ENNOSTAR Inc.

Risk Management Policy and Procedure

Chapter I. General Provisions

Article 1 Purpose and Basis

In order to achieve the goals for sound business administration and sustainable development, the regulations are established in accordance with the Risk Management Best Practice for TWSE/TPEx Listed Companies and Regulations Governing Establishment of Internal Control Systems by Public Companies.

Article 2 Scope of Applicability (hereinafter referred to as the "ENNOSTAR Group")

I. The Company
ENNOSTAR Inc.

II. Important subsidiaries
A dominant company in which the Company directly or indirectly holds a controlling stake, which has been designated as a material subsidiary with the approval of the Chairman of the Board.

III. Subsidiaries
Investees are actual operation of which the ordinary shares are 50% and above owned by the Company directly, or via any subsidiary indirectly.

Article 3 Enterprise Risk Management Goal

The ENNOSTAR Group shall have a sound risk management architecture in place, take into consideration any risks that might affect the achievement of the enterprise's goals, and make any risk that might derive tolerable via the effective identification, analysis, assessment, response, supervision and review mechanisms (risk appetite) when carrying out various business lines, and include the risk management into its operating activities and routine management to achieve the following goals:

1. Achieve the enterprise's goals;
2. Improve the management performance;
3. Provide reliable information;
4. Allocate resources effectively.

Article 4 Enterprise Risk Management Principles

The ENNOSTAR Group shall establish the risk management system in line with the following principles:

1. Integrity:
The risk management constitutes a part of all activities.
2. Structuration and comprehensiveness:
Promotion of the risk management in a structural and comprehensive manner generates consistent and more comparable results.
3. Customization:
Develop an adequate risk management framework and process subject to the enterprise's environment, scale, business characteristics, risk nature and operating activities.
4. Inclusivity:
Take stakeholders' needs and expectations into consideration, and improve and satisfy the stakeholders' knowledge and expectations towards the enterprise risk management.

5. Movement:
   Forecast, monitor, control and respond to changes in the enterprise's internal and external environments adequately and timely.
6. Effective Use of Information:
   Construct the risk management based on the historical and contemporary information and future trends, and provide the information to stakeholders for reference timely and specifically.
7. People and Culture:
   Enhance governance and management units' emphasis on risk management, and improve the enterprise's overall risk awareness and culture via the sound risk management training mechanisms applicable to staff at all levels, and make the risk management constitute a part of the corporate governance and routine operations.
8. Continuous Improvement:
   Continually improve the risk management and related operating procedures through learning and with experience.

Article 5 Review on and Implementation of the Risk Management Policy and Procedure

The ENNOSTAR Group's risk management policy defines various risks based on the Group members' overall business policies to establish the risk management mechanisms for early risk identification, analysis, assessment, response, supervision and review, in order to prevent potential losses within the risk appetite. Subject to the internal and external environmental changes, the Group continues to adjust and improve the risk management best practice principles in order to protect the interests of employees, shareholders, partners and customers, increase the company value, and takes the following actions as the ultimate risk management guidelines:

1. The management shall have the risk management awareness and integrate the risk management into the business strategy and organizational culture.
2. It is necessary to establish the risk management and response mechanisms for risk identification, analysis, assessment, response, supervision and review and define the measurement criteria.
3. It is necessary to establish an adequate risk management system and continue to check and ensure that the system is able to manage the risks assumed by the Group effectively when the Group is promoting various business lines.

Chapter II. Risk Governance and Culture

Article 6 Build a Sound Risk Governance and Management Framework

In consideration of the business characteristics, risk nature and operating activities of the ENNOSTAR Group, the Group shall build a sound risk governance and management framework to connect the risk management with the Group's strategies and goals, determine the Company's major risks, improve the comprehensiveness, forward thinking and integrity of the risk identification results, and promote downward and launch the corresponding risk control and response, through the participation by the Board of Directors, functional committees and senior management, and administration of the subsidiaries, in order to ensure the achievement of the Company's strategic goals reasonably.

