Wistron Corporation

Corporate Governance Best Practice Principles

Chapter I General Principles

Article 1 In order to assist the Company to establish a sound corporate governance system, and to formulate the corporate governance principles and establish an effective corporate governance framework with reference to these Principles and disclose them through the Market Observation Post System (MOPS), the Principles have been regulated in accordance with "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies"

Article 2 When setting up the corporate governance system, in addition to complying with relevant laws, regulations, articles of incorporation, contracts signed with the competent authorities and other relevant regulations, the Company shall follow the following principles:

1. Protect the rights and interests of shareholders.
2. Strengthen the powers of the board of directors.
3. Emphasize Corporate Sustainability and Resilience.
4. Enhance information transparency.

In supervising management's implementation of policies for ethical corporate conduct, sustainable development, and risk management frameworks, the Board of Directors shall follow the aforementioned principles and consider the overall business operations of the Company and its subsidiaries.

Article 3 The Company shall follow the "Criteria Governing Establishment of Internal Control System by Public Reporting Companies" and take into consideration the overall operational activities of itself and its subsidiaries to design and fully implement an internal control system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the Company's internal and external environment.

The company shall perform full self-assessments of its internal control system, the board of directors and the management shall review results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The audit committee or supervisors shall also attend to and supervise these matters. The company is advised to establish channels and mechanisms of communication between their independent directors, audit committees or supervisors, and chief internal auditors.

The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, evaluate problems of the internal control system and assess the efficiency of operations to ensure that such system can be carried out effectively on an on-going

basis and may assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.

Appointment, dismissal, evaluation and review, salary and compensation of internal auditors shall be submitted by the chief auditor to the chairman for approval.

Article 3-1 The Chief of Staff Office of the Company is the unit to be in charge of corporate governance affairs. The Board of Directors appoint a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said chief corporate governance officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs.

It is advisable that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:

1. Handling matters relating to board meetings and shareholders meetings according to laws.
2. Producing minutes of board meetings and shareholders meetings.
3. Assisting in onboarding and continuous development of directors.
4. Furnishing information required for business execution by directors.
5. Assisting directors with legal compliance.
6. Reporting to the board of directors the results of their review of whether the qualifications of the independent directors comply with relevant laws, regulations, rules, and bylaws at the time of their nomination, election, and during their term of office.
7. Handling of matters relating to changes in directors.
8. Other matters set out in the articles or corporation or contracts.

A newly appointed chief corporate governance officer shall complete a minimum of 18 hours within the year from the person's appointment and a minimum of 12 hours per year in each following year. The continuing education scope, continuing education system and other continuing education affairs shall be governed by the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies.

Chapter II Protection of Shareholders' Rights and Interests

Section 1 Encouraging Shareholders to Participate in Corporate Governance

Article 4 The corporate governance system of the Company shall be designed to protect shareholders' rights and interests and treat all shareholders equitably.

The Company shall establish a corporate governance system which ensures shareholders' rights of being fully informed of, participating in and making decisions over important matters of the company.

Article 5 The Company shall convene shareholders meetings in accordance with the Company Law and relevant laws and regulations and provide comprehensive rules for such meetings. The Company shall faithfully implement resolutions adopted by shareholders meetings in accordance with the rules for the meetings.

Resolutions adopted by shareholders meetings of the Company shall comply with laws, regulations and articles of incorporation.

Article 6 The board of directors of the Company shall properly arrange the agenda items and procedures for shareholders meetings. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location, advisably with videoconferencing available and sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.

For a shareholders meeting called by the board of directors, it is advisable that the board chairperson chair the meeting. If the chairman is on leave or otherwise unable to perform his duties, his powers and authority shall be exercised in accordance with Article 208 of the Company Law of the Republic of China.

The shareholders meeting that a majority of the directors (including at least one independent director) and convener of the audit committee attend in person, and the Company will actively invite the member of other functional committee attend as representative. Attendance details should be recorded in the shareholders meeting minutes.

