

Fitipower Integrated Technology Inc. Risk Management Policy and Procedures

Article 1 Purpose

In pursuit of the sustainable operation of Fitipower Integrated Technology Inc. (hereinafter the "Company"), the Company shall appropriately assess, effectively identify, measure, monitor and control all risks in each business activity and limit the risks to a tolerable level, and hereby establishes this Risk Management Policy as the highest guiding principle for risk management of each unit.

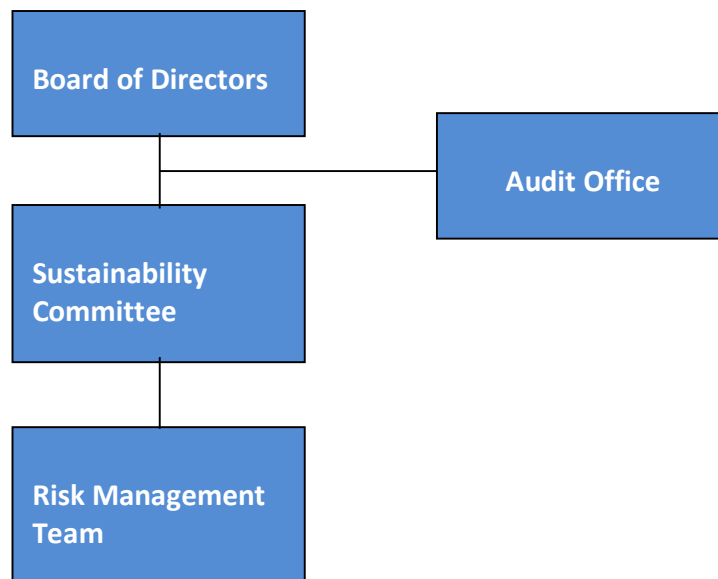
Article 2 Risk Management Principles

Based on the Company's business strategies and objectives, risk management shall take into account factors such as business growth, risks and rewards, set risk standards, regularly evaluate and monitor various risk positions, establish risk indicators and early warning mechanisms, and simulate future changes as far as possible to provide a basis for management response. In addition, the following principles must be observed:

1. Clearly consider the uncertainty of risk items, and obtain the best information to develop optimal action plans.
2. Allocate and use resources in an efficient manner.
3. Keep an eye on trends and changes to identify potential emerging risks.
4. Enhance stakeholder communication and trust.
5. Foster a risk management culture and raise awareness of risk management.

Article 3 Organizational Structure and Powers and Responsibilities

1. The organizational structure is as follows:



2. Board of Directors: the highest oversight body for risk management in the Company, responsible for approving the risk management policy, structure and culture.
3. Sustainability Committee: the highest directing body for risk management of the Company, tasked with drawing up risk management policies, mapping out major risk management issues and supervising the improvement of risk control, and reporting regularly to the Board of Directors at least once a year on the operation and implementation of risk management.
4. Risk Management Team: responsible for the implementation of each unit's risk plan, including risk identification, risk analysis, risk assessment, risk response and control, and self-monitoring.
5. Audit Office: An independent unit under the Board of Directors of the Company, assisting the Board of Directors in overseeing the execution of the risk management mechanism, inspecting the implementation status of risk response and control of each operating unit, communicating risk information with each operating unit, and collecting and consolidating risk management reports from each operating unit.

Article 4 Risk Management Procedures

The Company's risk management is governed by its policies and internal control systems, and each operating unit identifies, analyzes, measures, monitors, responds to and reports on risks

according to its business-related risk characteristics and degree of influence, and improves response measures. This includes the following four procedures:

1. Risk identification
2. Risk assessment
3. Risk response
4. Information disclosure

Article 5 Risk Identification

Risk identification refers to the process of analyzing the Company's operating environment and determining which events are likely to occur and why based on internal and external environmental variables.