Article 7 Deepen Risk Culture

The ENNOSTAR Group promotes a top-down risk management culture. By

virtue of the specific risk management statement and undertaking provided by the governance unit and senior management, establishment and support of the risk management unit, and organization of the professional training related to risk management for the whole employees, the Group integrates the risk management awareness into its routine decision making and operating activities to form the multi-faceted enterprise risk management culture.

Article 8 Provide Sufficient Resources and Supports

The ENNOSTAR Group's risk governance and management unit shall value and support the risk management, provide adequate resources to make the risk management operate effectively, and take the responsibility for effective operation of the risk management.

Article 9 Integration and Coordination

In order to promote risk management, the ENNOSTAR Group shall integrate various units' duties within the Group to have various units work with each other to promote and execute the risk management. The entire business risk management is implemented through the communication, coordination and contact among various units.

Chapter III. Risk Management Organizational Framework and Functions

Article 10 Roles and Functions within Risk Management Organizational Framework

1. Board of Directors
   The Company's supreme unit in charge of the risk management refers to the Board of Directors, which is responsible for authorizing the risk management policy and regulations, supervising the risk management implementation status, ensuring the business strategies and directions in line with the risk management policy, ensuring the establishment of adequate risk management mechanism and culture, and distributing and assigning sufficient and adequate resources, in order to keep the risk management operate effectively.
2. "Risk Management Committee" subordinated to the "Sustainability & ERM Committee"
   (1) The "Risk Management Committee" is governed by the "Sustainability & ERM Committee," which is subordinated to the Company's Board of Directors.
   (2) Review and confirm the Group's annual risk management report, and report the risk management execution results to the "Sustainability & ERM Committee" and Board of Directors periodically each year.

3. Executive Office
   The executive Office is composed of relevant personnel convened by the responsible officer assigned by the Risk Management Committee and is responsible for helping promote the Group's risk management system.
   (1) Establish and maintain a risk knowledge base, and set forth the Group's risk appetite and risk measurement criteria.
   (2) Compile the Group's risk management execution results and prepare the Group's annual risk management report periodically each year.
   (3) Coordinate the cross-functional interaction and communication for the risk management operations, and provide necessary supports.
   (4) Plan the risk management-related training courses.
   (5) Collect, evaluate, compile and report the information about external risks.

4. Risk Management Team

The Company and Important subsidiaries should establish the Risk Management Team according to actual management needs and the top manager of the company shall appoint proper personnel to serve as the executive secretary of the "Risk Management Team," primarily engaged in helping the "Executive Office" promote and execute the risk management efforts. Each unit's supreme officer shall serve as a risk management member to ensure that the operating unit implements the risk management system precisely, designate the unit's personnel to execute the risk management, and work with the personnel from various operating units to have the execution of the risk management procedure in place.

Chapter IV. Risk Management Procedure

Article 11 Risk Management Procedure

The risk management policy shall include the risk management procedure consisting of at least five major elements, such as risk identification, risk analysis, risk assessment, risk response, and risk supervision and review, and specify the procedure and method by which various elements shall be executed.

Article 12 Risk Category

Establish the risk knowledge base consisting of major categories (Level 1), sub-categories (Level 2), items (Level 3), scenario (Level 4), impact and response, etc. Among the other things, Level 1 may be divided into five major aspects including governance, report, strategic planning, compliance and operating/basic framework. The risks are categorized into, including but not limited to, business, market, environment, strategy, finance & governance, compliance and report risks.

Article 13 Risk Identification

The personnel dedicated to executing the risk management shall conduct the comprehensive enterprise risk identification on their unit's short-term, mid-term and long-term goals in accordance with the ENNOSTAR Group's strategic goals and the risk management policy and procedure authorized by the Board of Directors, and also the Group's risk knowledge base, for at least once per year.

For the purpose of risk identification, various feasible analysis tools and methods may be adopted to comprehensively identify the potential risk incidents that might cause it impossible for the Company to achieve its goals and cause losses or negative impacts to the Company, subject to the past experience and information, by taking into account the internal/external risk factors and stakeholders' concerns, and through the "bottom-up and "top-down" analysis and discussion.

Article 14 Risk Analysis

Each operating unit shall verify the nature and features of the identified risk incidents, and take into consideration the integrity of existing related control measures, past experience, and peers' guiding cases to analyze the probability and impact of the risk incidents and to calculate the VaR.

