

Inventec Corporation
Risk Management Policies and Procedures
Chapter 1: General Provisions

Article 1: Purpose and Basis of Establishment

To establish a comprehensive risk management system and ensure stable business operations aligned with corporate sustainability goals, the company has formulated its risk management policies and procedures by referencing the 'Corporate Risk Management Best Practice Principles for Listed and OTC Companies' and the 'IFRS Sustainability Disclosure Standards' among other relevant regulations. This policy aims to enhance risk and opportunity management effectiveness and achieve corporate objectives.

Article 2: Risk Management Objectives

Through a comprehensive risk management framework, the company manages risks and opportunities that may impact the achievement of corporate objectives or are reasonably expected to influence its outlook. Risk management is integrated into daily operations and management processes to achieve the following goals:

1. Efficient resource allocation.
2. Provision of reliable information.
3. Enhancement of management efficiency.
4. Achievement of corporate objectives.

Article 3: Risk Governance and Culture.

The company integrates risk and opportunity management into its strategy and objectives through the participation of the Board of Directors, the Sustainability Development Committee, and senior management. This approach establishes key corporate risk and opportunity priorities, enhances the comprehensiveness, foresight, and integrity of risk and opportunity identification results, and ensures the dissemination and implementation of corresponding control and response strategies to reasonably support the achievement of corporate strategic goals.

The company shall promote a top-down risk management culture by establishing clear risk management statements and commitments, supporting the Risk Governance Team, and providing risk management training to all employees. These measures ensure that risk awareness is embedded into daily decision-making and operational activities, fostering a comprehensive corporate risk management culture.

The company shall value and support risk management by allocating appropriate resources to ensure its effective operation and taking responsibility for its successful implementation.

Chapter 2: Risk Management Organizational Structure and Responsibilities

Article 4: Risk Management Framework and Responsibilities

The company's risk management organizational structure includes the Board of Directors, the Sustainability Committee, the Risk Governance Team, operational units (including dedicated task forces), and the Audit Center.

The responsibilities are as follows:

1. Board of Directors: The highest governing body for risk and opportunity management, responsible for:
 - (1) Approving policies, procedures, and frameworks;
 - (2) Ensuring operational strategy alignment with corporate policies;
 - (3) Establishing appropriate management mechanisms and culture;
 - (4) Supervising and ensuring the effective operation of the overall management system;
 - (5) Allocating and assigning sufficient and appropriate resources to ensure effective management operations.
2. Sustainability Development Committee: The supervisory committee for risk and opportunity management, responsible for:
 - (1) Reviewing management policies, procedures, and frameworks;
 - (2) Reviewing and confirming risk appetite (risk tolerance) and risk/opportunity measurement standards;
 - (3) Ensuring the effectiveness of management mechanisms and integration with daily operations;
 - (4) Approving control priorities and levels;

- (5) Reviewing management execution status and reporting to the Board of Directors at least once annually;
 - (6) Implementing relevant management decisions from the Board of Directors.
3. Risk Governance Team: Led by the highest-level executive of the finance department, comprising representatives from various departments, responsible for:
- (1) Developing management policies, procedures, and frameworks;
 - (2) Establishing risk appetite (risk tolerance) and defining qualitative and quantitative risk/opportunity measurement standards;
 - (3) Identifying sources and categories of corporate risks and opportunities and reviewing their applicability;
 - (4) Consolidating and reporting the company's management execution status at least once annually;
 - (5) Assisting and supervising departmental management activities while coordinating interdepartmental interactions and communication;
 - (6) Implementing risk and opportunity management decisions from the Board of Directors and Sustainability Development Committee;
 - (7) Planning relevant training programs.
4. Operational Units (including dedicated task forces): Responsible for:
- (1) Identifying, analyzing, assessing, and responding to risks and opportunities within their respective units and establishing crisis management mechanisms if necessary;
 - (2) Regularly reporting risk and opportunity management information;
 - (3) Ensuring the effective execution of risk and opportunity management and related control procedures to comply with risk management policies;
 - (4) Collecting financial data related to risk and opportunity response actions.
5. Audit Center: Responsible for:
- (1) Referring to risk identification and assessment results to develop annual audit plans;
 - (2) Evaluating the effectiveness of internal control systems related to risk management and providing recommendations.

