

ASE Technology Holding Co., Ltd.

Risk Management Policies and Procedures

Article 1 Objectives

The policies and procedures have been formulated to ensure the robustness of the company and its subsidiaries' risk management (collectively referred to as "ASEH"), so as to safeguard shareholder interests, attain sustainable development and build good corporate governance. To that end, ASEH is better able to achieve the company's operational strategies and goals.

Article 2 Basis

The policies and procedures are formulated in compliance with Article 44 of the 'Regulations Governing the Establishment of Internal Control Systems by Public Companies' promulgated by the Financial Supervisory Commission of the Executive Yuan. According to Article 44, public companies are to establish appropriate risk management policies and procedures; set up effective risk management mechanisms to assess and monitor their risk bearing ability, status of existing risks, as well as to determine risk response strategies and compliance with risk management procedures.

Article 3 Goals

ASEH shall identify, measure, monitor and control the risks related to various business operations. Potential risks should be properly evaluated and processed to ensure control within acceptable levels, and enable the company to achieve risk and reward rationalization goals.

Article 4 Risk Management Policies

ASEH's overall business direction drives the company's risk management policies that define various risks in order to establish risk management mechanisms for early identification, accurate assessment, effective monitoring and stricter controls. Risks that can be managed within an

acceptable threshold help mitigate potential losses, while shareholder interests and company value can be enhanced with continuous adjustments and improvements according to changes in internal and external environments. The following outlines the highest guiding principles of risk management:

- I. Awareness in risk management shall form an integral part of ASEH's operation and management, and shall be duly incorporated into its business strategies and organizational culture.
- II. A management and response mechanism shall be established to identify, evaluate, monitor and control major risks, and measurement standards shall be similarly established.
- III. The company shall establish appropriate risk management mechanisms, and continuously review and ensure the effective management of risks involved in driving various businesses.

Article 5 Organizational Structure and Areas of Responsibilities

Organizational structure and areas of responsibilities

I. Board of Directors

The Board of Directors is responsible for approving risk management policies and procedures. The Board monitors ASEH's existing and potential risks, and allocates the necessary resources to support effective risk controls.

II. Risk Management Committee

The Risk Management Committee, comprising a minimum of three members, is responsible for overseeing risk management activities. An Executive Secretariat shall be established with an independent board director as the convener, and independent board directors comprising at least half of the committee members. The duties of the Risk Management Committee are as follows:

1. Formulate relevant risk operating guidelines, establish risk management standards, and regularly review ASEH's risk management mechanisms, risk category assessment and operational improvements.

2. Implement decisions made by the Board of Directors, and regularly review the development, establishment and execution of ASEH's overall risk management mechanisms.
3. Approve risk response strategies and action plans, and request all ASEH's risk management authorities to effectively identify, measure, monitor and control various risks.
4. Convene a committee meeting at least once a year, and request each subsidiary to file respective reports.
5. Review and consolidate various risk control reports and submit to the Board on a yearly basis. Provide timely information to the Board on risk management implementation status.

III. Executive Secretariat

1. Support the Risk Management Committee in risk management implementation.
2. Ensure that each subsidiary carries out effective risk identification and control activities in order to achieve risk management goals.
3. Conduct regular meetings with senior management to identify key and emerging risks.

IV. Audit Department

The Audit Department shall conduct independent audits on ASEH's risk management related businesses at least once a year, and report the findings to the Board of Directors.

V. Board of Directors at ASEH's subsidiaries

Supervise the implementation of risk management practices of the respective subsidiaries, and establish risk management committees in all subsidiaries to carry out risk management activities.

VI. Business Units (including management units, and group /regional function / department)

Each unit shall carry out risk management, reporting, and procedure improvements. Each unit shall also promote and implement risk management practices within each department, and report risk plan improvements to the Board of Directors of the respective subsidiaries.

Article 6 Scope of Risk Management

ASEH shall evaluate various risk probability and impacts that may occur during the course of business, and take appropriate measures to continuously improve and mitigate business risks.

ASEH's business operation risks can be categorized into operational risks, strategic risks, market risks, compliance risks, information security risks, environmental risks, climate change risks, financial risks and other risks associated with the business operation. To ensure that all risks are kept within acceptable thresholds, ASEH shall aggregate and establish management indicators for various risk categories to be regularly monitored by the respective business units.

Article 7 Risk Identification

ASEH adopts top-down and bottom-up approaches to corporate risk management. Key and emerging risks are regularly identified by the senior management, and communicated to all subsidiaries. Results from risk identification activities and the control status are reported to the Risk Management Committee to strengthen overall decision making.

ASEH shall carry out risk identification at the corporate level at least once a year to compile a record of past experiences and evaluate future risk probabilities.

Article 8 Risk Assessment

ASEH shall formulate appropriate assessment methods as the basis for risk management upon identification of potential risk exposure factors, and evaluate the risk levels according to the following aspects:

- I. Probability of occurrence
- II. Risk impact (including but not limited to business continuity, financial viability, company image and reputation)
- III. Effectiveness of control

Correlation analysis is used to examine whether there is a high degree of

correlation between primary risk factors and, where necessary, develop further risk mitigation plans to reduce risks.

Article 9 Risk Response and Monitoring

Each business unit shall take appropriate measures upon identification and assessment of risk exposures, and establish preventive, early warning, contingency, crisis management and business continuity plans to mitigate, transfer or avoid risks, as well as maintain relevant records.

ASEH shall monitor the control and improvement of various types of risks, and immediately report its findings to the Risk Management Committee in case of significant risk exposures.

Article 10 Risk Disclosure

In order for shareholders and stakeholders to understand ASEH's overall risk management policy, information on the company's approach shall be disclosed in the annual report and the CSR report. To further ensure comprehensive disclosure and good corporate governance, the company shall also publish on its website the scope, organizational structure and operational details of its risk management policy.

Article 11 Approval and Amendment

The Risk Management Policies and Procedures shall come into force upon approval by the Board of Directors, and so shall any later amendments.

Article 12 Date of Formulation

The Risk Management Policies and Procedures were formulated on October 15, 2020.