Article 15 Risk Appetite and Risk Measurement Criteria

The risk appetite refers to the total risks and risk types the ENNOSTAR Group is willing to bear in order to achieve its strategic goals. The ENNOSTAR Group will invest adequate and sufficient resources as the first priority, in order to control and improve the risks beyond its risk appetite, and require the

compliance with relevant control requirements and regulations during the routine operations, proactive supervision and control over risk items.

The qualitative measurement criteria refer to the probability and impact of risk incidents expressed in the form of literal descriptions. The quantitative measurement criteria refer to the probability and impact of risk incidents expressed in the form of calculable numerical indicators (e.g. day, percentage, amount and number of people, etc.).

Article 16 Risk Assessment

The risk assessment is conducted in order to provide an enterprise with the basis for decision making. It compares the risk analysis results and risk appetite to decide the risk incident to be resolved as the first priority, as the reference basis for the subsequent preparation of response options.

Subject to the risk analysis results, each operating unit shall compare the risk appetite authorized by the "Risk Management Committee" and plan and execute the subsequent risk response programs subject to the risk levels.

The relevant risk analysis and measurement results shall be recorded precisely, and reported to the "Risk Management Team" for approval.

Article 17 Risk Response

Decide the risk response strategies based on the risk analysis and assessment results, ensure that the relevant personnel completely understand and execute the results, and continue to monitor the execution of related resolutions.

The ENNOSTAR Group considers the Company's strategic goals, internal/external stakeholders' views, risk appetite, available resources and the following circumstances, in order to select the risk response strategies and approaches:

1. Probability and consequence of the risk;
2. Whether they are compatible with the risk acceptance level;
3. Cost and effect;
4. Probability to achieve the corporate goals.

Select the risk response strategies (avoidance, transfer, control and assumption) and approaches:

1. Risk avoidance:
   Decide not to engage in or proceed with the relevant operation or activity.
2. Risk transfer:
   Transfer the risk to a third party, in whole or in part, through re-insurance or in any other manners.
3. Risk control:
   Take adequate control measures to mitigate the probability of risks and potential impacts posed by the risks.
4. Risk assumption:
   Not to take any actions to change the probability of risks, but accept the potential impacts posed by the risks.

Article 18 Risk Supervision and Review

The risk supervision and review mechanism shall be expressly defined in the risk management procedure, in order to review whether the risk management procedure and related risk strategies keep working effectively, and include the related review results into the performance evaluation and reports.

The risk management shall be connected with the critical processes in the organization, in order to supervise and improve the risk management implementation results effectively.

Ennostar

Chapter V. Risk Report and Disclosure

Article 19 Risk Record and Risk Report

The risk management execution processes and results shall be recorded, reviewed and reported via some adequate mechanism, and maintained with care, including the information about risk identification, risk analysis, risk assessment and risk response measures, source of related information and risk assessment results.

The "Executive Office" shall compile the Group's risk management execution results and prepare the Group's annual risk management report periodically each year. The Office shall have the risk management organizational system submit the report to the "Sustainability & ERM Committee" and Board of Directors periodically each year, and establish the dynamic management and reporting mechanism via the operation of the risk management organizational system to supervise the effective risk management execution precisely.

Article 20 Information Disclosure

The following risk management information shall be disclosed on the Company's website or the MOPS, in order to provide external stakeholders with the relevant information for reference. The information will also be updated aperiodically.

The disclosures shall cover:

1. Risk management policy and procedure;
2. Risk governance and management organizational framework;
3. Risk management operation and execution (including the frequency and date of reporting to the Board of Directors and "Risk Management Committee").

Article 21 The policy and procedure shall be reviewed by the Company's "Sustainability & ERM Committee", and enforced upon approval of the Board of Directors. The same shall apply where the policy and procedure are amended.

The policy and procedure was resolved by the Board of Directors on Feb.24,2022, The 1st amendment was made on May. 4, 2023, The 2nd amendment was made on Feb. 23, 2024. The 3rdamendment was made on Nov.7,2024；The 4thamendment was made on Aug.08,2025.