HSING TA CEMENT CO., LTD.

Category	Audit Committee Charter	Formulated by	Board of Directors	Document No.	ＨＯＡＣ０１９
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Version	Revision			Description of Revision	Drafted by	Reviewed by	Approved by	Date
	Revision No.	Page	Article(s)					
A				Newly enacted	Regulation Formulation Taskforce	Yang, Chih-Hsiung	Board of Directors	May 9, 2018
A	1	3/5	Article 6	Revised in accordance with the amendments to Articles 14-5 and 36 of the *Securities and Exchange Act* on June 21, 2019.	Finance and Accounting Department	Yang, Chih-Hsiung	Board of Directors	Nov. 8, 2019
A	2	4/5	Article 11	Revised pursuant to FSC Letter No. 1080361934 dated January 15, 2020.	Finance and Accounting Department	Yang, Chih-Hsiung	Board of Directors	March 31, 2020
A	3	All	Article 5 Article 7 Article 8 Article 8 之一 Article 8 之二	Revised in accordance with FSC Letter No. 1120383996 to reflect the amendments to the *Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.*	Finance and Accounting Department	Yang, Chih-Hsiung	Board of Directors	March 13, 2024
A	3	All	Article 5 Article 7 Article 8 added Article 8-1,2	Revised pursuant to FSC Letter No. 1130348897 dated August 15, 2024. *(This Charter is identical to the March 13, 2024 revision. The FSC Letter No. 1120383996 concerned article amendments, while No. 1130348897 related to procedural adjustments in August 2024, resulting in overlapping revisions; hereby explained.)*	Finance and Accounting Department	Yang, Chih-Hsiung	Board of Directors	March 13, 2025

Article 1 (Basis for Establishment)

These Organizational Rules are established pursuant to Article 3 of the *Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.*

Article 2 (Scope of Application)

Matters concerning the number of members, term of office, duties and responsibilities, meeting procedures, and resources to be provided by the Company for the execution of duties shall be governed by this Charter.

Article 3 (Supervisory Responsibilities)

The operation of the Committee shall be primarily for the purpose of supervising the following matters:

1. The fair presentation of the Company's financial statements.
2. The selection (dismissal), independence, and performance of the certified public accountant responsible for audit and attestation.
3. The effective implementation of the Company's internal control system.
4. The Company's compliance with relevant laws and regulations.
5. The control and management of existing or potential risks faced by the Company.

Article 4 (Composition of the Committee)

The Committee shall be composed of all independent directors, and shall consist of no fewer than three (3) members. One member shall serve as the convener, and at least one member shall possess expertise in accounting or finance.

The term of office for independent directors serving on the Committee shall be three (3) years and may be renewed upon re-election. If any member is dismissed, resulting in the number of members falling below that required by the preceding paragraph or by the Articles of Incorporation, a by-election shall be held at the next shareholders' meeting.
If all independent directors are dismissed, the Company shall convene a special shareholders' meeting within sixty (60) days from the date of occurrence to elect replacements.

Article 5 (Exercise of Powers by the Audit Committee and Independent Directors)

The provisions of the *Securities and Exchange Act*, the *Company Act*, and other applicable laws and regulations concerning supervisors shall apply mutatis mutandis to the Committee.
Article 14-4, Paragraph 4 of the *Securities and Exchange Act*, concerning the powers and duties of supervisors under the *Company Act*, shall apply mutatis mutandis to the independent directors serving as members of the Committee.
A resolution of the Committee shall require the approval of more than one-half of all its members. The convener of the Committee shall represent the Committee externally.
The Company representative for matters under Articles 213, 214, and 223 of the *Company Act* shall be appointed by the Committee in accordance with the procedure described above. The Committee may resolve that one or more of its members represent it individually or jointly. If no representative is appointed under the foregoing procedure, all members shall jointly represent the Committee.