Article 7 The Company shall encourage its shareholders to actively participate in corporate governance and hold shareholders meetings on the premise of legal, effective and safe proceedings. The Company shall seek all ways and means, including fully exploiting technologies for information disclosure, and is advised to upload notices, agendas and supplementary information of shareholders meetings in both Chinese and English concurrently, and shall adopt electronic voting, in order to enhance the attendance rate of shareholders at the shareholders meeting and ensure the exercise of shareholders' rights at the shareholders meeting in accordance with laws.

The Company should avoid raising of extraordinary motions and amendments to original proposals at the shareholders meeting.

The Company should arrange for their shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of approval votes and disapproval votes and invalid votes and the number of abstentions, on the Market Observation Post System.

Article 8 The Company shall, in accordance with the Company Act and other applicable laws and regulations, record in the shareholders meeting minutes the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of directors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected directors.

The shareholders meeting minutes shall be properly and perpetually kept by the Company during its legal existence, and should be sufficiently disclosed on the Company's website.

Article 9 The chairman of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the Company. The chairman shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at will.

In order to protect the interests of most shareholders, if the chairman declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it would be advisable for the members of the board of directors other than the chairman of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a new chairman of the shareholders meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.

Article 10 The Company shall place high importance on shareholders' rights to know, prevent of insider trading, and faithfully comply with the applicable regulations regarding the information disclosure to provide, regularly and timely, the shareholders with information relating to the financial conditions and operations, the insiders' shareholdings, and corporate governance status in the Company by utilizing the Market Observatory Post System or the website established by the company.

To treat all shareholders equally, it is advisable that the company concurrently disclose the information under the preceding paragraph in English.

To protect its shareholders' rights and interests and ensure their equal treatment, the Company shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.

It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of the Company become aware of the contents of the company's financial reports or relevant results, including but not limited to directors shall not trade the shares in closed period during the 30 days before the announcement of the annual financial report and the 15 days before the announcement of the quarterly financial report.

Article 11 The shareholders shall be entitled to profit distributions by the Company. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors, and the reports submitted by the audit committee, and may decide, by resolution, profit distributions and deficit off-setting plans. In order to proceed with the above examination, the shareholders meeting may appoint an inspector.

The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records, assets, particulars, documents and records of specific transaction of the company.

The board of director, audit committee, and managers of the Company shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any circumvention, obstruction or rejection.

Article 12 In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.

When the Company is involved in a merger and acquisition (M&A) or public tender offer, in addition to proceeding in accordance with the applicable laws and/or regulations, it shall not only pay attention to the fairness, rationality, etc. of the plan and transaction of the merger, acquisition or public tender offer, but information disclosure and the soundness of the company's financial structure thereafter.

For the company's management or major shareholders participating in the M&A, a legal opinion should be issued by an independent lawyer for whether the members of the Audit Committee reviewing the M&A mentioned in the preceding paragraph comply with Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and the counterparty of the M&A transaction must not be a related party or have an interested relationship that is sufficient to affect independence; whether the design, the implementation of relevant procedures, and the disclosed information is in accordance with relevant laws and regulations.

The qualifications of lawyers referred to in the preceding paragraph shall comply with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and shall not be related to the counterparty of the M&A transaction, or have an interested relationship that is sufficient to affect independence.

The relevant personnel of the Company handling the matters of M&A shall pay attention to the occurrence of any conflicts of interest and the need for recusal.

Article 13 In order to protect the interests of the shareholders, it would be advisable for the Company to designate personnel exclusively dedicated to handling proposals by, inquiries from, and disputes relating to its shareholders.

The Company shall properly deal with matters arising from any action instituted by shareholders pursuant to the applicable laws claiming damage to such shareholders' rights and interests caused by the resolution adopted in its shareholders meetings or the board of directors meetings in violation of the applicable laws, regulations or its articles of incorporation, or claiming a breach by its directors or managers of applicable laws, regulations or the company's articles of incorporation in performing their duties.

