

***Franbo Lines Corp.***

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CX31			June 23, 2017		
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Edition	Revision Date	Revision Content	Formulate	Review	Approved
1	June 6, 2017	Newly formulated	Kevin Cheng	Chairman	Board of Directors
2	October 25, 2017	Please refer to the revised clause comparison table for details	Kevin Cheng	Chairman	Board of Directors
3	December 20, 2019	Please refer to the revised clause comparison table for details	Kevin Cheng	Chairman	Board of Directors
4	September 10, 2020	Please refer to the revised clause comparison table for details	Kevin Cheng	Chairman	Board of Directors
5	March 7, 2024	Please refer to the revised clause comparison table for details	Kevin Cheng	Chairman	Board of Directors

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## 1. Purpose and Basis

These Organizational Regulations are established in accordance with Article 14-4 of the Securities and Exchange Act (hereinafter referred to as the “SEA”) and Article 3 of the “Regulations Governing the Exercise of Powers by Audit Committees of Public Companies” for compliance purposes.

The primary purpose of this Committee's operation is to oversee the following matters:

- (1) The fair presentation of the Company's financial statements.
- (2) The appointment, removal, independence, and performance of the certifying accountants.
- (3) The effective implementation of the Company's internal controls.
- (4) The Company's compliance with relevant laws, regulations, and rules.
- (5) The management of the Company's existing or potential risks.

## 2. Scope of Application

The authority of the Company's Audit Committee (hereinafter referred to as “the committee”) shall be governed by these Organizational Rules, except as otherwise provided by law or the Articles of Association.

## 3. Committee Composition, Election, Term of Office, and Duties

### 3.1. Committee Composition

The committee shall consist of all independent directors, with a minimum of three members. One member shall serve as convener, and at least one member shall possess accounting or financial expertise.

### 3.2. Committee Term and By-election

- 3.2.1. The term of office for members of the committee shall be the same as that of independent directors. Should the number of independent directors fall below the minimum specified in the preceding paragraph or the Articles of Incorporation due to resignation or removal, a by-election shall be held at the next regular shareholders' meeting. Should all independent directors resign or be

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removed, an extraordinary shareholders' meeting shall be convened within sixty days of such occurrence to elect replacements, whose term shall expire concurrently with the term of the board of directors in office at that time.

3.2.2. Upon the appointment or change of members of the Audit Committee, the company shall file an announcement with the information disclosure website designated by the competent authority within two days from the date of occurrence.

### 3.3. Scope of Committee Responsibilities

3.3.1. The provisions of the Securities and Exchange Act, the Company Act, and other laws concerning supervisors shall apply mutatis mutandis to the audit committee.

3.3.2. The provisions of Article 14-4, Paragraph 4 of the Securities and Exchange Act concerning the powers and duties of supervisors under the Company Act shall apply mutatis mutandis to the independent directors of the audit committee.

3.3.3. This Committee shall, with the care of a good steward, faithfully perform the following duties and submit its recommendations to the Board of Directors for discussion:

- (1) Review of the establishment or amendment of internal control systems.
- (2) Assessment of the effectiveness of internal control systems.
- (3) Review of procedures established or amended pursuant to Article 36-1 of the Securities and Exchange Act for handling major financial and business activities such as acquiring or disposing of assets, engaging in derivative transactions, lending funds to others, or providing endorsements or guarantees for others.
- (4) Deliberation on matters involving directors' personal interests.
- (5) Review of major asset or derivative transactions.
- (6) Review of major fund lending, endorsement, or guarantee arrangements.
- (7) Review of proposals to raise capital, issue, or privately place equity-type securities.

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(8) Evaluation of proposals for the appointment, removal, or compensation of certified public accountants.

(9) Evaluation of appointment or removal of financial, accounting, or internal audit officers.

(10) Review of the annual financial report signed or sealed by the Chairman, managers, and chief accountant, and the second-quarter financial report subject to audit and certification by certified public accountants.

(11) Other significant matters as prescribed by the company or competent authorities.

Resolutions on the matters set forth in the preceding paragraph shall be approved by a majority of more than half of all members of the committee and submitted to the Board of Directors for resolution.

