

Risk Management System

The Corporate Planning and Systems Development Department is the primary unit to improve and steer the risk management process. The Risk Management Working Committee comprising top executives of all functions is in charge of defining the strategy and targets and monitoring the implementation. Performance reports are submitted to the Risk Management Committee and subsequently to the Board of Directors. In addition, the internal control system has been established to complement the risk management, with the Internal Audit Department being tasked to monitor and control the risk management efficiency and report directly to the Audit Committee.

The Company has established a systematic risk management structure, consisting of:

- 1) Risk management team (RMT)**, which is represented by the management of each function of the Company as a member of the Risk Management Team to jointly conduct risk assessment (Risk management) and risk management plan (Mitigation plan), as well as consider risk factors at both the project and corporate level.
- 2) The Risk Management Committee (RMC)** is a sub-committee of the Company responsible for reviewing and assessing the adequacy and appropriateness of risk management information provided by the Risk Management Team. It carefully evaluates risk management plans for various organizational risk factors and provides additional recommendations for risk assessment and significant risk management to ensure the effectiveness of the Company's overall risk management.
- 3) Joint meetings between the Risk Management Committee (RMC)** and the Audit Committee are held to integrate and align risk management and audit processes, ensuring consistency and mutual support. The risk assessment results at the corporate level and the project level are used as key discussion points to review, monitor, and ensure that risk management measures are comprehensive, sufficient, and effectively implemented across all dimensions.

