

Sustainability-Linked Bonds Independent External Review Form

The Guidelines for External Reviews recommend the public disclosure of external reviews either in summary format through a recommended template and/or in its entirety. This contributes to market transparency and clarifies issuers' alignment with the Principles.

Section 1. Basic Information

Issuer name: Far Eastern New Century Corporation

Sustainability-Linked Bond ISIN: TW000B501709

Independent External Review provider's name for second party opinion pre-issuance (sections 2 & 3):
Ernst & Young

Completion date of second party opinion pre-issuance: 7/21/2022

Independent External Review provider's name for post-issuance verification (section 4): Ernst & Young

Completion date of post issuance verification: Before 9/30/2023 (estimate)

At the launch of the bond, the structure is:

- a step-up structure a variable redemption structure

Section 2. Pre-Issuance Review

2-1 SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review:

- assessed all the following elements (complete review) only some of them (partial review):

- | | |
|--|---|
| <input checked="" type="checkbox"/> Selection of Key Performance Indicators (KPIs) | <input checked="" type="checkbox"/> Bond characteristics (<i>acknowledgment of</i>) |
| <input checked="" type="checkbox"/> Calibration of Sustainability Performance | <input checked="" type="checkbox"/> Reporting |
| <input checked="" type="checkbox"/> Targets (SPTs) | |
| <input checked="" type="checkbox"/> Verification | |

- and confirmed their alignment with the SLBP.

2-2 ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

- Second Party Opinion Certification

Verification

Scoring/Rating

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

2-3 EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

Based on our procedures and the obtained evidence, nothing has come to our attention that causes us to believe that the FENC's 2022 Sustainability-Linked Bond Framework, in all material aspects, does not meet the applicable criteria.

Section 3. Detailed pre-issuance review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

3-1 SELECTION OF KEY PERFORMANCE INDICATORS (KPIs)

Overall comment on the section (if applicable):

Based on our procedures and the obtained evidence, nothing has come to our attention that causes us to believe that the FENC's 2022 Sustainability-Linked Bond Framework, in all material aspects, does not meet the applicable criteria.

List of selected KPIs:

- ✓ KPI 1 : Scope 1 & Scope 2 GHG Emissions
- ✓ KPI 2 : Revenue Growth of Green Products

Definition, Scope, and parameters

- Clear definition of each selected KPIs
- Clear calculation methodology
- Other (please specify):

Relevance, robustness, and reliability of the selected KPIs

- Credentials that the selected KPIs are relevant, core and material to the issuer's sustainability and business strategy.
- Evidence that the KPIs are externally verifiable
- Credentials that the KPIs are measurable or quantifiable on a consistent methodological basis
- Evidence that the KPIs can be benchmarked
- Other (please specify):

3-2 CALIBRATION OF SUSTAINABILITY PERFORMANCE TARGETS (SPTs)

Overall comment on the section (if applicable):

Based on our procedures and the obtained evidence, nothing has come to our attention that causes us to believe that the FENC's 2022 Sustainability-Linked Bond Framework, in all material aspects, does not meet the applicable criteria.

Rationale and level of ambition

- | | |
|--|---|
| <input checked="" type="checkbox"/> Evidence that the SPTs represent a material improvement | <input checked="" type="checkbox"/> Credentials on the relevance and reliability of selected benchmarks and baselines |
| <input checked="" type="checkbox"/> Evidence that SPTs are consistent with the issuer's sustainability and business strategy | <input checked="" type="checkbox"/> Credentials that the SPTs are determined on a predefined timeline |
| | <input type="checkbox"/> Other <i>(please specify)</i> : |

Benchmarking approach

- | | |
|--|--|
| <input checked="" type="checkbox"/> Issuer own performance | <input checked="" type="checkbox"/> Issuer's peers |
| <input checked="" type="checkbox"/> reference to the science | <input type="checkbox"/> Other <i>(please specify)</i> : |

Additional disclosure

- | | |
|--|--|
| <input type="checkbox"/> potential recalculations or adjustments description | <input checked="" type="checkbox"/> issuer's strategy to achieve description |
| <input type="checkbox"/> identification of key factors that may affect the achievement of the SPTs | <input type="checkbox"/> Other <i>(please specify)</i> : |

3-3 BOND CHARACTERISTICS

Overall comment on the section *(if applicable)*:

Based on our procedures and the obtained evidence, nothing has come to our attention that causes us to believe that the FENC's 2022 Sustainability-Linked Bond Framework, in all material aspects, does not meet the applicable criteria.

Financial impact:

- variation of the coupon
- ...
- Other *(please specify)*: One-time interest rate step-up

Structural characteristic:

- ...
- ...
- Other *(please specify)*: a step-up structure change

3-4 REPORTING

Overall comment on the section *(if applicable)*:

Based on our procedures and the obtained evidence, nothing has come to our attention that causes us to believe that the FENC's 2022 Sustainability-Linked Bond Framework, in all material aspects, does not meet the applicable criteria.

Information reported:

- performance of the selected KPIs
- level of ambition of the SPTs
- verification assurance report
- Other (please specify):

Frequency:

- Annual
- Other (please specify):
- Semi-annual

Means of Disclosure

- Information published in financial report
- Information published in ad hoc documents
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):
- Information published in sustainability report
- Other (please specify): FENC will publish the SLB progress report until SPTs fulfils.

Where appropriate, please specify name and date of publication in the “useful links” section.

Level of Assurance on Reporting

- limited assurance
- reasonable assurance
- Other (please specify):

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer’s documentation, etc.)

<https://mops.twse.com.tw/mops/web/index>

Section 4. Post-issuance verification

Overall comment on the section (if applicable):

Not yet happened, will be published in the middle of 2023 by Ernst & Young.

Information reported:

- limited assurance
- reasonable assurance
- Other (please specify):

Frequency:

- Annual
- Other (please specify):
- Semi-annual

Material change:

- Perimeter
- SPTs calibration
- KPI methodology