For matters under each subparagraph of the first paragraph, except for subparagraph (10), if approval by a majority of more than half of all members of the committee is not obtained, such matters may be implemented with the approval of two-thirds or more of all directors, without being subject to the restrictions of the preceding paragraph. The resolution of the committee shall be recorded in the minutes of the Board meeting.

The representative of the company for matters under Articles 213, 214, and 223 of the Company Act shall be appointed by the Audit Committee in accordance with the procedures set forth in the preceding paragraph. The Audit Committee may resolve that a representative shall be appointed individually or jointly from among its members. If no representative is appointed in accordance with the preceding paragraph, all members shall jointly represent the company.

The term “all members” as used in these organizational regulations shall be calculated based on those currently in office.

The convener of this committee shall represent the committee externally.

## **4. Committee Meeting Convening, Agenda, Attendance, and Resolutions**

### **4.1. Committee Meeting Convening and Convening**

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4.1.1. The committee shall convene at least once per quarter and may hold meetings as needed.

The convening of the Committee shall specify the reason for the meeting and notify all members and relevant invited participants at least seven days in advance. However, this requirement shall not apply in cases of emergency. The notice for convening referred to in the preceding paragraph shall be given in writing or electronically; in cases of emergency, it may also be given by other appropriate means.

4.1.2. The location and time for convening the committee shall be at the company's registered office during business hours or at a location and time convenient for audit committee members to attend and suitable for holding the audit committee meetings.

4.1.3. The committee shall elect one member from among all members to serve as convener and chairperson of meetings. However, if the committee members are unable to elect a convener, the independent director representing the largest number of votes shall serve as convener.

4.1.4. If the convenor is unable to convene a meeting due to leave or other reasons, he/she shall designate another independent director member to act as proxy; if the convenor fails to designate a proxy, the independent director members of the committee shall elect one member to act as proxy.

4.1.5. A request to convene the Audit Committee may be made in writing by independent directors constituting more than half of all members of the committee, stating the proposed agenda items and reasons. If the convener fails to convene the Audit Committee within fifteen days of the request, independent directors constituting more than half of all members of the Audit Committee may convene the meeting themselves.

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4.1.6. The committee may invite managers of relevant departments of the Company, internal auditors, accountants, legal advisors, or other personnel to attend and provide necessary information. However, such persons shall leave the meeting during discussions and voting.

## 4.2. Committee Meeting Agendas, Attendance, and Resolutions

4.2.1. The agenda for the committee shall be set by the convener. Other members may also submit proposals for discussion by the committee.

4.2.2. When the committee convenes, relevant materials shall be prepared for reference by attending committee members at any time.

4.2.3. When the committee convenes, the Company shall provide a sign-in sheet for attending members to sign and for reference

4.2.4. Members of the committee shall attend the committee in person. If unable to attend in person, they may appoint another member to attend on their behalf; participation via video conference shall be deemed in-person attendance.

4.2.5. When a committee member appoints another member to attend on their behalf, a written proxy shall be issued for each instance, specifying the scope of authorization for the convened matter. Each member may only accept one proxy appointment.

4.2.6. Resolutions of the committee shall require the approval of more than half of all members. Voting results shall be reported on the spot and recorded. If the Committee Chair inquires and finds no objection during voting, the resolution shall be deemed passed with the same effect as a ballot vote.

4.2.7. An independent director member of the committee who has a material interest in any matter under discussion shall disclose the essential details of such interest. If there is a risk that such interest may harm the Company's interests, the member shall not participate in the discussion or vote on the matter, shall recuse

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themselves during discussion and voting, and shall not exercise the voting rights of other independent director members by proxy.

Where the spouse or blood relative within the second degree of kinship of an independent director has an interest in the matter referred to in the preceding paragraph, such independent director shall be deemed to have a personal interest in that matter.

Where the committee is unable to reach a resolution due to the provisions of Paragraph 1, the matter shall be reported to the Board of Directors for resolution.