It is advisable that the Company adopts internal procedures for appropriate handling of matters referred to in the preceding two paragraphs and that it keep relevant written records for future reference and incorporate the procedures in its internal control system for management purposes.

Section 2 Establishing a Mechanism for Interaction with Shareholders

Article 13-1 The board of directors of the Company is responsible for establishing a mechanism for interaction with shareholders to enhance mutual understanding of the development of company's objectives.

Article 13-2 In addition to communicating with shareholders through shareholders meetings and encouraging shareholders to participate in such meetings, the board of directors of the Company together with officers and independent directors shall engage with shareholders in an efficient manner to ascertain shareholders' views and concerns, and expound company policies explicitly, in order to gain shareholders' support.

Article 13-3 To enhance communication channels with stakeholders, the Company should formulate and disclose its operational strategies and business plans, clearly specifying concrete measures to enhance corporate value, and have them submitted to the Board of Directors.

Section 3 Corporate Governance Relationships Between the Company and Its Interested Parties

Article 14 The Company shall clearly identify the objectives and the division of authority and responsibility between it and its affiliated enterprises with respect to management of personnel, assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.

Article 15 Unless otherwise provided by the laws and regulations, a manager of the Company may not serve as a manager of its affiliated enterprises.

A director, who engages in any transaction for himself or on behalf of another person that is within the scope of the company's operations, shall explain the major content of such actions to the shareholders meeting and obtain its consent.

Article 16 The Company shall establish sound objectives and systems for management of finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with and customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.

Article 17 Where the Company and its interested parties and shareholders have financial or business relationships or enter into business transactions, a written agreement governing the relevant financial and business operations between each other shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions and tunneling of profits shall be prohibited.

The written agreement referred to in the preceding paragraph shall include management procedures for purchases and sales, acquisition or disposal of assets, funds lending, and making endorsements or providing guarantees for others. Related major transactions shall be submitted to the Board of Directors for approval and reported at a shareholders meeting or submitted to a shareholders meeting for approval.

Article 18 Delete

Article 19 The Company shall ensure the command at any time of information on the identity of major shareholders, who own a higher percentage of shares and have an actual control over the company, and its ultimate control persons.

The Company shall disclose periodically important information about its shareholders holding more than 10 percent of the outstanding shares of the Company relating to the pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in the ownership of their shares.

The major shareholder indicated in the first paragraph refers to those who owns 5 percent or more of the outstanding shares of the Company or the shareholding stake thereof is on the top 10 list, provided however that the Company may set up a lower shareholding threshold according to the actual shareholding stake that may control the Company.

Chapter III Enhancing the Function of Board of Directors

Section 1 Structure of Board of Directors

Article 20 The board of directors of the Company shall direct company strategies, supervise the management, and be responsible to the company and shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in

exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.

Regarding the structure of the board of directors, the Company shall determine an appropriate number of board members not less than five persons, in consideration of its business scale, the shareholding of its major shareholders and practical operational needs.

The composition of the board of directors shall be determined by taking diversity into consideration. Directors of either gender shall not be fewer than one member of the Board. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, race, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

The composition of the board shall give due attention to the principles of gender equality, and its members shall have the necessary knowledge, skill, and experience to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgment.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Industrial knowledge.
6. International market perspective.
7. Ability to lead.
8. Ability to make decisions.

If the proportion of directors of either gender on the Company's Board falls below one-third of the total board seats, the Company shall disclose the reasons in its annual report and describe the measures adopted and plans formulated to enhance gender diversity on the Board.

Article 21 The Company shall according to the principles for the protection of shareholder rights and interests and equitable treatment of shareholders, establish a fair, just, and open procedure for the election of directors, encourage shareholder participation, and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.

Unless otherwise the competent authorities grant an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.

Where the number of directors falls below five due to the release of director(s) for any reason, the company shall hold a by-election for director at the next following shareholders meeting. Where the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s).

The aggregate shareholding percentage of all of the directors of the Company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 22 The Company stated the candidate nomination system for elections of directors in Articles of Incorporation, and to review in advance the qualifications and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.

