

Inventec Corporation
Risk Management Policies and Procedures

Chapter I General Provisions

Article 1 Purpose and Accordance

To establish a comprehensive risk management system for the Company, to operate the business prudently and move towards the goal of sustainable development, the Company has formulated the risk management policy and procedures in accordance with the relevant provisions of the "Risk Management Practice Principles for TWSE/TPEX Listed Companies", to enhance the effectiveness of risk management and achieve corporate objectives.

Article 2 Objectives

The Company, through a comprehensive risk management framework, manages various risks that may affect the achievement of corporate objectives, and integrates risk management into daily operations and management processes to achieve the following goals:

1. Effective resource allocation
2. Providing reliable information
3. Enhancing management effectiveness
4. Achieving operational objectives

Article 3 Risk Governance and Culture

The Company, through the participation of the Board of Directors, the Sustainable Development Committee, and senior management, links risk management with the Company's strategy and objectives, sets the significant risk items, enhances the comprehensiveness, foresight, and integrity of risk identification results, and promotes corresponding risk control and response measures to reasonably ensure the achievement of the Company's strategic objectives.

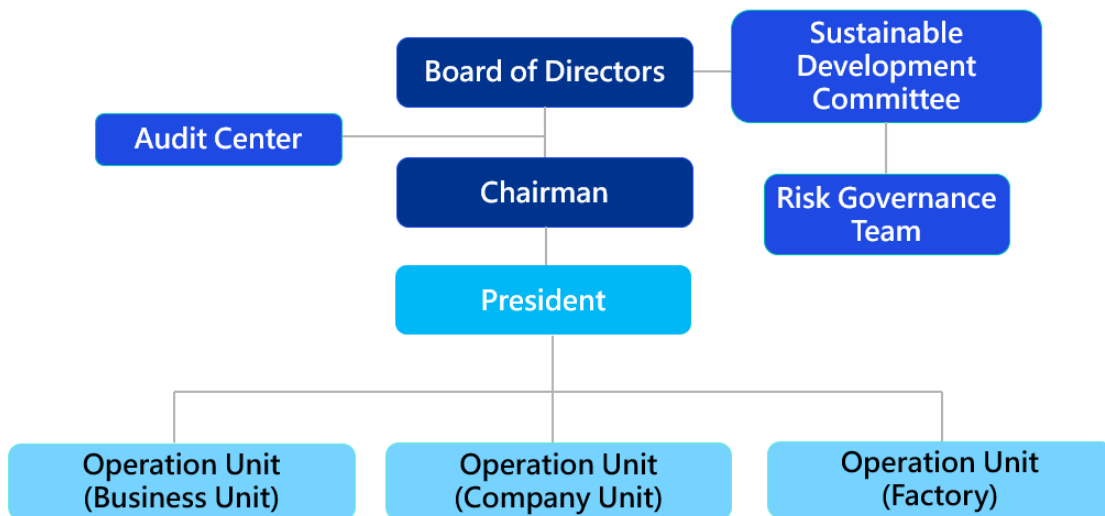
The Company should promote a top-down risk management culture, integrating risk management awareness into daily decision-making and operational activities through clear risk management statements and commitments, establishing and supporting the Risk Governance Team, and providing all employees with risk management-related training, thereby shaping a comprehensive enterprise risk management culture.

The Company should value and support risk management, provide appropriate resources for its effective operation, and be responsible for the effective operation of risk management.

Chapter II Risk Management Framework and Responsibilities

Article 4 Framework and Responsibilities

The risk management structure includes the Board of Directors, the Sustainable Development Committee, the Risk Governance Team, various Operation Units, and the Audit Center:



Responsibilities and Duties:

1. **Board of Directors:** possesses the highest responsibility for risk management including:
 - 1.1 Approving risk management policies, procedures, and frameworks.
 - 1.2 Ensuring that operational strategies are consistent with risk management policies.
 - 1.3 Ensuring that appropriate risk management mechanisms and a risk management culture are established.
 - 1.4 Supervising and ensuring the effective operation of the overall risk management mechanism.
 - 1.5 Allocating and assigning sufficient and appropriate resources to enable effective risk management.
2. **Sustainable Development Committee:** oversees risk management, with responsibilities including:
 - 2.1 Reviewing risk management policies, procedures, and frameworks.
 - 2.2 Reviewing and confirming risk appetite (risk tolerance) and risk analysis measurement standards.
 - 2.3 Ensuring the effectiveness of risk management mechanisms and their integration with daily operational processes.