Article 6 (Matters under the Committee's Authority)

The duties and responsibilities of the Committee shall include the following matters:

1. Adoption or amendment of the internal control system pursuant to Article 14-1 of the *Securities and Exchange Act.*
2. Assessment of the effectiveness of the internal control system.
3. Adoption or amendment of the procedures for handling material financial and business activities such as acquisition or disposal of assets, derivatives trading, lending of funds to others, and endorsements or guarantees for others, pursuant to Article 36-1 of the *Securities and Exchange Act.*

4. Matters involving directors' personal interests.
5. Material asset or derivative transactions.
6. Material loans of funds, endorsements, or guarantees.
7. The offering, issuance, or private placement of equity-type securities.
8. The appointment, dismissal, or remuneration of the certified public accountant responsible for audit and attestation.
9. The appointment or dismissal of the head of finance, accounting, or internal audit.
10. Annual financial reports signed or sealed by the Chairman, managerial officers, and accounting officer, and the second-quarter financial reports required to be audited and attested by a certified public accountant.
11. Other material matters as required by the Company or the competent authority.

Resolutions on the foregoing matters shall require the consent of more than one-half of all Committee members and shall be submitted to the Board of Directors for resolution.

Except for Item 10 of the preceding paragraph, where a proposal fails to obtain the consent of more than one-half of all Committee members, it may nevertheless be adopted with the approval of at least two-thirds (2/3) of all directors.

The term "all members" as used in this Charter refers to those actually in office.

The convener of the Committee shall represent the Committee externally.

Article 7 (Convocation of Meetings)

The Committee shall convene at least one meeting each quarter and may hold additional meetings as necessary.

Notices of Committee meetings shall specify the purpose of the meeting and be delivered to all independent director members at least seven (7) days in advance; however, this requirement shall not apply in cases of emergency.

Meetings of the Committee shall be held at the Company's principal place of business during working hours, or at any other place and time convenient for the members to attend and suitable for convening the meeting.

The members of the Committee shall elect one member from among themselves to serve as the convener and chairperson of the meetings. If the members are unable to elect a convener, the independent director who received the highest number of votes representing voting rights shall serve as convener.

If the convener is on leave or unable to convene a meeting, another independent director designated by the convener shall act in his or her place; where no such designation has been made, one independent director shall be elected by and from among the other members to act as proxy convener.

When more than one-half of all independent directors serving as Committee members submit a written proposal specifying the subject matter and reasons for convening a meeting, the convener shall call a meeting within fifteen (15) days from the date of the request. If the convener fails to do so, more than one-half of all independent directors of the Committee may convene the meeting themselves.

The Committee may invite managers of relevant departments, internal auditors, certified public accountants, legal counsel, or other personnel to attend the meetings and provide necessary information; however, such invitees shall withdraw from the meeting during discussion and voting.

Relevant meeting materials shall be prepared in advance and made available to all attending Committee members for review during the meeting.

Article 8 (Attendance, Resolutions, and Recordkeeping)

An attendance book shall be prepared for independent directors serving as Committee members to sign upon attending each meeting, for verification and record purposes.

Independent directors serving as members of the Committee shall personally attend the meetings. If unable to attend in person, a member may appoint another independent director as proxy to attend on his or her behalf. Attendance via video conference shall be deemed attendance in person.

When appointing another independent director as proxy to attend a meeting, the member shall issue a written proxy for each specific meeting, specifying the scope of authorization with respect to the meeting agenda.

Resolutions of the Committee shall require the approval of more than one-half of all members. The voting results shall be announced immediately at the meeting and recorded in the minutes. f, for legitimate reasons, the Committee is unable to convene a meeting, the relevant matter may be resolved with the approval of at least two-thirds (2/3) of all directors of the Board; however, matters specified in Article 6, Paragraph 1, Item 10 shall still require the consent opinion of the independent directors serving on the Committee.

A proxy member may act on behalf of only one other member.

Article 8-1 (Postponement of Meetings)

If, at the scheduled meeting time, less than one-half of all Committee members are present, the chairperson may announce a postponement of the meeting on the same day, provided that such postponement shall not exceed two (2) times.

If, after two postponements, the quorum requirement is still not met, the chairperson may reconvene the meeting in accordance with the procedure prescribed in Paragraph 2 of Article 7.

Article 8-2 (Conduct of Meetings)

Committee meetings shall proceed in accordance with the agenda set forth in the meeting notice. However, the agenda may be modified with the consent of more than one-half of all Committee members.

Unless approved by more than one-half of all Committee members, the chairperson shall not declare the meeting adjourned unilaterally.

