

# **Sinyi Realty Inc.**

## **Audit Committee Charter**

Date: 2007.8.15 (Announced)  
2021.01.22(5<sup>th</sup> amendment)  
[2024.10.28\(6<sup>th</sup> amendment\)](#)

### **Article 1**

This Charter is adopted pursuant to Article 3 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies and Article 14-1 of the Articles of Incorporation of Sinyi Realty Inc.(hereinafter, "the Company")

### **Article 2**

Matters concerning the number, term of office, powers, rules of procedure for meetings, and resources to be provided by this Company when the Audit Committee ("the Committee") exercises its powers shall be handled in accordance with this Charter.

### **Article 3**

The main function of the Committee is to supervise the following matters:

1. Fair presentation of the financial reports of this Company.
2. The hiring (and dismissal), independence, and performance of certificated public accountants of this Company.
3. The effective implementation of the internal control system of this Company.
4. Compliance with relevant laws and regulations by this Company.
5. Management of the existing or potential risks of this Company.

### **Article 4**

The Committee shall be composed of the entire number of independent directors of the Company. It shall not be fewer than three persons in number, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise.

The members of the Committee shall serve a 3-year term, and may be re-elected to further terms. When the number of the members on the Committee falls below that prescribed in the preceding paragraph or in the articles of incorporation due to an independent director's dismissal for any reason, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of the occurrence to hold a by-election to fill the vacancies.

### **Article 5**

[The provisions regarding supervisors under](#) the Securities and Exchange Act, the Company Act, and any other law shall [apply mutatis mutandis to](#) the Committee.

The provisions of Article 14-4, paragraph 4 of the Securities and Exchange Act, in regard to

the Company Act as concerns the [powers](#) of supervisors, apply mutatis mutandis to the members of the Committee.

[The representatives of the Company for the matters specified in Articles 213, 214, and 223 of the Company Act shall be appointed by the Committee in accordance with the procedures set forth in Article 8, Paragraph 4 of these Rules. The Committee may decide whether the members will represent the Company individually or jointly. If the representatives are not appointed in accordance with the above procedure, all members shall jointly represent the Company.](#)

## **Article 6**

The powers of the Committee are as follows:

1. The adoption of or amendments to 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. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
4. Matters in which a director is an interested party.
5. Asset transactions or derivatives trading of a material nature.
6. Loans of funds, endorsements, or provision of guarantees of a material nature.
7. The offering, issuance, or private placement of equity-type securities.
8. The hiring or dismissal of a certified public accountant, or their compensation.
9. The appointment or discharge of a financial, accounting, or internal audit officer.
10. Quarterly, semi-annual and annual financial reports.
11. Other material matters as may be required by this Company or by the competent authority.

The matters under the preceding paragraph shall be subject to the approval of one half or more of the entire membership of the Committee and shall be submitted to the board of directors for a resolution. Any matter in the paragraph 1 which has not been approved by one half or more of the entire membership of the Committee may be adopted with the approval of two thirds or more of the entire board of directors. However, subparagraph 10 in the paragraph 1 shall be adopted with the approval of the entire membership of the Committee.

"The entire membership," as used herein, shall be counted as the number of members actually in office at the given time.

The convener of the Committee shall represent the Committee to the public.

Article 219 and Article 228 of the Company Act, the other non-financial statements and reports shall not be submitted to the Committee for a resolution again after the resolution of the board of directors, in the circumstance that statements have been submitted to the Committee and the board of directors for a resolution already, pursuant to Article 14-5, paragraph 1, the subparagraph 11 and the paragraph 2 of the Securities and Exchange Act. The Committee shall report to the shareholders meeting pursuant to Article 219 of the Company Act.

## **Article 7**

The Committee shall set a convener who externally represents the Committee and internally deals with the Committee's affairs and chairs the meeting of the Committee.

A member of the Committee shall be elected as the convener and meeting chair by and from the entire membership of the Committee. If the Committee members are unable to elect a convener, the independent director with the highest number of votes shall serve as the convener.

When the convener is on leave or unable to convene a meeting for any reason, the convener shall appoint another member on the Committee as acting convener; if the convener does not make such an appointment, one of the Committee shall be elected by and from the other members of the Committee to serve as convener.

A majority of the independent directors on the Committee may submit a written request specifying the proposed matters and reasons, asking the convener to call a committee meeting. If the convener fails to convene the meeting within 15 days of the request, a majority of the independent directors may convene the meeting themselves.

The Committee shall convene at least once quarterly, and may call a meeting at its discretion whenever necessary.

The location and time of the Committee meetings should be at the Company's premises and during office hours, or at a place and time convenient for committee members to attend and suitable for holding the meeting.

In calling a meeting of the Committee, a notice of the reasons for convening the meeting shall be given to each member at least 7 days in advance. In emergency circumstances, however, the meeting may be called on shorter notice. The form of notice may be done electronically by the consent of the Committee members.

The Committee may invite the managers of relevant departments, internal audit officers, certified public accountants, attorneys, or other personnel of this Company to attend the meeting as non-voting participants and provide pertinent and necessary information. Invited personnel shall leave the meeting while the Committee is discussing and voting for

the agendas.

When the Committee calls a meeting, it shall furnish the members of the Committee present at the meeting with relevant materials for reference as necessary.

## **Article 8**

When a meeting of the Committee is held, the Company shall provide an attendance book for the attending members to sign in, which shall be available for reference.

