

AXIOMTEK CO., LTD.

Operating Procedures for Reporting Material Contingencies

Article 1 Purpose

To ensure timely reporting of material contingencies, allowing managers, directors, and the audit committee to stay informed promptly, the Operational Procedure is established for compliance.

Article 2 Scope

The Company and its subsidiaries.

Article 3 Definitions

3.1 A material contingencies refers to any of the following events that may significantly impact the Company's reputation or operations:

3.1.1 Accidents.

3.1.2 Natural disasters.

3.1.3 Infectious diseases.

3.1.4 Collective protests, strikes, major workplace safety incidents, environmental pollution, or government-ordered suspension of operations, closure, fines, or other significant matters causing major damage to the Company.

3.1.5 Legal incidents.

3.1.6 Financial incidents.

3.1.7 Major cybersecurity incidents.

3.1.8 Personal safety threats to key executives and directors.

3.1.9 Other significant events.

Article 4 Reference Regulations

Not applicable

Article 5 Duty

5.1 Responsible Unit Supervisor: The direct supervisor of the unit or personnel detecting the incident.

5.2 Finance Department: Responsible for drafting and amending this procedure and submitting it to the board of directors for discussion.

5.3 Human Resources Department Supervisor: The designated recipient of notifications from units or personnel when a suspected major incident occurs.

5.4 Audit Department: Conducts periodic audits of procedure execution.

5.5 Board of Directors: Approves the establishment and amendments of this procedure.

Article 6 Flow Chart

Not applicable

Article 7 Procedures/Way

- 7.1 When a suspected major incident occurs, the detecting unit or personnel must report it to the responsible unit supervisor.
- 7.2 The responsible supervisor must immediately arrange for on-site response actions, notify the HR department supervisor, and record relevant handling details in the “Material Contingencies Report Form”. The HR department supervisor will conduct an initial assessment to determine if the incident should be escalated. If it is not a material contingency, the responsible unit supervisor will continue monitoring the situation.
- 7.3 If the HR department supervisor deems escalation necessary, the case will be submitted to the President for a final decision. If the President determines that it is not a material contingency, the HR department supervisor will continue monitoring the situation and document it upon resolution. If it is confirmed as a material contingency, it will be reported according to Section 7.5.
- 7.4 If a separate procedure or policy exists for handling a specific type of unexpected incident, the relevant procedure or policy should be followed.
- 7.5 If the incident threatens life safety, triggers external protests, disrupts normal operations, or may cause significant damage to the Company, the spokesperson, deputy spokesperson, President, and Chairman must be notified immediately.
- 7.6 The spokesperson, deputy spokesperson, President, and Chairman should evaluate the overall impact of the incident on the Company. If the impact is deemed significant, directors and the audit committee must be informed immediately.
- 7.7 The severity of the incident should be assessed not only in terms of financial impact but also in consideration of intangible and non-quantifiable factors, such as investor concerns, reputational damage, and negative social perception.
- 7.8 If the unexpected incident meets the “Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with TPEX Listed Securities”, the Company must release relevant material information in accordance with the “Operating Procedures for Handling Material Inside Information”.
- 7.9 If a subsidiary encounters an unexpected incident as defined in this procedure, it must follow the same reporting procedure and notify the parent company's HR department supervisor. The parent company's HR department supervisor will then submit the case to the President for an initial assessment. If the incident requires escalation, it will be handled according to Sections 7.5 to 7.8.

- 7.10 Internal audits should incorporate this procedure into the Company's internal control and audit system to ensure proper execution.
- 7.11 This procedure shall take effect upon approval by the Board of Directors. The same applies to any amendments.

Article 8 The related documents

8.1 Documents: Not applicable.

8.2 Form:

8.2.1 Material Contingencies Report Form.

8.3 Record or others: Not applicable.