Title：Policies and Procedures for Risk Management of Taiwan Secom Co., Ltd.
Date: 2021.11.11 (Formulation and approved by the board of directors)

Article 1 (Purpose)

These Policies and Procedures for Risk Management (hereinafter referred to as "the Policies") are formulated as the guiding principles for risk management to ensure the robust operation of TAIWAN SECOM CO., LTD. and its subsidiaries (hereinafter referred to as "the Company"), improve the corporate governance, and implement the risk management and supervision function of the board of directors with sustainable operation as the priority of business operation of the Company.

Article 2 (Legal Basis)

The legal basis of these Policies is Article 44 of Regulations Governing Establishment of Internal Control Systems by Public Companies, which state that "A public company is advised to adopt appropriate risk management policies and procedures, and establish effective risk management mechanisms, to assess and monitor its risk-bearing capacity, and the current status of risk already incurred, and to determine its compliance with the risk response strategies and risk management procedures".

Article 3 (Scope of Risk Management)

These Policies apply to the Company's risk management operations at all levels. In a proactive and cost-effective manner, the Company integrates and covers material risks encountered in the course of operating activities, including but not limited to governance risks, strategic risks, operational risks, financial risks and compliance risks. In addition to complying with relevant laws and regulations, the relevant matters shall also be handled in accordance with these Policies.

Article 4 (Definition of Risk Management)

Risk management refers to taking sustainable operation as the priority of the Company's operations, identifying material potential risks and formulating corresponding risk control and response mechanisms, so as to keep the matters within the controllable range and not exceed the Company's risk appetite, minimize the impact of risks, and reasonably ensure the achievement of the Company's goals.
Risk appetite refers to the amount of risk the Company is willing to accept when pursuing its goals, which is defined by the Risk Management Committee with the purpose of urging the risk tolerance level of each unit to be consistent with the Company's strategic objectives, and ensuring that the Company's overall risk appetite remains within the acceptable range.

Article 5 (Organizational Structure and Responsibilities of Risk Management)

1. Board of Directors: The top supervisory unit of the Company's risk management which is responsible for approving the risk management policy, structure and

culture.

2. Corporate Governance Committee: The top guiding unit of the Company's risk management, which is responsible for formulating risk management policies, planning material risk management matters, defining the Company's risk appetite and prioritizing of risk materiality, and supervising the improvement of risk monitoring, and regularly report to the board of directors at least once a year on the operation status and implementation results of risk management.
3. Executive Secretary: Responsible for the implementation, promotion and coordination of the Company's risk management activities, including convening risk management committee meetings, assisting the risk management committee in formulating risk management policies and procedures, communicating risk information with each operating unit, and collecting and integrating the risk management reports of each operating unit and other matters designated by the Risk Management Committee.
4. Each Operating Unit: Responsible for the actual implementation of the risk plan of each unit, including risk identification, risk analysis, risk assessment, risk response and control, and self-supervision. Each operating unit shall report to the Risk Management Committee on a regular basis or when required by the Risk Management Committee the implementation status of risk management for various risks.
5. Internal Audit Office: The independent unit under the structure of the Company's board of directors, which assists the board of directors in supervising the implementation of the risk management mechanism, examining the implementation of risk response and control of each operating unit, and providing suggestions for improvement of risk monitoring.

Article 6 (Risk Management Organizational Chart)

Article 7 (Risk Management Process)

1. The risk management process consists of the following seven operations:
   Risk awareness establishment,
   Risk identification,
   Risk analysis,
   Risk assessment,
   Risk response and control,
   Risk monitoring,
   Risk management reports.

2. Risk awareness establishment:

2.1 In order to improve the understanding of the supervisors and staff of the Company's departments and units on the company's risk management policies, procedures and risk identification, etc. The Company shall hold risk management education training, seminars or briefing sessions for the supervisors and staff of the Company's departments and units.

3. Risk identification:

3.1 Each operating unit shall analyze the Company's operating environment, potential risk scenarios and its possible impact on operations, perform risk inventory operations, and identify risks that affect the Company's strategies and goals.

3.2 Each operating unit shall report the sudden risk to the executive secretary immediately to avoid omission of material risk events.

4. Risk analysis:

4.1 After identifying risks, each operating unit shall use relevant information to determine the degree of impact of risks and the possibility of events, so as to determine the risk levels.

5. Risk assessment:

5.1 Risk assessment refers to comparing the results of risk analysis with the risk appetite or risk acceptability threshold set by the Company, and the setting of risk prioritizing. The results of the risk assessment shall be used as the basis for further risk response and control.

6. Risk response and control:

6.1 Risk response refers to planning and evaluating risk response plans, and developing and implementing risk response plans.

6.2 Risk control refers to formulating relevant policies and procedures according to risk response plans integrated into internal control activities.

6.3 The executive secretary shall assist in cross-departmental risk response and control communication, and analyzing the opportunities and benefits that can be obtained by properly implementing the control plans.

7. Risk monitoring:

7.1 The Risk Management Committee shall continuously monitor the effectiveness of the operating unit's implementation of risk response and control in response to changes of the environment.

7.2 The internal audit office shall conduct audits on the implementation of internal control to ensure the effectiveness of internal management processes.

8. Risk management reports:

8.1 Each operating unit shall submit risk management reports to the executive secretary on a regular basis, and the Executive Secretary regularly and proactively reports to the

Risk Management Committee, and the Risk Management Committee shall report to the Board of Directors on a regular basis or as required, which would serve as a basis for assessing the effectiveness of risk management and improvement of control.

IV. Approval of Amendments

Article 8 (Implementation)

These Policies shall be promulgated and implemented after being approved by the Audit Committee and the board of directors, and the same shall apply to amendments.