

Chailease Holding Company, Limited
Organizing Rules of the Corporate Governance and
Sustainable Development Committee

Classified Document of Chailease Holding Company

Approved by the Board of Directors on December 14, 2018

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Article 1 (Sources)

For strengthening corporate governance, fulfilling corporate social responsibility and pursuing sustainable development, the Organizing Rules (“the Rules”) of the Corporate Governance and Sustainable Development Committee (“the Committee”) is hereby promulgated pursuant to Paragraph (f) of Article 97 of the Memorandum and Articles of Association of Chailease Holding Company, Limited (“the Company”) and Paragraph 3 of Article 27 of the Corporate Governance Best Practice Principles of the Company.

Article 2 (Coverage)

Unless the Memorandum and Articles of Association and the by-laws of the Company stipulate otherwise, the Rules govern the organization, Committee member term, authority, meeting agenda and other related matters of the Committee.

Article 3 (Responsibilities)

Unless laws, regulations and the by-laws of the Company stipulate otherwise or the Board resolves differently, the Corporate Governance Team and the ESG Executive Committee under the Committee are responsible for the following matters respectively:

I. The Corporate Governance Team:

1. Implementation and Strengthening of Corporate Governance:

- i. Analyzation of initiatives and trends of the international corporate governance and the blueprint of corporate governance of the Taiwan Financial Supervisory Commission, and propose solutions accordingly.
- ii. Charting of the course, annual projects and progress on

corporate governance

- iii. Examination, suggestions and monitor on the effectiveness of existing corporate governance system and related projects of the year
- iv. Participation of the annual corporate governance evaluation of Taiwan Stock Exchange Corporation.
- v. Examination, suggestions and monitor on the disclosure of information of the Company and its subsidiaries
- vi. Review on the governing relation among the Company and its affiliates
- vii. Other matters the Committee is responsible for pursuant to the Memorandum and Articles of Association and the by-laws of the Company

2. Deterrence against Unethical Conducts

- i. Introduction of business ethics and moral values into the business strategies of the Company and the adoption of related measures for observing business ethics
- ii. Adoption of plans for the prevention of unethical conducts and adoption of work-related standard procedures and behavioral principles tailored for each plan
- iii. Planning of intra-company organization, establishment and responsibility with a view to create a check-and-balance mechanism on business activities prone to higher risk of unethical practices
- iv. Implementation and coordination of the education and training on business ethics policies
- v. Planning on the reporting system for ensuring the effectiveness of performance
- vi. Assistance provided for the Chairman of the Board and the managerial level on examining and evaluating whether or not the prudential measures adopted for implementing business ethics perform effectively and on completing reports on the evaluation of compliance of operating procedures

II. The ESG Executive Committee:

1. Implementation of Measures Relating to ESG

- i. Formulating of policies and rules on ESG

- ii. Drafting of annual objectives and proposals on ESG
- iii. Monitor, examination and revision on the performance of ESG
- iv. Producing and editing of the Sustainability Report and Responding requests from outside stakeholders.
- v. The "Sustainable Development and Think Tank Department" is the executive unit, and it is responsible for coordinating ESG related evaluation and serving as the direct contact window.

2. Increasing the Sustainability Impact

- i. Formulating an ESG performance index for the member of the ESG Executive Committee.
- ii. Implementing the supervision and governance of the climate-related risks.
- iii. Implementing other matters related to increase the Sustainability Impact.

3. Composition and Forms of Meeting

The ESG Executive Committee are composed of independent directors and appointed department head with the Chairman of the Board acting as the chairman of the ESG Executive Committee, and the ESG Executive Committee shall at least convene one meeting per quarter to discuss the implementation, or the latest issue related to ESG.

The Corporate Governance Team and the ESG Executive Committee work together from the five major aspects of "corporate governance", "customer service", "environmental protection", "employee care" and "social participation" to continuously promote and deepen corporate governance and sustainable operation. These five aspects are respectively coordinated by the following units:

- 1. Corporate Governance: Legal Department, Business Management Department, Audit Unit, Investor Relation Department, Risk Management Team.
- 2. Customer Service: Planning Office and Public Relations Department.
- 3. Environmental Protection: Administration Department and Occupational Safety Department.
- 4. Employee Care: Human Resource Department and Gender Equality Committee.

5. Social participation: Chailease Foundation and Public Relations Department.

Article 4 (Composition and Term)

The Committee are composed of three members including the Chairman of Board and two independent directors with the Chairman of the Board acting as the chairman of the Committee.

Unless the Memorandum and Articles of Association and the by-laws of the Company stipulate otherwise, the term of each member of the Committee begins on the date of the Board's resolution and terminates upon the expiration of the term of the director, the resignation of the director, re-election of the directors, a resolution adopted by the Board for replacing a Committee member who is an independent director, and other events causing the loss of the status as a director.

