

# **King Yuan Electronics Sustainable Development Committee Charter**

## **Article 1**

For the purpose of implementing sustainable development goals and strengthening sustainable governance, pursuant to Article 27, Paragraph 3 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," and Article 9, Paragraph 1 of the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," the Company hereby establishes a Sustainable Development Committee (hereinafter referred to as "the Committee"), and the charter the Committee (hereinafter referred to as the "Charter") for compliance.

## **Article 2**

Matters concerning the number, term of office, duties, rules of procedure for meetings, and resources to be provided by the Company when the Committee exercises its powers, unless otherwise provided by laws and regulations, or the Articles of Incorporation, shall be handled in accordance with the Charter.

## **Article 3**

The Company shall disclose the contents of the Charter on its official website and the Market Observation Post System for inquiry.

## **Article 4**

The number of Committee members shall not be less than three, and they shall be appointed by a resolution of the Board of Directors. The Committee members shall have professional knowledge and abilities in corporate sustainability, and at least one director shall participate in supervision.

Depending on the size of the Company, the nature of the industry, or other conditions for sound sustainable development management, the Committee may establish a dedicated (part-time) sustainable development unit, and may appoint a senior management as the Chief Sustainability Officer (CSO) to ensure the promotion of the Company's sustainable development.

The CSO or the person with equivalent position may form cross-departmental teams to execute sustainable development affairs based on the needs of each department's sustainable development requirements.

## **Article 5**

The term of office of the Committee members shall be, in principle, aligned to the term of the Board of Directors, and they shall be eligible for re-election.

If a Committee member is dismissed for any reason and the number of Committee members is less than three, re-appointment shall be made at the latest Board meeting.

## **Article 6**

In accordance with the authorization of the Board of Directors, the Committee shall exercise the care of a good administrator to faithfully perform the following duties and report to the Board of Directors:

- I. Formulate, promote and strengthen the Company's sustainable development policies, annual plans and strategies, etc.
- II. Review, follow up and revise the implementation of sustainable development and the effectiveness thereof.
- III. Supervise sustainability information disclosure and review the Sustainability Report.
- IV. Supervise the implementation of the Company's sustainable development regulations or other sustainable development-related affairs approved by the Board of Directors.

The dedicated (part-time) sustainable development unit shall assist the Committee in implementing various plans, covering the following organizational tasks, and shall report the implementation status to the Committee:

- I. Corporate Governance Team: Responsible for compliance with corporate governance laws, formulation of reasonable remuneration policies and employee performance appraisal systems, education and training, and stakeholder communication mechanisms to achieve the Company's sustainable development goals.
- II. Sustainable Environment Team: Responsible for the environmental management system, compliance with environmental laws and international standards, evaluation of sustainable transformation, improvement of resource utilization, climate change response mechanism, and establishment of dedicated environmental management units or appointment of personnel to achieve the goals of environmental sustainability.
- III. Social Welfare Team: Responsible for human rights management policies and procedures, compliance with human rights-related laws and international standards, etc., establishment of internal and external communication with all members of the organization (e.g., employees, subsidiaries, joint ventures, etc.) and important members of the value chain, assessment of relevant risks and management mechanisms, and promotion of community and cultural development to achieve the goal of sustainable management.
- IV. Information Disclosure Team: Responsible for sustainable information management policies, compliance with relevant laws and international standards on sustainable information disclosure, etc., and full disclosure of relevant and reliable sustainable information to enhance transparency of sustainable information.

The cross-departmental team executes operations prescribed in the preceding paragraph, compiles execution plans or other sustainability-related matters, and reports the execution results to the dedicated (part-time) sustainable development unit or the Committee.

The Committee shall convene a meeting at least once a year, and may call a meeting at its discretion whenever necessary.

In convening a Committee meeting, a notice setting forth the subjects to be discussed at the meeting shall be given to each Committee member at least seven days in advance. However, exceptions apply in the case of emergencies. Notice for meeting may be given in writing or electronically.

One member shall be elected as the convener and meeting chair by and from among the Committee members. When the convener goes on leave, or for any reason whatsoever, is unable to convene a meeting, the meeting shall be convened by another member designated by the convener. If no such designation is made, the meeting shall be convened by another member elected by and from among the Committee members.

