

# Charter of the Sustainable Development Committee of Kenda Rubber Ind. Co., Ltd.

Passed and adopted at the meeting of the Board of Directors on 21 January 2022

## Article 1 Basis

In order to implement and promote corporate social responsibility and sustainable management of the Company, this Organizational Charter of the Sustainable Development Committee of the Company (hereinafter referred to as the "Committee") is hereby established in accordance with the provisions of the "Code of Practice on Sustainable Development" of the Company and should be adhered to.

## Article 2 Scope of application

Matters related to the powers and authority of the Committee shall be governed by the provisions of this Organizational Charter unless otherwise provided by law or the Articles of Incorporation.

## Article 3 Membership, composition and term of office of the Committee

The members of this Committee shall consist of three Directors of the Board of Directors of the Company, and one member shall be elected by the other members as the Chairperson. Unless otherwise provided by law or the Company's Articles of Association or rules, the term of office of the members of the Committee shall be from the date of resolution of the Board of Directors until the date of expiration of the tenure of directorship or the date when the Director resigns from the position of Director or member of the Committee, or the date when the Board of Directors makes another resolution to replace the original Director as a member of this Committee, whichever is earlier.

The term of office of the Committee members shall be consistent with the term of office of the Directors who shall be eligible for re-election.

## Article 4 Power and authority of the Committee

- I. Review and approve the annual targets for each area of environmental, social and governance (ESG) related to the operations of the Group.
- II. Propose sustainable development policy or system and supervise the implementation of the plan, and report annually to the Board of Directors.
- III. Review and approve or file a record of the implementation plan for each area of ESG.
- IV. Review and approve the preparation of sustainability report.
- V. Other matters to be handled by this Committee as resolved by the Board of Directors.

The matters resolved by the Committee shall be handed over to the functional teams for implementation. Therefore, the Committee has established the Corporate Governance Team, the Environmental Protection, Safety and Hygiene Team, and Employee Relations and Community Engagement Team in accordance with the promotion of the related business. Each team has a team head who shall coordinate the implementation of the team's tasks. This Committee, chaired by the President's Office which acts as the Bureau of Affairs, is responsible for consolidating and handling the affairs of this Committee, integrating the various functional teams to compile a annual plan, implementation of sustainability report and formulating the direction/goals of sustainable development and related management

approach.

The aforementioned direction/goals of sustainable development and related management approach/annual plan/sustainability report and implementation results shall be discussed by the Committee and then submitted to the Board of Directors.

#### Article 5 Procedural rules of the Committee

- I. The Committee shall hold meetings quarterly and may convene meetings separately as necessary.
- II. The Chairperson shall be the presiding member in the Committee. If the Chairperson is on leave or otherwise for any reason whatsoever is unable to convene a meeting, the Deputy Chairperson shall act as the proxy; if the Deputy Chairperson does not designate a proxy, a member of the Committee shall be elected among the other members to act as the proxy.
- III. The agenda of this Committee shall be set by the Chairperson. Other members may also provide proposals for discussion by the Committee. The agenda of the meeting shall be provided to the members of the Committee seven days before the meeting.
- IV. When convening meetings of the Committee, the Company shall provide an attendance book for signature by the members attending the meeting and thereafter made available for reference. Members of the Sustainability Committee shall attend the Committee in person. In case a member is unable to attend in person, he/she may appoint another member to attend on his/her behalf, but each member may only be appointed by one person; attendance via tele- or video-conference is deemed as attendance in person.
- V. A Committee member appointing another member to attend the Committee meeting in his or her place shall in each instance issue a written proxy stating the scope of authorization with respect to the reasons for the meeting.
- VI. A resolution of the Committee shall require the approval of one-half or more of all the members. During voting, if the Chairperson of the Committee solicits and receives no dissents, the motion is deemed passed, with equivalent force as if it is passed by voting. The results of voting shall be made known immediately and recorded in writing.

#### Article 6 Minutes of meeting

Minutes shall be prepared of the discussions at the Committee and the minutes shall record the matters listed below in a detailed and accurate manner:

- I. Session, time, and place of the meeting.
- II. Name of the Chairperson of the meeting.
- III. Attendance of the members, specifying the names and number of members in attendance, excused, and absent.
- IV. Names and titles of those present at the meeting as non-voting participants.
- V. Name of minutes taker.
- VI. Matters reported on.
- VII. Agenda items: the resolution method and outcome of each motion; summary of the comments made by any member of the Committee, expert or other person; and any objection or reservation expressed.
- VIII. Extraordinary motions: the name of the mover, the resolution method and outcome of

the motion; summary of the comments made by any member of the Committee, expert or other person; and any objection or reservation expressed.

IX. Other matters required to be recorded.

The attendance book forms a part of the minutes for the Committee meeting and shall be well preserved during the existence of the Company. The minutes of meeting shall bear the signature or chop of both the Chairperson of the meeting and the minutes taker; a copy of the minutes shall be distributed to each member of the Committee within 20 days after the meeting and well preserved as important record of the Company during the existence of the Company. The meeting minutes may be produced and distributed in electronic form.

Article 7 Recusal from deliberation

If a member of the Committee is an interested party with respect to any proposal in the meeting, the member shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the Company, the member may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The member also may not act as another member's proxy to exercise voting rights on that matter.

If the Committee is unable to make a resolution due to the preceding provision, it shall report to the Board of Directors and the Board of Directors shall make a resolution.

Article 8 Appointment of experts

The Committee may, by resolution, appoint lawyers, certified public accountants or other professionals to conduct necessary audit or advise on matters related to Article 3 of this Charter, and the expenses incurred shall be borne by the Company.

Article 9 Obligations of Committee members

The members of the Committee shall faithfully perform their duties as set forth in this Charter by exercising their duty of care as good manager, and shall be accountable to the Board of Directors and submit their proposals to the Board of Directors for resolution.

Article 10 Authorization of the Committee

The Committee shall review the matters related to this Charter periodically and submit them to the Board of Directors for resolution.

The matters relating to the resolutions adopted by the Committee may be delegated to the Chairperson 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 is made at the next meeting of the Committee.

Article 11 Implementation

This Charter shall be implemented after having been resolved and passed by the Board of Directors. Subsequent amendments thereto shall be effected in the same manner.