- 2.4 Approving the priorities and risk levels for risk control.
- 2.5 Reviewing the implementation of risk management and reporting to the Board of Directors at least once a year.
- 2.6 Executing the Board of Directors' risk management decisions.
- 3. **Risk Governance Team:** convened by CFO (or the highest executive in the finance unit) and composed of representatives from each department, with responsibilities including:
 - 3.1 Formulating risk management policies, procedures, and frameworks.
 - 3.2 Establishing risk appetite (risk tolerance) and developing both qualitative and quantitative risk analysis measurement standards.
 - 3.3 Defining the sources and categories of company risks and reviewing their applicability.
 - 3.4 Compiling and reporting on the company's risk management implementation at least once a year.
 - 3.5 Assisting and supervising the execution of risk management activities in each department and coordinating inter-departmental interactions and communications.
 - 3.6 Implementing the risk management decisions of the Board of Directors and the Sustainable Development Committee.
 - 3.7 Planning risk management-related training.
- 4. **Operation Units:** The main responsibilities include:
 - 4.1 Being responsible for risk identification, analysis, evaluation, and response, and establishing related crisis management mechanisms when necessary.
 - 4.2 Regularly reporting risk management information to the Risk Governance Team.
 - 4.3 Ensuring the effective execution of risk management and related control procedures within their units to comply with the risk management policy.
- 5. **Audit Center:** The main responsibilities include:
 - 5.1 Planning the annual audit plan based on risk identification and assessment results.
 - 5.2 Evaluating the effectiveness of internal control systems related to risk management and providing recommendations.

Chapter III Risk Management Procedures

Article 5 Risk Management Process and Execution Basis

The risk management process includes steps such as goal setting and strategic planning, risk identification, risk analysis, risk evaluation, risk response, and risk monitoring and review. The Company should establish risk appetite and risk analysis measurement standards as the basis for executing risk analysis, evaluation, and response.

Article 6 Goal Setting and Strategic Planning

Each department should review whether their goals support the achievement of the Company's vision and mission when setting goals and conducting strategic planning annually, which been formulated through feasible methods such as information collection and analysis evaluation.

Article 7 Risk Identification

Each Operation Unit should conduct risk identification for their business operations based on the Company's strategic objectives and this risk management policy and procedures.

Risk identification can use various feasible analysis tools and methods, based on experience and information, and consider internal and external risk factors, stakeholders' focus points, etc., to comprehensively identify potential risk events that may prevent the achievement of company goals, cause company losses, or have negative impacts.

The Company's risk sources include five major categories: strategic risk, operational risk, financial risk, compliance risk, and other risks, each of which can be further subdivided into subcategories according to actual management needs.

Article 8 Risk Analysis

For identified risk events, their nature and characteristics should be understood, and considering existing related control measures, experiences, industry cases, etc., risk assessors should analyze the probability and impact of risk events based on risk analysis measurement standards to calculate risk values.

Article 9 Risk Evaluation

The results of the risk analysis in the previous article should be compared with the risk appetite (risk tolerance) to determine the risk events that need to be prioritized. Subsequent risk responses should be planned and executed based on the risk level.

Article 10 Risk Response

For risk events where the risk assessment results exceed the risk tolerance, the risk response method should be selected considering the enterprise's strategic objectives, stakeholders' perspectives, risk appetite, available resources, and cost-effectiveness. An action plan, responsible units, resource requirements, and implementation schedule should be formulated,

and it should be ensured that relevant personnel fully understand and execute the plan, and the implementation situation is continuously monitored.

Article 11 Risk Supervision and Review

Significant risks through the risk assessment process should be monitored by the responsible departments with appropriate risk trend monitoring mechanisms.

The Risk Governance Team should hold quarterly risk management meetings to review and track the implementation of risk responses, risk trends, and countermeasures, and keep records for review, serve as the basis for subsequent operations.

Chapter IV Risk Reporting and Disclosure

Article 12 Risk Recording and Reporting

The Company should record, review, and report the risk management processes and results, and retain them properly for future reference.

The Company should consider the information needs and requirements of different stakeholders, reporting frequency and timeliness, reporting methods, and the relevance of information to organizational goals and decision-making, to assist senior management and the governing bodies in making related risk decisions and fulfilling their risk management responsibilities.

The Risk Governance Team should compile risk information provided by various Operation Units, regularly issue risk management-related reports to the Sustainable Development Committee and the Board of Directors and establish dynamic management and reporting mechanisms to ensure the effective supervision of risk management.

Article 13 Information Disclosure

In addition to disclosing relevant information as required by the regulatory authorities, the Company should disclose the following information on the Company's website or the Market Observation Post System, and keep it updated continuously. The disclosure items include risk management policies and procedures, risk governance and organizational management, and the execution of risk management.

Chapter V Supplementary Provisions

Article 14 Implementation and Amendments

This policy and procedure were implemented after being approved by the Board of Directors, and the same applies to amendments.

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