The Committee may request relevant department officers of the Company, internal auditors, certified public accountants, legal counsels, or other personnel with sustainable development expertise to attend the meeting as nonvoting participants and provide pertinent and necessary information.

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

#### Article 8

The Committee's meeting agenda shall be drafted by the convener. Other Committee members may also make proposals for discussion. The meeting agenda should be provided to the Committee members in advance.

When a Committee meeting is held, the Company shall prepare an attendance book for signature by attending members and thereafter keep it available for future reference.

All Committee members shall attend Committee meetings in person; a member who cannot attend in person may appoint another member to attend as their proxy. Attendance via tele- or video-conference is deemed as attendance in person.

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

A proxy appointed as per paragraph 3 may accept a proxy representation from one person only.

#### Article 9

Unless otherwise provided by laws and regulation, the Articles of Incorporation, or company regulations, resolutions at the Committee meetings shall be adopted with the consent of one half or more of all members. Resolutions in which no members express objection when the Committee Chair inquires will be deemed approved. The approval shall be deemed to have the same effect as voting. The outcome of a vote shall be announced on site and recorded in writing.

## Article 10

If a Committee member has a personal interest in any agenda item, he or she shall explain the essential content of the interest. If his or her personal interest is likely to prejudice the interest of the Company, he or she may not participate in discussion and voting, and shall recuse him or herself. He or she also may not exercise voting rights as a proxy for any other member. Where the spouse or a blood relative within the second degree of kinship of a Committee member is an interested party with respect to an agenda item, such member shall be deemed to be an interested party with respect to that agenda item. Where a matter is unable to be resolved at a Committee meeting for the reason stated in paragraphs 1, the fact shall be reported to the Board of Directors and the matter shall be resolved by the Board instead.

## Article 11

Discussions at a Committee meeting shall be included in the meeting minutes, which shall faithfully record the following:

- I. Session (or year), time, and place of meeting.
- II. Name of the meeting chair.
- III. Members' attendance, including the number and names of attendants, absentees, and those who are on leave of absence.
- IV. Names and titles of those attending the meeting as nonvoting participants.
- V. Name of minutes taker.
- VI. Reporting items.
- VII. Discussion items: The method of resolution and result for each motion; name of the member(s) who is an interested party as referred to in the preceding article, explanation of the material facts of the interest the member has, the reason why the member should or should not recuse him or herself and whether or not the member has recused; and any objections or reservations expressed by Committee members.
- VIII. Extraordinary motions: The name of the mover; the method of resolution and result for each motion; a summary of the comments of the Committee members and experts and other persons present at the meeting; name of the member(s) who is an interested party as referred to in the preceding article, explanation of the material facts of the interest the member has, the reason why the member should or should not recuse him or herself and whether or not the member has recused; and any objections or reservations expressed by Committee members.
- IX. Other items to be stated.

The attendance book forms a part of the minutes. Where a Committee meeting is held by video conference, the audio or video documentation of the meeting constitutes part of the meeting minutes.

The minutes of a Committee meeting shall bear the signature or seal of both the meeting chair and the minutes taker, and a copy shall be distributed to each Committee member within 20 days after the meeting, and submitted to the Board of Directors to be preserved as important company records. The preservation period shall be five years. The production and distribution of the meeting minutes may be done in electronic form.

Before the preservation period referred to in the preceding paragraph expires, if any litigation arises in connection with a resolution of a Committee meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.

#### Article 12

The execution of resolutions relating to duties prescribed in Article 6 adopted by the Committee, or appointment by resolutions of professionals for subsequent undertaking as prescribed in Article 13 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. The matter shall be submitted in the next Committee meeting for approval or reporting if necessary.

#### Article 13

The Committee may, on behalf and at the cost of the Company, engage an attorney, certified public accountant, or other professional by resolution to conduct a necessary audit or provide consultation with respect to any matter related to the exercise of the Committee's powers.

#### Article 14

The Charter shall take effect after the resolution and approval of the Board of Directors. The same applies to all subsequent amendments.