

ThinTech Materials Technology Co., Ltd.
Risk Management Policies and Procedures

Chapter 1. General Provisions

Article 1

In order to enhance the company's sound operation and sustainable development, and to establish a sound risk management mechanism to reasonably ensure the achievement of the company's strategic objectives, the company has established a risk management team of the "Sustainable Operation and Risk Management Committee" in accordance with Article 27 of the "Code of Conduct for the Governance of Listed Companies" and formulated risk management policies and procedures for compliance.

Article 2

This regulation serves as the basis for the implementation of risk management at all levels of the company. Unless otherwise stipulated by law or company rules/standards, risk management and implementation at all levels of the company shall be conducted in accordance with this regulation.

Chapter 2. Risk Management Policies and Scope

Article 3 Our Company's risk management policy is as follows:

1. Construct and maintain an effective risk management framework to ensure the integrity of risk management operations and implement checks and balances mechanisms to improve the efficiency of division of labor.
2. Establish a sound risk identification, measurement, supervision and control mechanism to keep risks within the company's acceptable range, achieve the goal of rationalizing risks and rewards, and continuously enhance corporate value.
3. Establish communication channels and conduct appropriate risk communication and consultation with internal and external stakeholders to ensure the continued applicability and effective operation of risk management.
4. Cultivate a risk management culture and enhance risk management awareness in order to fully implement risk management.

Article 4

The following are the key risks involved in the various business operations of our company:

- I. Operational Risks: These refer to the risks that uncertainties in the company's production and operation may affect the company's normal operations, including but not limited to the following risks:
 - (1) Production risks, including risks related to major equipment investment, capacity scheduling, public utilities, equipment maintenance, and industrial safety.

- (2) Sales risks.
- (3) Supply chain risks.
- (4) Technological risks.
- (5) Risks related to intellectual property rights and patents.
- (6) Risks of reinvestment.
- (7) Human resource risks.
- (8) Community relations risks.

II. Financial Risks

III. Information Security Risks

IV. Environmental Risks

V. Legal Compliance Risks

VI. Other Risks: These refer to risks not listed above that could cause losses to the Company.

Appropriate risk assessment procedures should be established based on the characteristics and extent of the risk.

Chapter 3 Risk Management Organizational Structure and Business Execution

Article 5

Our company's risk management organizational structure includes the board of directors, risk management team, audit department, and business execution units.

I. Board of Directors

The Board of Directors is the highest decision-making body for risk management in the Company and bears ultimate responsibility for the Company's overall risk. The Board of Directors is responsible for approving risk management policies and key risk management systems, and for overseeing the implementation of these systems to ensure the effective operation of the risk management mechanism.

II. Risk Management Team of the "Sustainability and Risk Management Committee"

The Risk Management Team of the "Sustainability and Risk Management Committee" assists the Board in fulfilling its risk management responsibilities, reviewing various risk management issues, and assisting in the execution of its risk management duties. The Risk Management Team is responsible for overall risk management matters, including preparing risk management reports, integrating and coordinating common risk management issues across departments, communicating and advocating important risk management matters, and implementing and tracking various risk management resolutions delivered by the Board or the "Sustainability and Risk Management Committee".

III. Audit Office

The Audit Office reports to the Board of Directors and assists the Board and management in examining and reviewing deficiencies in internal control systems and measuring operational effectiveness and efficiency. Each year, based on risk assessment results, an annual audit plan is developed, and the audit results are regularly reported to the Audit Committee and the Board of Directors.

IV. Business Execution Unit

Each business execution unit is the direct unit for the initial discovery, assessment, and control of risks. The head of the business execution unit bears risk management responsibility, and is responsible for supervising and controlling relevant risks within their unit to ensure that the company's risk management system can completely and effectively control relevant risks.

Chapter 4 Risk Management Procedures

Article 6

Our company's risk management procedures include processes for identifying, measuring, responding to, monitoring, and reporting various risks.

Article 7

When identifying risks, our company should analyze the operating environment and cover all business and operational activities, and manage various risks qualitatively or quantitatively.

Article 8

When our company and business units assess and identify potential sources of risk, they should consider both external and internal environmental factors.

Article 9

After identifying the risks it may face, the company should establish appropriate measurement methods for different types of risks as a basis for risk management.

Article 10

Risk measurement includes risk analysis and assessment. The measurement should be carried out through quantitative, qualitative or semi-quantitative analysis methods, with the main consideration being the ability to effectively reflect the relevant risks.

Article 11

After assessing and summarizing the risks, each business unit should take the following measures to respond appropriately to the risks it faces, so as to keep the risks under control to an acceptable level.

1. Risk avoidance: Avoid engaging in activities that may generate risks.
2. Risk Reduction: Taking measures to reduce the impact of a risk after it occurs and/or the likelihood of it occurring.
3. Risk transfer: This involves transferring some or all of the risk to another party.
4. Risk Bearing: No measures will be taken to change the likelihood of the risk occurring or

its impact.

Article 12

Each business unit shall monitor the risks of its business in accordance with its responsibilities and the nature of its business. In the event of any major or unusual risk, it shall immediately report the risk and propose countermeasures. It shall also submit major risk management reports to the “Sustainable Operation and Risk Management Committee” on a regular basis. After review, the committee shall report the risk status to the board of directors on a regular basis.

Chapter 5 Supplementary Provisions

Article 13

These rules shall come into effect upon approval by the Board of Directors and shall be amended accordingly.

Article 14

Amendments to these regulations (including the Company's risk management policy stipulated in Article 3) may first be drafted by the Risk Management Team regarding the direction or content of the revisions. The draft shall then be submitted to a designated first-level unit for proposal. Following the amendment procedures, the proposal will be reviewed by the Deputy General Manager and General Manager. After approval by the Chairman of the Board, it will be sequentially submitted to the "Sustainable Operations and Risk Management Committee" and the Board of Directors for resolution and implementation.

These organizational regulations shall take effect after approval by the Board of Directors, and the same applies to any amendments.

These organizational regulations were established on July 28, 2021.

First amendment date: October 28, 2025.