

Audit Committee Charter of Far Eastern New Century Corporation (the “Company”)

Last Updated: 2024/03/05

- Article 1 This Charter is adopted pursuant to Article 3 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.
- Article 2 Matters concerning the number, term of office, powers, rules of procedure for meetings, and resources to be provided by the Company when the Audit Committee ("the Committee") exercises its powers shall be handled in accordance with this Charter.
- Article 3 The main function of the Audit Committee is to supervise the following matters:
- 1) Fair presentation of the financial reports of the Company.
 - 2) The hiring (and dismissal), independence, and performance of certificated public accountants of the Company.
 - 3) The effective implementation of the internal control system of the Company.
 - 4) Compliance with relevant laws and regulations by the Company.
 - 5) Management of the existing or potential risks of the Company.
- Article 4 The Committee shall be composed of the entire number of Independent Directors. It shall not be fewer than three persons in number, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise.
- The Independent Director members of the Committee shall serve a 3-year term and may be re-elected to further terms. When the number of the Independent Director members on the Committee falls below that prescribed in the preceding paragraph or in the Articles of Incorporation due to an Independent Director's dismissal for any reason, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the Independent Directors are dismissed en masse, a special shareholders meeting

shall be called within 60 days from the date of the occurrence to hold a by-election to fill the vacancies.

Article 5 The provisions regarding the powers of supervisors in the Securities and Exchange Act, the Company Act, and other laws, shall apply mutatis mutandis to the Committee.

The provisions of Article 14-4, paragraph 4 of the Securities and Exchange Act concerning the provisions of the Company Act that involve the powers of supervisors shall apply mutatis mutandis to the Independent Director members of the Committee.

The matters concerning the representative of the Company as stipulated in Article 213, Article 214, and Article 223 of the Company Act, shall be selected by the Committee in accordance with the procedures specified in Article 8, paragraph 4 of this Charter. The Committee may resolve for members to individually represent or jointly represent the Company in such matters. If representatives are not selected by the procedure thereof, the entire membership shall jointly represent the Company.

Article 6 The powers of the Committee are as follows:

- 1) The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- 2) Assessment of the effectiveness of the internal control system.
- 3) The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
- 4) Matters in which a Director is an interested party.
- 5) Asset transactions or derivatives trading of a material nature.
- 6) Loans of funds, endorsements, or provision of guarantees of a material nature.
- 7) The offering, issuance, or private placement of equity-type securities.
- 8) The hiring or dismissal of a certified public accountant, or their compensation.
- 9) The appointment or discharge of a financial, accounting, or internal audit officer.
- 10) Annual financial reports.

11) Other material matters as may be required by the Company or by the competent authority.

The matters under the preceding paragraph shall be subject to the approval of one half or more of the entire membership of the Committee and shall be submitted to the Board of Directors for a resolution.

Any matter in the paragraph 1, with the exception of subparagraph 10, that has not been approved by one half or more of the entire membership of the Committee may be adopted with the approval of two thirds or more of the entire Board of Directors.

"The entire membership" and "The entire Board of Directors", as used herein, shall be counted as the number of members actually in office at the given time.

The convener of the Committee shall represent the Committee to the public.

Article 7 The Secretarial Department shall be charged with the meeting of the Committee, such as meeting notice, proceeding of meeting and meeting minutes.

The Committee shall convene at least once quarterly. In calling a meeting of the Committee, a notice of the reasons for convening the meeting shall be given to each Independent Director member at least 7 days in advance. In emergency circumstances, however, the meeting may be called on shorter notice. A notice to convene a meeting of the Committee shall be sent to all Independent Directors via postal mail, email or fax.

The meeting of the Committee shall be held at the location and during the business hours of the Company, or at a place and time that is convenient to attendance by all members of the Committee and suitable for convening a meeting of the Committee.

A member of the Committee shall be elected as the convener and meeting chair by and from the entire membership of the Committee. However, if the members of the Committee are unable to elect a convener, the Independent Director receiving the votes representing the largest shares of the voting rights shall serve as the convener.

When the convener is on leave or unable to convene a meeting for any reason, the convener shall appoint another Independent Director member on the Committee as acting convener; if the convener does not make such an appointment, one Independent Director member of the Committee shall be elected by and from the other Independent Director members of the Committee to serve as convener.

Independent Directors constituting one-half or more of the entire membership of the Committee may, by filing a written proposal setting forth the subjects for discussions and the reasons, request the convener to convene the Committee. If the convener fails to convene the Committee within 15 days from the filing of the request, independent Directors constituting one-half or more of the entire membership of the Committee may convene the meeting on their own.

The Committee may request the managers of relevant departments, internal audit officers, certified public accountants, attorneys, or other personnel of the Company to attend the meeting as non-voting participants and provide pertinent and necessary information. However, the participants mentioned above shall leave during the discussion and voting.

When the Committee calls a meeting, it shall furnish the members of the Committee present at the meeting with relevant materials for reference as necessary.

Article 8 When a meeting of the Committee is held, an attendance book shall be made available for signing-in by the Independent Director members in attendance, and thereafter made available for reference.

Independent Director members shall attend meetings of the Committee in person; if an Independent Director member is unable to attend in person, the Independent Director member may appoint another Independent Director member as proxy to attend the meeting. Attendance via telecommunications is deemed as attendance in person.