If any member of the Committee is discharged due to any event listed in the second paragraph of this Article, causing the number of Committee members to fall short of that required by the first paragraph of this Article, the deficiency of Committee members should be remedied by the Board at its next meeting.

Article 5 (Forms of Meeting)

Unless it is necessary to adjust according to the circumstance, the Committee should hold at least a meeting once a year.

The convening notice of the Committee should include the reasons for the convening and, except for pressing circumstances, should reach each member of the Committee three days before the meeting date.

The chairman of the Committee should act as the convener of any meeting of the Committee. If the chairman is excused for leave or any reasons, the chairman should appoint an acting member; or, if the chairman does not appoint an acting member, the other members of the Committee should appoint an acting member by consensus.

In connection with performing its responsibilities, the Committee may call for the appearance of relevant supervisors and staff of the Company and its subsidiaries, outside experts, and other required personnel for providing necessary information.

Article 6 (Meeting Agenda)

The convener should prescribe the meeting agenda of the Committee; nevertheless, the other members may offer a meeting agenda for the consideration of the Committee. If the convener does not prescribe the meeting agenda, the meeting should proceed

according to the following agenda:

1. The existing performance on corporate governance, corporate social responsibility, sustainable development, and business ethics
2. Motions for discussion
3. Incidental motions

The Committee should have one Executive Secretary, assumed by the Corporate Governance Officer of the Company and is charged with the responsibilities of assisting the convener on scheduling the meetings and other related matters.

Article 7 (Attendance and Resolution)

During the meeting of the Committee, the Company should, for record-keeping purpose, provide attending members with an attendance book for the signatures of the attending members

Members of the Committee should attend the meeting in person. If a member cannot attend the meeting in person, such member may delegate the attendance to other member. A member is deemed to attend the meeting in person when such attendance is accomplished through video conferencing.

When a member of the Committee delegates the attendance to other member, such member should execute a proxy stating the scope of delegation for each reason of the convening. A member acting on delegation should be limited to one delegation by other member.

Unless the Memorandum and Articles of Association and by-laws of the Company stipulate otherwise, the Committee should resolve by the attendance of more than one half (1/2) of its members and approval by more than half (1/2) of the attending members.

The resolution stated in the preceding paragraph is deemed to occur and should be effective as a voting when the members are called upon by the chairman to show dissent but remain silent.

Article 8 (Minutes of Meeting)

There should be a minutes compiled for each meeting of the Committee and distributed to each member within twenty (20) days after the meeting. An abstract of the minutes should be submitted to the next meeting of the Board and disclosed in due time in the webpage associated with corporate governance and other relevant sites of the Company.

The minutes of the Committee should bear truthfully the following matters:

1. The specific session, time and location of a meeting
2. The name of the chairman
3. Attendance records of the members, including the numbers of attending, excused and absent members
4. The names and titles of attending members
5. The name of the scribe
6. Matters of report
7. Matters of discussion, including the methods and results of resolution, and abstracts of statements of members of the Committee, experts and other relevant attendees including dissenting and reserved opinions
8. Other matters required to be recorded

The compilation, distribution and keeping of the minutes may be accomplished by electronic means.

The attendance book of the Committee is an integral part of the minutes, which should be classified as an important document of the Company and kept for a time equal to the existence of the Company.

Article 9 (Avoidance of Voting)

The members of the Committee should avoid to vote on matters under the following circumstances:

1. The existence of conflict of interests, posing a potential harm to the interests of the Company
2. In the judgment of a member, affirmative action should be taken for avoidance
3. Avoidance should be taken upon a resolution of the Company

Conflict of interests mentioned in clause one of the preceding paragraph is deemed to be found with a member as long as such conflict is found with the spouse of such member, lineal relatives within the second tier, and companies controlled or affiliated with such member.

If abstaining from passing a resolution pursuant to paragraph one, the Committee should notify such to the Board, which will then make such a resolution.

Article 10 (Retention of outside experts)

For providing examinations and advices associated with performing its responsibilities, the Committee may resolve to retain lawyers, accountants and other outside experts, for whom the Company should bear the related expenses.

Article 11 (Delegation of Responsibilities)

Matters resolved by the Committee may be delegated for performance by members of the Committee, or, when necessary, by a special division created for such performance and for submitting a written report on the result of performance to the Committee.

Article 12 (Task Units)

The Committee may establish task units of all kinds responsible for performing on matters related to corporate governance and sustainable development.

Article 13 (Effectiveness)

The Rules, including revisions, become effective upon the resolution of the Board.