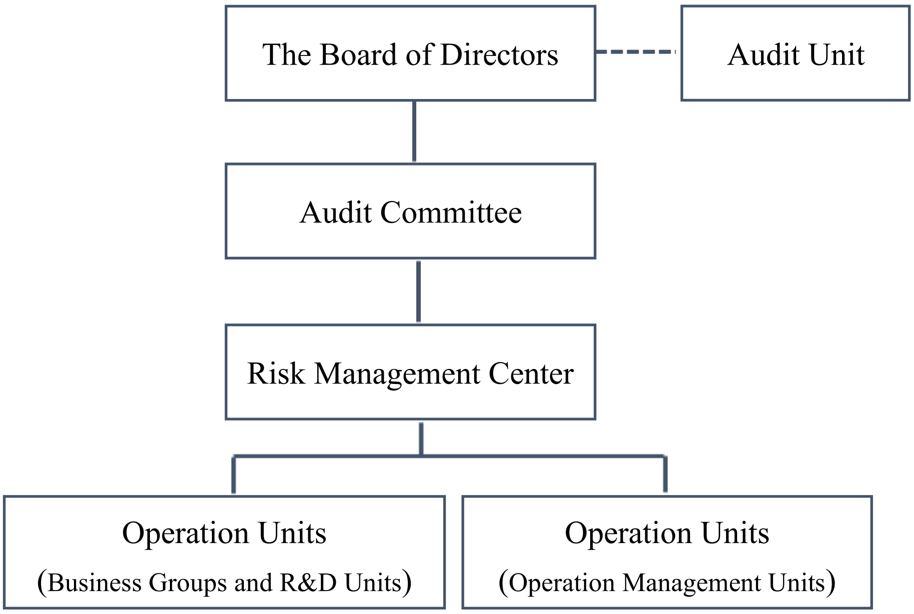
D. Audit Unit:

An independent department under the Board of Directors executes internal audits to assist the Board and management in inspecting and reviewing the deficiencies of internal control mechanisms as well as measuring the operational effectiveness and efficiency while providing timely improvement recommendations. These measures ensure the continued implementation of internal control mechanisms and serve as a basis for related reviews and amendments.

E. Operation Units:

While carrying out everyday duties, personnel from each operation unit shall serve as the first line of defense in risk management. They shall analyze, monitor, and prevent risks that are related to their departments while ensuring that risk control mechanisms and procedures are effectively implemented, and should regularly report the implementation status of risk management for various risks to the Risk Management Center.

F. Risk Management Organizational Chart



Article 4 Risk management categories

A. Strategic risks:

(a) Technological innovation and industrial trends, (b) Changing market needs, (c) Technical R&D advancement and competitive landscape, (d) Policy or regulatory changes, (e) Global politics and economic circumstances

B. Operation management risks:

(a) Client and supplier contract fulfilment, (b) Protection and use of intellectual property rights, (c)

Management of talent recruitment and development, (d) Information and Communications security, (e) Corporate image

C. Financial risks:

(a) Exchange rates, interest rates, taxation, inflation, and other fluctuations, (b) Strategic investments, (c) Financial management

D. Harmful incident risks:

(a) Climate changes, (b) Natural and man-made disasters, (c) Water and electricity supply, (d) Communicable disease impacts

E. Other risks:

Risks not listed above but that may cause the Company to major losses.

Article 5 Risk management procedures

A. The Company's risk management includes the following: risk identification, risk analysis, risk measurement, risk monitoring and control, risk response, risk reporting and disclosure.

(a) Risks identification: Each Operation Unit should identify the potential sources and types of risks that the Company faces within their scope of authority.

(b) Risk measurement: After each operating unit identifies potential risks, the Risk Management Center develops quantitative or qualitative measurement standards based on the characteristics of those risks. These standards serve as the foundation for risk analysis, and risk assessments are conducted accordingly. The Audit Committee reviews the results of these assessments to approve the company's risk appetite value, enabling the formulation of appropriate control, improvement, and response measures for significant risks. This process ensures that all key risks are effectively managed and appropriately addressed.

(c) Risk monitoring and control: Each Operation Unit shall monitor potential risks that are within their scope of business. When the assessed level of risk may cause damage, the responsible Operation Unit shall propose mitigation measures and report them to the Risk Management Center.

(d) Risk response:

1. The Risk Management Center is responsible for the risk assessment and contingency of various operational plans and projects, as well as the evaluation and response command of the risks reported by each Operational Unit.
2. After assessing and consolidating the risks, each Operation Unit shall adopt suitable response measures, such as risk identification, analysis reports, and implementation of contingency control plan.

(e) Risk reporting and disclosure: The Company implements risk management measures according to risk types identified by each Operation Unit to manage the risk effectively. Each Operation

Unit submits risk management information to the Risk Management Center. For major potential risks that affect the company's operations or sustainable development, the Risk Management Center will report to the Audit Committee on a regular basis (at least once a year), and the Audit Committee will report to the Board of Directors on a regular basis (at least once a year) as the basis for risk management supervision and guidance.

B. The Audit unit is responsible for supervising the Operating Units to follow the decision-making authority and relevant management policies to ensure the risk management awareness and effectiveness of all employees.

C. When there are uncertainties that pose a significant risk to business operations or sustainable development, the Operation Units shall convene relevant departments for examination and enlist external consultants when needed to evaluate risks, recommend preventive measures, and take actions.

Article 6 Enforcement

These Risk Management Methods and Procedures, and any amendments hereto, shall be implemented after being approved by the Audit Committee and the Board of Directors.