

Sustainability Committee Charter of Far Eastern New Century Corporation

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Article 1 Basis for the Establishment of the Charter

To fulfill corporate social responsibility and achieve its mission as a sustainable corporation, Far Eastern New Century Corporation (hereinafter referred to as “the Company”) hereby establishes the Sustainability Committee (hereinafter referred to as “the Committee”), and the Committee Charter (hereinafter referred to as “the Charter”) which governs the Committee in accordance with Article 7 of Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies; Article 27 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies; Article 3 of Sustainability Principles of the Company.

Article 2 Scope

Unless otherwise specified in the laws or the Company’s Articles of Incorporation, the Charter shall govern matters concerning the composition, number, term of office and powers of Committee members; the rules of procedure of meetings; the resources to be provided by the Company when the Committee exercises its powers.

Article 3 Purpose

The operation of the Committee shall adhere to the principle of corporate sustainability with guiding the implementation of the following tasks as its purpose:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of corporate sustainability information.

Article 4 Composition

1. The Board of Directors shall designate members of the Committee by resolution. The Committee shall comprise of no fewer than three members, over 50% of whom shall be independent directors.
2. At least one member of the Committee shall possess expertise in corporate sustainability. The Committee shall elect one member as the convener and chairperson of the Committee meeting.
3. Unless otherwise specified in the laws or the Company's Articles of Incorporation, the terms of the members of the Committee shall commence on the day of Board resolution, and terminate on the day which the director's term of office ends; the director resigns from the Committee or the Board; the Board replaces the director's role as a member of the Committee.
4. In the event that the number of the Committee members fall below three due to vacated membership, the Board shall fill such vacancy during the Board meeting that immediately follows said vacancy.
5. In the event of appointment of and changes to the Committee members, the Company may report and declare such appointment or changes on the website designated by the competent authority.
6. The terms of the members of the Committee shall coincide with the terms of the directors, who may continue the next term once reelected.

Article 5 Responsibilities

To achieve the purposes set forth in Article 3 of the Charter, the Committee has a fiduciary duty to the Board when fulfilling the following responsibilities:

1. Promote and strengthen the corporate governance and integrity;
2. Implement and develop matters related to corporate sustainability;
3. Supervise other matters related to corporate sustainability approved by the Board.

Article 6 Meetings

1. The Committee meetings shall be held at least once a year. The reason for convening such meeting shall be clearly stated when the meeting is called. Members of the Committee shall be notified of the date, location, agenda and information relevant to the meeting seven days in advance. However, emergency meetings are exempt from this requirement. The notification may be delivered in the form of written notice, email or fax.
2. In the event that the convener is unable to convene the Committee meeting due to leave of absence or any reason, the convener shall designate another member of the Committee as deputy to perform the duty. If the convener does not do so, the Committee shall elect the deputy among the members.
3. The convener shall set the agenda for the Committee meeting. Other Committee members may also submit proposals for discussion.

Article 7 Rules of Procedure

1. Sustainability Team under the Corporate Staff Office shall act as the agenda working group, which is responsible for the notification, agenda setting, proceeding and minutes of the Committee meeting.
2. Members of the Committee shall personally attend the Committee meetings. In the event that a Committee member is unable to do so, said member may appoint another member as the proxy. Attendance through video conferencing shall be deemed as attendance in person.
3. A member of the Committee appointing another as the proxy for the Committee meeting shall issue a written proxy statement for each instance and state the scope of authorization regarding the items on the agenda. Each proxy may act on behalf of one Committee member only.
4. Attendance register shall be provided for members of the Committee to sign in when Committee meetings are held and the register shall be kept on file for future reference.

5. Resolutions of the Committee shall be adopted with the approval of 1/2 or more of the entire Committee with a quorum of 2/3 of the Committee members. If no member objects to the adoption of a resolution upon the chairperson's inquiry, the resolution shall be deemed adopted to the same effect as member votes. The result of the vote shall be announced during the meeting and made part of the minutes.
6. The Committee may request the presence of managers or personnel from applicable departments; corporate sustainability consultants or other personnel from the Company, including its subsidiaries, for the Committee meeting to provide necessary information.
7. Resolutions adopted through member votes or discussion by the Committee shall be evaluated by applicable departments, subsidiaries or task forces for implementation, and the result shall be reported at the next meeting.

Article 8 Meeting Minutes

1. The minutes of Committee meetings shall document the following with accuracy and in detail:
 - (1) The session, year, month, day, time and location;
 - (2) The name of the chairperson;
 - (3) Attendance, including the number and names of those who are in attendance, excused and absent;
 - (4) Attendees' names and job titles;
 - (5) The name of the minute taker;
 - (6) Matters to be reported;
 - (7) Matters to be discussed: The method through which the motion is decided and the outcome, summary of comments from experts or other personnel; name of the Committee member with a conflict of interest; key details of the conflict of interest; reason for said member to recuse or not to recuse him/herself; details on the recusal; objections or reservations expressed.

- (8) Ad hoc motions: The name of the person making the motion; the method through which the motion is decided and the outcome, summary of comments from experts or other personnel; name of the member of the Committee with a conflict of interest; key details of the conflict of interest; reason for said member to recuse or not to recuse him/herself; details on the recusal; objections or reservations expressed.
- (9) Other matters to be recorded.
2. The attendance register shall be deemed as part of the minutes. In the event that the Committee meeting is held in the form of video conferencing, the video recording shall also be deemed as part of the minutes.
3. The chairperson and the minute taker shall sign or affix their seals on the meeting minutes, which shall be distributed to members of the Committee within 20 days after the meeting, presented to the Board, filed under important documents and preserved permanently.
4. The production, distribution and filing of the minutes may be conducted in electronic format.

Article 9 Conflict of Interest

Members of the Committee with conflict of interest concerning matters to be discussed during the Committee meetings shall provide explanations identifying essential details regarding such conflict of interest. In the event that the conflict of interest is damaging to the Company interest, said member shall not participate in the discussion nor the vote, and shall recuse him/herself from the discussion and the vote. Said member shall not act as a proxy voter for any other Committee members concerning the matter.

Article 10 Appointment of experts

The Committee may resolve to retain professional experts to provide advisory service regarding matters related to Article 5 of the Charter. All costs associated with such services shall be borne by the Company.

Article 11 Implementation and Amendment

Implementation of the Charter shall commence upon approval by the Board. So shall the amendment.

*In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.