The Committee's members shall attend meetings of the Committee in person. Attendance via telecommunications is deemed as attendance in person. If a member is unable to attend in person, he or she may appoint in written form another member as proxy to attend the meeting. The proxy may accept a proxy from one person only.

A member of the Committee that appoints another member as proxy to attend a meeting of the Committee shall in each instance issue a written proxy stating the scope of authorization with respect to the items on the meeting agenda.

Resolutions at meetings of the Committee shall be adopted with the approval of one half or more of the entire membership. The result of a vote shall be made known immediately and recorded in writing.

If for a legitimate reason it is impossible to hold a meeting of the Committee, Article 6, paragraph 2 shall apply.

### **Article 8-1**

If the meeting time has arrived and the number of attending members of the Committee is less than half of the total members, the Chairperson may announce a postponement of the meeting on that day, with a maximum of two postponements allowed. If the required quorum is still not met after two postponements, the Chairperson may reconvene the meeting following the procedures specified in Article 7, Paragraph 7.

### **Article 8-2**

The Committee shall proceed according to the agenda set out in the meeting notice. However, it may be changed with the approval of more than half of the entire members of the Committee.

Unless more than half of the entire members of the Committee agree, the Chairperson may not unilaterally announce the adjournment of the meeting.

During the meeting, if the number of members present is less than half of the total members, upon the proposal of the attending independent directors, the Chairperson shall announce a suspension of the meeting, and the provisions of the previous article shall

[apply mutatis mutandis.](#)

[If the convener is unable to preside over the meeting or the Chairperson fails to adjourn the meeting according to Paragraph 2, the selection of a proxy shall follow the procedures specified in Article 7, Paragraph 3.](#)

## **Article 9**

Discussions at a meeting of the Committee shall be included in the meeting minutes, which shall faithfully record the following:

1. The session, time, and place of the meeting.
2. The name of the meeting chair.
3. Attendance by the members, including the names and the number of members present, attendance via telecommunications or proxy, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.
7. Agenda items: For each proposal, the method of resolution and the result; a summary of the comments of the members of the Committee and experts and other persons present at the meeting; the names of the independent directors involved in the interest relations, the important contents of the interests, the reason of his or her recuse and the actual situation of the recuse as mentioned in Article 11, paragraph 1; and any objections or reservations expressed.
8. Extraordinary motions: The name of the mover; the method of resolution and the result for each motion; a summary of the comments of the members of the Committee and experts and other persons present at the meeting; the names of the independent directors involved in the interest relations, the important contents of the interests, the reason of his or her recuse and the actual situation of the recuse as mentioned in Article 11, paragraph 1; and any objections or reservations expressed.
9. Other matters required to be recorded during the existence of the Company.

The attendance book [of the Committee](#) constitutes part of the minutes for each meeting of the Committee and shall be preserved permanently.

The minutes of a Committee meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each member within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of this Company.

The meeting minutes as described in paragraph 1 may be produced and distributed in electronic form.

### **Article 9-1**

The Company shall record the whole process of the committee's meeting in audio and video recordings and keep them for at least five years, the record may be kept in electronic form.

If any lawsuit arises related to the relevant resolutions of the Committee before the expiration of the retention period mentioned in the preceding paragraph, the relevant audio and video recordings shall be kept until the conclusion of the lawsuit.

If any member attends via telecommunications, the video recordings is deemed as a part of the resolutions at meetings of the Committee and shall be recorded during the existence of the Company.

### **Article 10**

The Committee's meeting agenda shall be drafted by the convener. Other members may also put forward proposals for discussion by the Committee.

### **Article 11**

A member of the Committee shall explain the important content of their interest when they are an interested party with respect to a given agenda item; when such a relationship is likely to prejudice the interests of this Company, the member shall not join the discussion or voting for the agenda item and shall recuse himself or herself during the discussion or voting. The member shall not appoint another independent director member as proxy to vote for the agenda item.

Where the spouse, a blood relative within the second degree of kinship of a member of the Committee, or any company that has a controlling or subordinate relation with a member of the Committee has interests in the matters under discussion in the meeting of the preceding paragraph, such member shall be deemed to have a personal interest in the matter.

If an agenda item cannot be resolved at a meeting of the Committee due to the recusal of members, it shall be reported to the board of directors, which shall resolve on the item.

The provisions of Article 6, paragraph 2 shall apply to the resolution of the board of directors in the preceding paragraph.

### **Article 12**

The Committee may retain the service of an attorney, certified public accountant, or other professionals to provide advice with respect to matters in connection with Article 6. The costs of their services shall be borne by this Company.

### **Article 13**

The Committee members shall exercise the due care of a good administrator and faithfully perform the duties prescribed in this Charter; they shall be accountable to the board of directors [and shall submit their proposals to be resolved by the board.](#)

The Committee shall conduct performance evaluation through internal evaluation of the Committee, peer evaluation, or evaluation by appointed external professional institutions or other appropriate methods and then report the evaluation result to the board of directors.

### **Article 14**

The Committee shall conduct periodic reviews of matters relating to this Charter and present the results for amendment by the board of directors.

The execution of tasks relating to resolutions adopted by the Committee may be delegated to the convener or other Committee members for follow-up, with a written or verbal report to be presented to the Committee during the implementation period. When necessary, the matter shall be presented for ratification or a report made at the next meeting of the Committee.

### **Article 15**

This Charter shall [be implemented](#) after adoption by a resolution of the board of directors and the [same procedure shall apply for any amendments.](#)