A member of the Committee that appoints another Independent Director member as proxy to attend a meeting of the Committee shall in each instance issue a written proxy stating the scope of authorization with respect to the items on the meeting agenda.

Resolutions at meetings of the Committee shall be adopted with the approval of one half or more of the entire membership. The result of a vote shall be made known immediately and recorded in writing.

If for a legitimate reason it is impossible to convene a meeting of the Committee, matters that specified in Article 6, paragraph 1, shall be adopted with the consent of two-thirds or more of the entire Board of Directors. Nevertheless, a written opinion indicating approval shall be obtained from each Independent Director member with respect to the matters of annual financial reports under Article 6, paragraph 1, subparagraph 10.

The proxy under paragraph 2 may accept a proxy from one person only.

Article 8-1 When the time of a meeting has arrived and the number of Independent Directors present do not reach one-half of the entire membership of the Committee, the Chairman may announce that the meeting time will be postponed to later on the same day, provided that only two postponements may be made. If the quorum is still not met after two postponements, the Chairman shall reconvene the meeting subject to the procedures specified in Article 7, paragraph 2.

Article 8-2 The Committee shall be conducted in accordance with the order on the agenda as specified in the meeting notice. However, the order may be changed with the consent of one-half or more of the entire membership of the Committee.

Without the consent of one-half or more of the entire membership of the Committee, the Chairman shall not declare to adjourn the meeting.

If at any time during the proceedings of the Committee, the members sitting at the meeting do not reach one-half of the entire membership, then upon motion by an Independent Director sitting at the meeting, the Chairman shall declare a suspension of the meeting, in which case Article 8-1 shall apply mutatis mutandis accordingly.

If at any time during the proceedings of the Committee, the convener is unable to preside over the meeting for any reason or the Chairman fails to

adjourn the meeting as provided in paragraph 2, then the provisions of Article 7, paragraph 5 shall apply mutatis mutandis to the selection of the deputy to act in place thereof.

- Article 9 Discussions at a meeting of the Committee shall be included in the meeting minutes, which shall faithfully record the following:
- 1) The session, time, and place of the meeting.
 - 2) The name of the meeting chair.
 - 3) Attendance by the Independent Director members, including the names and the number of members present, excused, and absent.
 - 4) The names and titles of those attending the meeting as non-voting participants.
 - 5) The name of the minute taker.
 - 6) The matters reported at the meeting.
 - 7) Agenda items: For each proposal, the method of resolution and the result; a summary of the comments of the Independent Director members of the Committee and experts and other persons present at the meeting; the name of any Independent Director who is an interested party as referred to paragraph 1 of Article 10; an explanation of the critical part of personal interest matter; the reasons why the Independent Director was required or not required to enter recusal, and the status of their recusal; and any objections or reservations expressed.
 - 8) Extraordinary motions: The name of the mover; the method of resolution and the result for each motion; a summary of the comments of the Independent Director members of the Committee and experts and other persons present at the meeting; the name of any Independent Director who is an interested party as referred to paragraph 1 of Article 10; an explanation of the critical part of personal interest matter; the reasons why the Independent Director was required or not required to enter recusal, and the status of their recusal; and any objections or reservations expressed.
 - 9) Other matters required to be recorded.

The attendance book constitutes part of the minutes for each meeting of the Committee. The minutes of a Committee meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each Independent Director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.

The meeting minutes of paragraph 1 may be produced and distributed in electronic form.

Article 9-1 The meeting process shall be preserved as audio or video record for at least 5 years. The aforesaid record may be preserved in electronic form.

If a litigation with respect to the resolution at meetings of the Committee occurs prior to expiration of the term specified in preceding paragraph, the audio or video record shall be preserved until the litigation ends.

If the meetings are convened via telecommunications, the videos constitute part of the minutes for each meeting of the Committee, and shall be appropriately preserved during the existence of the Company.

Article 10 An Independent Director member of the Committee who has a personal interest with respect to a given agenda shall explain to the Committee the critical part of such interest; If such interest is likely to prejudice the interests of the Company, such Independent Director shall not join discussion, vote nor exercise the voting right on behalf of another Independent Director, and shall recuse himself or herself during the discussion and voting.

Where the spouse, a blood relative within the second degree of kinship of an Independent Director has interests in the matters under discussion in the meeting of the preceding paragraph, such Independent Director shall be deemed to have a personal interest in the matter.

If, for the reason stated in paragraph 1, an agenda item cannot be resolved at a meeting of the Committee, it shall be reported to the Board of Directors, which shall resolve on the item.

Article 11 The Committee may resolve to retain the service of an attorney, certified public accountant, or other professionals to provide advice with respect to matters in connection with Article 6. The costs of their services shall be borne by the Company.

Article 12 The Committee members shall exercise the due care of a good administrator and faithfully perform the duties prescribed in this Charter; they shall be accountable to the Board of Directors and shall submit their proposals to be

resolved by the Board.

- Article 13 The execution of tasks relating to resolutions adopted by the Committee may be delegated to the convener or other Committee members for follow-up, with a written or verbal report to be presented to the Committee during the implementation period. When necessary, the matter shall be presented for ratification or a report made at the next meeting of the Committee.
- Article 14 This Charter, and any amendments hereto, shall come into in force after adoption by a resolution of the Board of Directors.

**In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*