Article 23 Clear distinctions shall be drawn between the responsibilities and duties of the chairman of the board of the Company and those of its general manager.

The Company with a functional committee shall clearly define the responsibilities and duties of the committee.

Section 2 Independent Director System

Article 24 The Company should appoint three independent directors in accordance with the articles of incorporation and should not less than one-third of the total number of directors. The consecutive terms of independent directors should not exceed three consecutive terms.

Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings and the positions they may concurrently hold. They shall maintain independence within the scope of their directorial duties and may not have any direct or indirect interest in the company.

If the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director, supervisor or managerial officer as a candidate for an independent director of the other, the Company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the Company shall disclose the number of votes cast in favor of the elected independent director.

The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the Company, any foundation to which the Company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the Company.

Change of status between independent directors and non-independent directors during their term of office is prohibited.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the competent authorities.

Article 25 The Company shall submit the following matters to the board of directors for approval by resolution as provided in the Securities and Exchange Act. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:

1. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
3. A matter bearing on the personal interest of a director.
4. A material asset or derivatives transaction.
5. A material monetary loan, endorsement, or provision of guarantee.
6. The offering, issuance, or private placement of any equity-type securities.
7. The hiring or release of a certifying CPA, or the compensation given thereto.
8. The appointment or discharge of a financial, accounting, or internal auditing officer.
9. Any other material matter so required by the competent authority.

Article 26 The company or other board members shall not obstruct, reject or circumvent the performance of duties by the independent directors.

The Company shall stipulate the remuneration of the directors according to applicable laws and regulations. The remuneration of the directors shall fully reflect the personal performance and the long-term management performance of the company, and shall also take the overall operational risks of the company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.

Section 3 Functional Committees

Article 27 For the purpose of developing supervision functions and strengthening management mechanisms, the board of directors of the Company may set up the functional committee.

Functional committees shall be responsible to the board of directors and submit the proposals to the board of directors for approval; provided that the performance of supervisor's duties by the audit committee pursuant to Article 14-4, paragraph 4 of the Securities and Exchange Act shall be excluded.

Functional committees shall adopt an organizational charter to be approved by the board of directors. The organizational charter shall contain the number, term of office, and power of committee members, as well as the meeting rules and resources to be provided by the company for exercise of power by the committee.

Article 28 The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

The exercise of power by audit committee and independent directors and related matters shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE.

Article 29 The Company shall establish a compensation committee, and it is advisable that more than half of the committee members be independent directors. The professional qualifications for the compensation members, the exercise of their powers of office, the adoption of the organizational charter, and related matters shall be handled pursuant to the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter”.

Article 29-1 The Company establishes a nomination committee and formulates its charter. It is advisable that a majority of the committee members shall be independent directors, and the Committee should include at least one member of a different gender.

Article 29-2 The Company is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those procedures into the company's internal control system for management purposes.

Article 30 To improve the quality of its financial reports, the Company shall establish the position of deputy to its principal accounting officer.

To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the schedule of the principal accounting officer.

Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses for 6 hours or more each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers.

The Company shall select a professional, responsible and independent CPA to be its external auditor, who shall perform regular reviews of the financial conditions and internal control measures of the company. With regard to the irregularity or deficiency timely discovered and disclosed by the auditor during the review, and the concrete measures for improvement or prevention suggested by the auditor, the company shall faithfully implement improvement actions. It is advisable that the company establish channels and mechanisms of communication between the independent directors, the supervisor or audit committee, and the attesting CPA.

The Company shall refer to Audit Quality Indicators (AQIs) to evaluate the independence and suitability of the CPA engaged by the Company regularly, and no less frequently than once annually. In the event that the Company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary actions or other circumstances prejudicial to the independence of the CPA, the company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.

Article 31 In the event that the directors or the management are involved in litigation as result of performing his or her duties as provided by the law or arising from shareholders disputes, depending on the circumstances the company shall retain a legal counsel to provide assistance.

