

# **Fu Chun Shin Machinery Manufacture Co., Ltd.**

## **Audit Committee Charter**

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 this Corporation 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 this Corporation.
2. The hiring (and dismissal), independence, and performance of certificated public accountants of this Corporation.
3. The effective implementation of the internal control system of this Corporation.
4. Compliance with relevant laws and regulations by this Corporation.
5. Management of the existing or potential risks of this Corporation.

Article 4: The Committee shall be composed of all 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 or positions vacant, 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 of the Act, the Company Act, and any other law regarding supervisors shall apply mutatis mutandis to the committee.

The provisions of Article 14-4, paragraph 4, of the Act concerning provisions of the Company Act that involve the powers of supervisors shall apply mutatis mutandis to the independent director members on the committee.

Resolutions of the committee shall be adopted with the approval of one-half or more of the entire membership of the audit committee. The audit committee convenor shall represent the audit committee to the public.

Persons to represent the company in matters under Articles 213, 214, and 223 of the Company Act shall be selected by the audit committee by the procedure set out in the preceding paragraph. The audit committee may resolve for members to individually represent or jointly represent the company in such matters. If representatives are not selected by the procedure in the preceding paragraph, 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 signed or sealed by the chairman, a manager or an accounting chief, and financial reports for the second quarter audited and attested by a certified public accountant.
11. Other material matters as may be required by this Corporation or by the competent authority.

The matters mentioned in the preceding paragraph, except for Item 10, if not approved by more than half of all Committee members, may be approved by more than two-thirds of all directors, notwithstanding the provisions of the preceding paragraph, and the resolution of the Audit Committee shall be recorded in the minutes of the board of directors' meeting.

"The entire membership," 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 Committee shall convene at least once quarterly, and may call a meeting at its discretion whenever necessary.

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 committee meeting shall be held at the location and during the business hours of the company, or at a place and time convenient to attendance by all audit committee members and suitable for holding an audit committee meeting.

One member shall be elected as the convener and meeting chair by and from among the entire membership of the committee.

However, if the audit committee members are unable to elect a convener, the independent director who received votes representing the largest share of the voting rights shall serve as the convener.

When the convener goes on leave or otherwise for any reason whatsoever is unable to convene a meeting, the meeting shall be convened by another independent director member designated by the convener, or if no such designation is made, by another member elected by and from among the independent director members of the committee.

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

The committee may by resolution request relevant department officers, internal auditors, certified public accountants, legal counsels, or other personnel to attend the meeting as nonvoting participants and provide pertinent and necessary information; provided, they shall leave the meeting when discussion and voting take place.

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 hold an audit committee meeting, matters on the meeting agenda shall be adopted with the consent of two-thirds or more of the entire board of directors. Notwithstanding the foregoing, the matters in

Article 6, paragraph 1, subparagraph 10 of the Act shall still require the opinion of the independent directors indicating their consent.

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

Article 8-1: When the time of a meeting has arrived, if the audit committee members present do not reach one-half of the entire membership, the meeting chair 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 chair may re-call the meeting following the procedures provided in Article 7, paragraph 2.

Article 8-2: An audit committee meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of one-half or more of the entire membership of the audit committee.

The meeting chair may not declare the meeting closed without the approval of one-half or more of the entire membership of the audit committee.

If at any time during the proceedings of an audit committee meeting the members sitting at the meeting do not reach one-half of the entire membership, then upon motion by the independent directors sitting at the meeting, the chair shall declare a suspension of the meeting, in which case the preceding article shall apply mutatis mutandis.

If at any time during the proceedings of an audit committee meeting, the convener for any reason is unable to chair the meeting or the chair fails to declare the meeting closed as provided in paragraph 2, 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; 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; 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 and shall be permanently retained. °

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 this Corporation.

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

Article 10: The Committee's meeting agenda shall be drafted by the convener. Other members may also put forward proposals for discussion by the Committee.

Article 11: Independent directors of the Committee should recuse themselves from discussions and voting on matters in which they have a personal interest that may impair the interests of the company.

If, for the reason stated in the preceding paragraph, 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 12: 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 this Corporation.

Article 13: 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 14: The Committee shall conduct periodic reviews of matters relating to this Charter and present the results for amendment by the board of directors.

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 15: This Charter, and any amendments hereto, shall come into in force after adoption by a resolution of the board of directors.

Article 16: This regulation were enacted on May 13, 2022.

1st amendments hereto were made on May 09, 2025.