

Nanya Technology Corporation

Risk Management Regulations

Amended by the Board of Directors on August 3, 2022

Chapter I General Provisions

1. In order to promote Nanya Technology Corporation's (NTC) business development and corporate sustainability, Risk Management Regulations (RMR) is hereby set by to establish a company-wide risk management culture, and to serve as the basis for the company's risk management.
2. NTC's risk management policies are to effectively identify, analyze and evaluate, control, and continuously monitor various risks, to enhance the risk awareness of all employees, and to control the risks to an acceptable level, thereby ensuring the integrity of risk management, effectiveness, and benefit optimization.

Chapter II Risk Management Scope

3. The risks referred to in RMR include the following:
 - (1) Economic and industrial risks: refer to the risk of changes such as in the overall economic situations, industry development, technology development and peer competition.
 - (2) Operational risks: refer to the risk of changes in factors such as production operations, supply chain, raw material and product price fluctuations, customer sales management, human resources, taxation, corporate image, ownership changes, and other risks of change in operation factors.
 - (3) Financial risks: including market risks arising from fluctuations in interest rates, exchange rates, etc., credit default risks of trading counterparties, and liquidity risks such as inability to liquidate assets, obtain sufficient funds, and/or insufficient market trading volumes.
 - (4) Hazard risks: refers to the risk of natural disasters or major hazardous events such as typhoons, earthquakes, floods, infectious diseases; and the supply of public facility interruptions such as water and electricity, climate change, war or terrorist attacks, social unrest, strikes, industrial safety accidents, etc.
 - (5) Other risks: refers to other risks such as information security, regulatory compliance (such as labor laws, safety and health, business secrets, personal information protection, corporate governance, trade laws and fair trading laws and other regulations related to operations), intellectual property rights, legal

proceedings, sovereign risk, etc.

4. NTC shall establish its own operational mechanisms to address process safety management, emergency crisis management and other operational mechanism separately, and they shall be stipulated in relevant regulations.

Chapter III Risk Management Organization and Responsibilities

5. NTC's risk management is the responsibility of all employees, and each employee should have risk awareness to implement risk identification, measurement, and control procedures for their related work scope.
6. The Board of Directors of NTC is the highest decision-making and supervising unit of risk management, responsible for approving the company's risk management policies and related by-laws and supervising the implementation of various risk management systems and the effective operation of the systems to achieve NTC's risk management goals.
7. NTC's risk management consists of a task force formed by managers of each division, responsible for steering and supervising the implementation of the work of each risk management team. Main responsibilities are as follows:
 - (1) Formulate risk management policies and related regulations, and report to the Board of Directors.
 - (2) Establish risk management operating mechanisms and review its performance and to make improvement accordingly.
 - (3) Assist and monitor all departments in risk management operations and the effective implementation of internal control procedures.
 - (4) Plan risk management education and training to strengthen the risk awareness and cognition of all employees.
 - (5) Coordinate cross-departmental communication related to risk management affairs.
8. Each risk management team should, based on its own operational function, identify operational process risks, evaluate risk factors, set up risk indicators and prevention mechanisms, and establish risk appetite and tolerance or perform stress tests for high-risk items, in order to control and manage risks effectively.
9. NTC's managers at all levels should take a prudent and rigorous attitude to review the risks they are responsible for supervising and ensure the implementation of related risk management operations.

Chapter IV Risk Management Procedures

10. For effective risk management, NTC's risk management system should include procedures for risk identification, risk analysis and evaluation, risk control processing, risk supervision and review, risk information communication and reporting, etc.
11. Risk identification: Identify the risks involved in various business or operating procedures.
12. Risk analysis and evaluation: For the identified risk factors, analyze their attributes and influence, and set appropriate quantitative or qualitative measurement indicators to evaluate the risk level, risk appetite and tolerance.
13. Risk control processing: Based on the results of risk analysis, evaluation and considering the cost-effectiveness of the company's resource allocation, set the priority processing sequence, control standards, processing measures, restrictions, and exception management of each risk, implement risk prevention operations, control abnormal conditions in time and respond appropriately.
14. Risk monitor and review: Set up risk monitoring mechanisms and performance evaluation indicators to ensure the efficiency and effectiveness of risk management operations and make appropriate adjustments and continuous improvements in time.
15. Risk information communication and reporting: Communicate and discuss the risk management policy with stakeholders and submit relevant risk information management reports to the responsible supervisor in accordance with the approval authority, and hold relevant risk management meetings to achieve reporting, review, and supervision. When necessary, according to the nature of the risk and the degree of impact, major risk issues shall be reported to the Board of Directors. In addition, in accordance with relevant regulations, it may be required to publicly disclosed the information with respect to the Company's risk management.

Chapter V Supplementary Provisions

16. NTC shall follow internal and external environments changes, pay attention to the developing trends of domestic and foreign risk management, and review and revise this RMR accordingly.
17. The RMR will be implemented after the approval by the Board of Directors, and the same will be required when amended.