Chapter 3: Risk Management Procedures

Article 5: Risk Management Procedures and Execution Basis

The company's risk management procedures include the steps of objective setting and strategic planning, risk/opportunity identification, risk/opportunity analysis, risk/opportunity assessment, risk/opportunity response, and risk/opportunity supervision and review. Additionally, the company shall establish risk appetite and risk/opportunity measurement standards as the basis for analysis, assessment, and response execution.

Article 6: Objective Setting and Strategic Planning

Each year, departments shall review their objectives and strategic planning to ensure alignment with the company's vision and mission. They shall formulate strategies through feasible methods such as information gathering, research, and assessment.

Article 7: Risk/Opportunity Identification

Each operational unit shall identify risks and opportunities based on corporate strategic objectives and in accordance with the company's risk management policies and procedures within their respective areas of responsibility.

Risk and opportunity identification may utilize various feasible analytical tools and methods, leveraging past experiences and data while considering internal and external risk factors, stakeholder priorities, and value chain implications. A comprehensive identification process should also assess the time horizon in which risks and opportunities may materialize (short-term, mid-term, and long-term).

The company's sources of risks and opportunities include strategic, operational, financial, compliance, and other categories, with sustainability considerations incorporated. Each category may be further subdivided as necessary to meet management requirements.

Article 8: Risk/Opportunity Analysis

For identified risk and opportunity events, their nature and characteristics should be assessed while considering existing control measures, past experiences, industry cases, and their anticipated impact on financial position, financial performance, and cash flow. Risk assessment personnel shall analyze the probability and impact of such events based on risk/opportunity measurement standards.

Article 9: Risk/Opportunity Assessment

The results of the risk/opportunity analysis in the previous article shall be prioritized to determine the risk/opportunity events that require immediate attention. Subsequently, response plans shall be formulated and executed accordingly.

Article 10: Risk/Opportunity Response

For risk and opportunity events that require response based on evaluation results, the company should consider corporate strategic objectives, stakeholder perspectives, risk appetite, available resources, and cost-effectiveness when selecting response measures. The response plan should outline the corresponding actions, responsible units, resource requirements, and implementation timeline while ensuring that relevant personnel fully understand and execute the plan with ongoing monitoring of its effectiveness.

Risk and opportunity response actions should be integrated with key organizational processes to enable effective supervision and implementation.

Article 11: Risk/Opportunity Supervision and Review

For significant risks and opportunities that require response based on evaluation results, the responsible department shall establish an appropriate supervision mechanism.

The Risk Governance Team shall monitor the implementation status of response plans, risk trends, and mitigation strategies, ensuring proper documentation and retention. The recorded information shall be reviewed by the convener of the Risk Governance Team and serve as the basis for subsequent operations.

Chapter 4: Risk Reporting and Disclosure

Article 12: Risk/Opportunity Record and Reporting

The company shall document, review, and report the execution process and outcomes of risk and opportunity management, ensuring proper retention for future reference.

The company should consider the information needs and requirements of various stakeholders, reporting frequency and timeliness, reporting methods, as well as the relevance of information to organizational objectives and decision-making. This will assist senior management and governance units in making relevant decisions and fulfilling their management responsibilities.

The Risk Governance Team shall consolidate risk and opportunity management information provided by different units, regularly prepare management reports for the Sustainability Development Committee and the Board of Directors, and establish a dynamic management and reporting mechanism to effectively supervise the implementation of risk management.

Article 13: Information Disclosure

In addition to disclosure in accordance with applicable laws, standards, and relevant regulations through the annual report, sustainability report, or other public information platforms, the company's risk and opportunity management information shall also be disclosed on the corporate website and continuously updated. The specific disclosure items include the risk management policies and procedures, the risk governance and management organizational framework, as well as the implementation and execution of risk management operations.

Chapter 5: Supplementary Provisions

Article 14: Approval and Amendments

This policy and procedure shall be implemented upon approval by the Board of Directors, with any amendments following the same process.

The policy and procedure were established on May 14, 2024.

The first revision of this policy and procedure was made on May 13, 2025.