

Phihong Technology Co.,Ltd.
Audit Committee Charter

Article 1: Purpose and Basis This charter is established in accordance with Article 3 of the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies."

Article 2: Scope The number of members, term of office, responsibilities, rules of procedure, and resources provided by the company for the exercise of powers by the Audit Committee are governed by this charter.

Article 3: Supervisory Objectives The primary purpose of the Audit Committee is to supervise the following matters:

1. The fair presentation of the company's financial statements.
2. The selection, dismissal, independence, and performance of the certified public accountants.
3. The effective implementation of the company's internal control.
4. The company's compliance with relevant laws and regulations.
5. The control of existing or potential risks of the company.

Article 4: Composition and Term The Audit Committee shall consist of all independent directors, with no fewer than three members, one of whom shall be the convener, and at least one member shall have accounting or financial expertise. The term of office for independent directors is three years, and they may be re-elected. If a member is dismissed, resulting in fewer than the required number of members, a by-election shall be held at the next shareholders' meeting.

Article 5: Application of Laws The provisions of the Securities and Exchange Act, the Company Act, and other laws applicable to supervisors shall apply mutatis mutandis to the Audit Committee. Resolutions of the Audit Committee require the consent of more than half of all members. The convener represents the Audit Committee externally.

Article 6: Responsibilities The responsibilities of the Audit Committee include:

1. Establishing or amending internal control systems.
2. Evaluating the effectiveness of internal control systems.
3. Establishing or amending procedures for major financial and business actions.
4. Matters involving the interests of directors.
5. Major asset or derivative transactions.
6. Major lending of funds, endorsements, or guarantees.
7. Raising, issuing, or privately placing equity securities.
8. Appointment, dismissal, or remuneration of certified public accountants.
9. Appointment, dismissal, or remuneration of financial, accounting, or internal audit officers.
10. Annual and second-quarter financial reports signed or sealed by the chairman, manager, and accounting officer.
11. Business reports, profit distribution, or loss offsetting proposals.
12. Other major matters required by the company or competent authorities.

Article 7: Meetings The Audit Committee shall meet at least once every quarter and may convene additional meetings as needed. Meetings shall be convened by the convener, with a notice sent to all members seven days in advance, except in emergencies. Meetings shall be held at the company's location during office hours or at a convenient time and place for members.

Article 8: Attendance and Proxies Members shall attend meetings in person. If unable to attend, they may appoint another independent director as a proxy. Participation via video conference is considered attendance in person. Resolutions require the consent of more than half of all members.

Article 9: Meeting Minutes Minutes shall be prepared for all meetings, detailing the date, location, chairman, attendance, reports, discussions, and resolutions. The minutes shall be signed by the chairman and recorder and distributed to all members within 20 days. The minutes and sign-in book shall be preserved during the company's existence.

Article 10: Agenda The agenda shall be set by the convener, and other members may propose items for discussion.

Article 11: Conflict of Interest Members with a conflict of interest in a proposal shall explain the important aspects of the conflict and recuse themselves from discussion and voting if it may harm the company's interests.

Article 12: Professional Assistance The Audit Committee may appoint lawyers, accountants, or other professionals to conduct necessary audits or provide consultations, with the costs borne by the company.

Article 13: Duties of Care and Loyalty Members shall perform their duties with the care of a good administrator and the duty of loyalty, and be accountable to the board of directors.

Article 14: Review and Amendment The Audit Committee shall regularly review and propose amendments to this charter. Matters resolved by the Audit Committee may be delegated to the convener or other members for execution, with reports provided to the committee.

Article 15: Performance Evaluation The Audit Committee shall conduct an annual performance evaluation in accordance with the "Board Performance Evaluation Procedures."

Article 16: Implementation This charter shall be implemented after approval by the board of directors, and the same applies to amendments. Established on March 16, 2017. Revised on November 10, 2017; August 7, 2020; August 11, 2023; and March 7, 2024.