4.2.8. Where there are valid reasons preventing the convening of the committee, such action shall be taken with the consent of at least two-thirds of all directors of the Board of Directors. However, matters under Clause 3.3.3(10) shall still require the consent of the independent director members.

4.2.9. If, at the scheduled meeting time, the number of attending members of the committee does not reach half of all members, the Chairperson may declare the meeting postponed for that day. Such postponement may occur no more than twice. If the quorum is still not met after two postponements, the Chairperson may reconvene the meeting in accordance with the procedures specified in Section 4.1.1.

4.2.10. The committee shall proceed according to the agenda set forth in the meeting notice. However, the agenda may be altered with the consent of more than half of all Audit Committee members.

The Chairperson may not adjourn the meeting without the consent of more than half of all Committee members.

During the proceedings of the committee, if the number of members present falls below half of all members, the Chairperson shall, upon the motion of the

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independent directors present, declare a suspension of the meeting and apply the provisions of the preceding paragraph mutatis mutandis.

During the proceedings of the committee, if the convener is unable to preside over the meeting for any reason or the Chairperson fails to declare the meeting adjourned pursuant to the preceding paragraph, the appointment of a substitute shall be governed by the provisions of Section 4.1.2.

4.2.11. The committee may, by resolution, appoint attorneys, accountants, or other professionals to conduct necessary audits or provide consultations regarding matters specified in Section 3.3.3. The resulting expenses shall be borne by the Company.

4.2.12. The Company shall record the entire proceedings of the committee meetings by audio or video for archival purposes and retain such records for at least five years. Such retention may be conducted electronically.

If litigation arises concerning resolutions made by the committee before the expiration of the retention period specified in the preceding paragraph, the relevant audio or video recordings shall be retained until the conclusion of the litigation.

Where the committee convenes via videoconference, the videoconference audio and video materials shall constitute part of the minutes and shall be properly preserved for the duration of the Company's existence.

## 4.3. Minutes of Committee Meetings

4.3.1. Minutes of the Committee's proceedings shall be kept. The minutes shall accurately record the following:

- (1) The session, time, and location of the meeting.
- (2) The name of the Chairperson.
- (3) Attendance of members, including the names and number of those present, those on leave, and those absent.

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- (4) The names and titles of those present.
  - (5) The names of those recording the minutes.
  - (6) Matters to be reported.
  - (7) Matters discussed: The resolution methods and outcomes of each motion;  
summaries of statements made by committee members, experts, and other personnel; names of independent directors with conflicts of interest as defined in Section 4.2.7; descriptions of material aspects of such conflicts; reasons for recusal or non-recusal; instances of recusal; and dissenting or reserved opinions.
  - (8) Prompt motions: Proposer's name, resolution method and outcome of the motion, committee members, summaries of statements by experts and other personnel, names of independent directors with conflicts of interest as defined in Section 4.2.7, descriptions of material aspects of such conflicts, reasons for recusal or non-recusal, instances of recusal, and dissenting or reserved opinions.
  - (9) Other Matters to be Recorded.
- 4.3.2. If any member expresses objection or reservation regarding a resolution of the Committee and records or expresses such objection, such objection shall be recorded in the minutes and, within two days of the occurrence of such objection, shall be publicly disclosed on the information reporting website designated by the competent authority.
- 4.3.3. The attendance register of the committee shall form part of the minutes and shall be properly preserved during the company's existence. For meetings convened via video conference, the video and audio recordings shall also form part of the minutes.
- 4.3.4. The minutes shall be signed or sealed by the chairperson and the recording officer, distributed to committee members within twenty days after the meeting, submitted to the board of directors, and filed as a company record. They shall be

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properly preserved for the duration of the company's existence. The preparation and distribution of minutes may be conducted electronically.

#### 4.4. Implementation of Committee Meeting Resolutions

The convener or other committee members may be authorized to continue the implementation of any resolution or related subsequent work of the Committee, and shall submit a written report to the Committee during the implementation period. If necessary, the Committee shall submit the resolution for ratification or a report at the next meeting.

5. These Audit Committee Articles of Association shall be implemented upon approval by the Board of Directors, and shall apply to any amendments.