During a Committee meeting, if the number of members present falls below one-half of all members, the chairperson shall, upon motion by the attending independent directors, announce a temporary suspension of the meeting, applying mutatis mutandis the provisions of the preceding Article.

If, during the meeting, the convener is unable to preside over the meeting or fails to declare adjournment in accordance with Paragraph 2 above, the selection of the proxy chairperson shall follow the procedure set forth in Paragraph 5 of Article 7.

Article 9 (Minutes of Meetings)

Proceedings of the Committee shall be recorded in minutes, which shall faithfully state the following:

1. The term (or session), and the date, time, and venue of the meeting.
2. The name of the chairperson.
3. Attendance status of the independent director members, including the names and numbers of those present, on leave, or absent.
4. The names and titles of attendees who are not Committee members.
5. The name of the minute taker.
6. Matters for report.
7. Matters for discussion: the voting method and results of each proposal; summaries of statements made by independent directors, experts, and other participants; the names of independent directors having a conflict of interest as specified in Paragraph 1, Article 11; explanations of the material aspects of such interests; the reasons for recusal or non-recusal; circumstances of recusal; and any objections or reservations expressed.
8. Ad hoc motions: the name of the proposer; the voting method and results of each proposal; summaries of statements made by independent directors, experts, and other participants; the names of independent directors having a conflict of interest as specified in Paragraph 1, Article 11; explanations of the material aspects of such interests; the reasons for recusal or non-recusal; circumstances of recusal; and any objections or reservations expressed.

9. Other matters required to be recorded.

The attendance book of the Committee shall form part of the meeting minutes and shall. be properly preserved throughout the Company's existence.

The minutes shall be signed or sealed by both the chairperson and the minute taker, distributed to all independent director members within twenty (20) days after the meeting, and kept as an important company record properly preserved throughout the Company's existence.

The preparation and distribution of the minutes as stated in the preceding paragraph may be conducted by electronic means.

Article 10 (Agenda Setting)

The agenda of the Committee meetings shall be set by the convener, while other members may also propose matters for discussion by the Committee.

A member who is required to recuse himself or herself from discussion or voting shall not act as proxy for any other independent director member in exercising voting rights.

Where the spouse or a relative within the second degree of kinship of an independent director has an interest in the matter under discussion, such independent director shall be deemed to have a personal interest in the matter.

If, as a result of the preceding provisions, the Committee is unable to reach a resolution, the matter shall be reported to the Board of Directors for resolution.

Article 11 (Recusal from Deliberation)

Any independent director member of the Committee who has an interest in a matter under discussion shall disclose the material aspects of such interest. If such matter may be detrimental to the interests of the Company, the member shall not participate in the discussion or voting and shall recuse himself or herself during deliberation and voting.

Article 11-1 (Retention of Meeting Records)

The Company shall record the entire proceedings of the Committee's meetings by audio or video means for evidentiary purposes and shall retain such records for at least five (5) years; the records may be stored electronically.

If, prior to the expiration of the retention period in the preceding paragraph, litigation arises concerning any resolution of the Committee, the relevant audio or video records shall continue to be preserved until the conclusion of such litigation.

Where a Committee meeting is convened by video conference, the audiovisual materials thereof shall constitute part of the meeting minutes and shall be properly preserved throughout the Company's existence.

Article 12 (Engagement of Professionals)

The Committee may, by resolution, engage attorneys, certified public accountants, or other professionals to conduct necessary audits or provide advice on matters related to Article 6, and any related expenses shall be borne by the Company.

Article 13 (Duties of Committee Members)

Members of the Committee shall exercise the due care of a good administrator and faithfully perform their duties as prescribed in this Charter. They shall be accountable to the Board of Directors and shall submit all proposals to the Board for resolution.

Article 14 (Periodic Review)

The Committee shall periodically review matters relating to this Charter and provide recommendations for amendment to the Board of Directors.

Matters resolved by the Committee may be delegated to the convener or other members of the Committee for follow-up execution. During the execution period, the responsible member shall provide written or oral reports to the Committee, and where necessary, the matter shall be submitted to the next Committee meeting for ratification or reporting.

Article 15 (Implementation)

These Organizational Rules shall take effect upon approval by the Board of Directors, and the same shall apply to any subsequent amendments.