Each of the Company's operating units is required to identify possible sources of risk in its operations, compile past experience to predict possible future risks, categorize the identified risks and control and report the results of risk identification on a regular basis. If a risk event is unexpected, it must be reported and addressed immediately to avert material damage to the Company. Possible risks include the following:

| Aspect | Risk Category | Risk Description |
|------------|---------------|--|
| Governance | Market risk | <ul style="list-style-type: none"> • Political and economic: comprises the risk of financial or business impact to the Company as a result of domestic and international political, economic and regulatory requirements. • Technology and industry: comprises the risk of financial or business impact to the Company due to changes in technology and industry, both domestically and internationally. • Financial: comprises the risk of financial or business losses arising from changes in the value of the Company's financial assets or liabilities (including assets and liabilities inside and outside the statement of financial position) as a result of fluctuations in market risk factors (interest rates, exchange rates, share prices, commodity prices and electricity prices, etc.). |

| Aspect | Risk Category | Risk Description |
|--------|-----------------|--|
| | operation risk | <ul style="list-style-type: none"> • Operational: comprises risks to the Company due to changes in operating models, organizational restructuring, over-concentration of sales/purchasing, product obsolescence, product and service design and quality management, and management of significant risks in commercial contracts. • Financial: comprises risks to the Company due to asset valuation, credit and solvency, liquidity risk and accounting policies. • Internal control: comprises risks associated with the Company's internal controls. • Intellectual property: risks affecting the Company such as patent application and maintenance, intellectual property protection, etc. • Supply chain: includes risks to the Company due to issues related to the quality, price, delivery time and sustainability of the supplier. • Information security: risks that affect the Company, such as digital information security and general data protection regulations. • Public relations: involves risks to the Company due to issues concerning public relations, such as brand management and the creation and maintenance of corporate image. |
| | Investment risk | Contains risks to the Company arising from excessive concentrations of investment targets, high-risk and highly leveraged operations, derivative trading, financial management and other short-term investment market fluctuations, or long-term investment in the operations and management of investee companies. |
| | Compliance risk | Includes risks arising from failure to comply with various legal regulations, or various legal risks that may infringe the rights |

| Aspect | Risk Category | Risk Description |
|-------------|-------------------------|---|
| | | of the Company, etc. |
| Environment | Environmental risk | <ul style="list-style-type: none"> • Disaster: includes risks to operations from natural hazards such as fire, typhoons, heavy rainfall and earthquakes and global infectious diseases. • Pollution control: risks associated with compliance with international and local environmental regulations such as air, water, waste, poison, noise emission management or EIA requirements. • Climate change: includes risks involved in the management of greenhouse gas emissions, carbon credits, energy, etc. in response to climate change related issues. |
| Society | Operational hazard risk | Safety assessment of the workplace and the risks that may arise from chemicals, repetitive tasks, abnormal workloads, etc. in terms of occupational safety and health. |
| | Human resources risk | <ul style="list-style-type: none"> • Human rights: includes risks arising from human rights issues of employees or suppliers, including but not limited to labor relations, child labor, forced labor, etc. • Talent: risks arising from the management of the Company's talent development, such as recruitment and retention of talent, and talent development mechanisms. |
| Others | Other risks | Refers to risks that do not fall under the above categories but that could result in significant losses to the Company, such as long-term emerging risks, material external hazards, or tail risks arising from extreme events. In addition, if there are other risks, appropriate risk management procedures should be put in place depending on the characteristics of the risk and the degree of impact. |

Article 6 Risk Assessment

Each operating unit of the Company shall evaluate and analyze the identified risk events based on practical conditions, use various information to determine the likelihood of the occurrence of

risk events, and evaluate the degree of impact (risk level) of the results on the Company.

Article 7 Risk Response

Risk response involves the preparation of contingency plans and action plans for risk events that have occurred. The risk response plan and action plan shall comprise the content of the plan, responsible units, resource requirements, implementation schedule and monitoring and review mechanism, and shall also consider the cost effectiveness. Where necessary, risk events should be resolved through cross-departmental cooperation.

Article 8 Disclosure of Information

In addition to disclosing relevant information as required by the competent authorities, the Company shall also divulge information on risk management in the annual report, the sustainability report and the Company's website.

Article 9 Implementation and Amendment

These regulations shall be put into effect upon deliberation and approval by the Board of Directors and the same shall apply to any subsequent amendments hereto.

These regulations shall come into effect on November 8, 2021.

The 1st amendment was made on Apr. 30, 2024.

The 2nd amendment was made on Oct. 30, 2025.