# Ta Ya Electric Wire & Cable Co., Ltd.
# Risk Management Procedures

## Article 1 Purpose

To enable responsible units to effectively carry out risk management activities and implement the Company's Risk Management Policy, these Procedures are established to define the Company's risk management mechanisms and processes for compliance by relevant personnel.

## Article 2 Risk Management Objectives

The Company shall manage various types of risks that may affect the achievement of corporate objectives and integrate risk management into business operations and day-to-day management processes to achieve the following objectives:

1. Achieve corporate objectives.
2. Enhance management effectiveness.
3. Provide reliable information.
4. Allocate resources effectively.

## Article 3 Risk Governance and Culture

The Company shall integrate the responsibilities of all units to jointly promote and implement its risk management mechanisms. Through the support of the Board of Directors and the Audit and Risk Committee, the provision of appropriate resources, the implementation of corresponding risk controls and response measures throughout the organization, and the provision of risk management education and training to personnel, the Company shall foster a comprehensive enterprise risk management culture.

The Company shall also continuously monitor developments in domestic and international enterprise risk management practices in order to enhance corporate governance effectiveness and provide reasonable assurance of the achievement of the Company's strategic objectives.

The organizational structure, responsibilities, and authorities of the Company's risk management framework are separately stipulated in the "Risk Management Organization Operating Procedures."

## Article 4 Risk Management Process

The Company's risk management process consists of five key elements: risk identification, risk analysis, risk evaluation, risk response, and risk monitoring and review.

The detailed processes for risk identification, risk analysis, risk evaluation, and risk response are separately stipulated in the "Detailed Implementation Rules for Risk Management Procedures."

### 1. Analysis and Identification of Risk Sources and Categories

The Company shall conduct comprehensive risk analysis based on its scale, industry characteristics, business nature, and operational activities, while taking into consideration key requirements relating to corporate sustainability and climate change. The Company shall analyze and identify applicable risk sources and categories, define its own risk categories, identify detailed risk scenarios under each category, and periodically review their applicability. The Company's risk framework consists of four levels, arranged from top to bottom as follows: major risk categories, risk subcategories, risk items, and risk scenarios. The major risk categories and subcategories primarily include the following, and risks at all levels shall be reviewed periodically and updated as appropriate:

I. Strategic Risks: external factor risks, sustainability-related risks, planning risks, and strategic risks.

II. Operational Risks: production risks, supply chain risks, market risks, climate change risks, human resources risks, corporate asset risks, product development risks, and information risks.

III. Financial Risks: financial and accounting management risks, treasury and financial market risks, raw material price fluctuation risks, and investment risks.

IV. Governance and Integrity Risks: corporate governance risks, ethical conduct risks, and reporting risks.

V. Compliance Risks: regulatory compliance risks and legal risks.

## 2. Risk Identification

The Company shall identify risks based on the responsibilities of each business function and shall comprehensively identify potential risk events that may prevent the achievement of corporate objectives or result in losses or adverse impacts. Risk identification shall take into consideration past experience and information, external and internal environmental factors, stakeholder concerns, and other relevant factors.

## 3. Risk Analysis

For identified risk events, the Company shall assess the completeness and effectiveness of existing control measures and consider past experience, industry cases, and other relevant factors. The Company shall analyze the likelihood and impact of each risk event and calculate the corresponding risk value.

## 4. Risk Analysis Measurement Criteria

The Company shall establish appropriate quantitative or qualitative measurement criteria based on its risk characteristics to provide a basis for risk analysis.

## 5. Risk Appetite

The Company shall establish its risk appetite and submit it to the Audit and Risk Committee for approval in order to determine the level of risk that the Company is willing and able to accept. Based on the approved risk appetite, the Company shall establish corresponding risk levels for different risk values and define appropriate risk response approaches for each risk level, which shall serve as the basis for subsequent risk evaluation and risk response.

## 6. Risk Evaluation

Based on the results of risk analysis, the Company shall compare identified risks against the risk appetite approved by the Audit and Risk Committee to determine the risk events that require priority treatment. Subsequent risk response plans shall be developed and implemented according to the applicable risk level. The results of risk analysis and evaluation shall be properly documented and submitted to the Audit and Risk Committee for approval.

## 7. Risk Response

Following the assessment and consolidation of risks, the Company shall consider its strategic objectives, stakeholder concerns, risk appetite, and available resources in determining appropriate response measures. The Company shall adopt appropriate measures to maintain risks within acceptable levels.

Risk treatment plans shall be established for relevant response measures to ensure that responsible personnel fully understand and implement such measures. The implementation status of risk treatment plans shall be continuously monitored.

### 8. Risk Monitoring and Review

To ensure that the risk management process and risk response measures continue to operate effectively, the Company shall implement appropriate monitoring and review mechanisms in accordance with the responsibilities of each relevant unit. The results of such reviews shall be incorporated into performance measurement and reporting.

## Article 5 Risk Reporting and Disclosure

### 1. Risk Records

The processes and results of risk management activities shall be appropriately documented, reviewed, and reported through established mechanisms and properly retained for future reference. Such records shall include risk identification, risk analysis, risk evaluation, risk response measures, relevant information sources, risk assessment results, and other information generated throughout the risk management process.

### 2. Risk Reporting

The Company shall regularly prepare risk management reports for submission to the Audit and Risk Committee and the Board of Directors and shall establish dynamic risk management and reporting mechanisms.

### 3. Information Disclosure

The Company shall disclose the following risk management information on its corporate website or the Market Observation Post System for reference by external stakeholders and shall keep such information up to date:

I. Risk Management Policy.

II. Risk Management Procedures.

III. Risk governance and risk management organizational structure.

IV. Risk management operations and implementation status.

## Article 6 Implementation and Amendments

These Risk Management Procedures shall be implemented upon approval by the Audit and Risk Committee and subsequent approval by the Board of Directors. The same procedure shall apply to any amendments.

These Risk Management Procedures were established on May 7, 2026.