



Taiwan Hon Chuan Enterprise Co., Ltd

Sustainability and Risk Management Committee Charter

Date : 2025.05.09

Article 1 Basis

To strengthen the sustainable development and risk management of Taiwan Hon Chuan Enterprise Co., Ltd's ("the Company"), and pursuant to Articles 7 and 9 of the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and Article 27 of the "Corporate Governance Best Practice Principle for TWSE/TPEX Listed Companies," the former Corporate Sustainability Committee has been renamed as the Sustainability and Risk Management Committee ("the Committee"), and this Charter is hereby established.

Article 2 Applicability

Unless otherwise provided by laws or the Company's Articles of Incorporation, the composition, number of members, term of office, responsibilities, meeting procedures, and required resources of the Committee shall be governed by this Charter.

Article 3 Purpose

- I. To integrate the Company's overall sustainability strategy and corporate risk management framework.
- II. To enhance the implementation and oversight of Environmental (E), Social (S), and Governance (G) aspects.
- III. To ensure effective identification, assessment, monitoring, and disclosure of risks.
- IV. To improve information transparency and stakeholder communication.

Article 4 Composition

- I. Members of the Committee shall be appointed by the Board of Directors, with at least three members, and a majority of whom shall be independent directors.
- II. At least one member shall possess expertise in sustainability or risk



management. The Committee shall elect a convener from among its members, who shall also serve as the chairperson of the meetings.

- III. The term of office of Committee members shall coincide with that of the directors and may be renewed. Any changes shall be disclosed in accordance with applicable regulations.
- IV. In the event that a member vacates the position and results in an insufficient number of members, the Board of Directors shall promptly appoint a replacement.

Article 5 Authority

The Committee shall exercise the duty of care of a good administrator and perform the following duties, reporting to the Board of Directors:

- I. Oversee the implementation of sustainability policies, including corporate governance, ethical business practices, environmental protection, social responsibility, and information transparency.
- II. Assist the Board in establishing risk management policies and supervising their implementation. This includes identifying and assessing major risks in operations, finance, information security, and climate-related matters, as well as formulating corresponding response measures and control mechanisms.
- III. Other sustainability and risk-related matters authorized by the Board of Directors.

Article 6 Convening and Meeting

- I. The Committee shall meet at least twice a year and may convene extraordinary meetings when necessary.
- II. The convener shall be responsible for convening and presiding over meetings. In the event the convener is unable to attend, another member may be designated to act on their behalf.
- III. Notices of meetings shall be sent at least seven days in advance and may be delivered in writing, electronically, or by fax.

Article 7 Rules of Meeting Agenda

- I. The meeting agenda shall be set by the convener. Members may propose ad hoc motions.
- II. Committee members shall attend meetings in person. If unable to attend, a member may appoint another member to act as proxy, but



only once.

- III. A quorum shall consist of at least two-thirds of the members, and resolutions shall be passed by a majority vote of the attending members.
- IV. When necessary, internal managers or external experts may be invited to attend meetings to provide explanations.

Article 8 Minutes

- I. Meeting minutes shall record the date, time, venue, chairperson, attendees, matters discussed, and resolutions reached.
- II. Minutes shall be signed by the chairperson and the recorder and delivered to all members within 20 days after the meeting for record-keeping.
- III. Attendance sheets and audio/video recordings (if any) shall be considered part of the meeting record.

Article 9 Recusal in Case of Stakeholders

If a member has a personal interest in any agenda item, they shall proactively disclose the conflict and recuse themselves from the discussion and voting.

Article 10 Professional Consultation

The Committee may resolve to appoint experts to provide consulting services. The costs of their services shall be borne by the Company.

Article 11 Implementation and Amendment

The Charter will be implemented after adoption by resolution of the Board of Directors, same as amendment.