Audit committee or an independent director may retain the service of legal counsel, CPA or other professionals on behalf of the Company to conduct the necessary audit or provide consultation on matters in relation to the exercise of their power, at the expense of the Company.

Section 4 Rules for the Proceedings of Board Meetings and the Decision-Making Procedures

Article 32 The board of directors of the Company shall meet at least once every quarter, or convene at any time in case of emergency. To convene a board meeting, a meeting notice which specifies the purposes of meeting shall be sent to each director no later than 7 days before the scheduled date. Sufficient meeting material shall also be prepared and enclosed in the meeting notice. If the meeting material is deemed inadequate, a director may ask the unit in-charge to provide more information or request a postponement of the meeting with the consent of the board of directors.

The Company shall adopt the rules of proceedings for board meetings and follow the provisions in the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcement, and other matters for compliance.

Article 33 The company directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director 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 director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter.

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

The matters that a director shall voluntarily recuse from voting shall be clearly set forth in the rules for the proceedings of board meetings.

Article 34 The Company shall have at least one independent director attend each meeting of the Board of Directors in person. With respect to matters that, pursuant to Articles 14-3 and 14-5 of the Securities and Exchange Act, are required to be submitted to the Board for resolution, all independent directors shall attend the Board meeting. Where an independent director is unable to attend in person, he or she shall appoint another independent director to attend on his or her behalf. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the board of directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion before the board meeting unless justifiable reasons exist for failure to so comply, and the opinion shall be noted in the minutes of the board of directors meeting.

In any of the following circumstances, decisions made by the board of directors shall be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS before two hours of the beginning of trading hours on the first business day after the date of the board meeting:

1. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement; or
2. The matter was not approved by the audit committee (if the company has set up an audit committee), but had the consent of more than two-thirds of all directors.

During a board meeting, personnel from relevant departments or subsidiaries may be invited to attend as non-voting participants, depending on the matters under consideration, to report on the current status of the Company's business operations and to answer questions raised by the directors. Where necessary, a CPA, legal counsel, or other professional may be invited to sit in at the meetings to assist the directors in understanding the conditions of the company for the purpose of adopting an appropriate resolution, provided that they shall leave the meeting when deliberation or voting takes place.

Article 35 Staff personnel of the Company attending board meetings shall collect and correctly record the meeting minutes in detail, and the summary, method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations.

The minutes of the board of directors' meetings shall be signed by the chairman and secretary of the meeting and be sent to each director within 20 days after the meeting.

The director's attendance records shall become a part of the meeting minutes and be treated as important corporate records and be kept safe permanently during the life of the company.

Meeting minutes may be produced and distributed by electronic means.

The company shall record on audio or video tape the entire proceedings of a board of directors meeting, and preserve the recordings for at least 5 years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph a lawsuit arises with respect to a resolution of a board of directors meeting, the relevant audio or video recordings shall be retained until the conclusion of such lawsuit, and the retention requirement set forth in the preceding paragraph shall not apply.

Where a board of directors meeting is held via video conference, the audiovisual records of the videoconference shall form an integral part of the meeting minutes and shall be properly retained throughout the duration of the Company's existence.

Where a resolution of the board of directors violates laws, regulations, articles of incorporation, or resolutions adopted in the shareholders meeting, and thus causes an injury to the company, dissenting directors whose dissent can be proven by minutes, or written statements will not be liable for damages.

Article 36 The Company shall submit the following matters to its board of directors for discussion:

1. Corporate business plan.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA).

3. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and evaluation of effectiveness of an internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. The performance assessment and the standard of remuneration of the managerial officers.
7. The structure and system of director's remuneration.
8. If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.
9. The appointment or discharge of a financial, accounting, or internal audit officer.
10. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.
11. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or to be approved by resolution at a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.

Except for matters that must be submitted to the board of directors for discussion under the preceding paragraph, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or its articles of incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

Article 37 The Company shall ask the appropriate corporate department or personnel to handle matters and implement actions pursuant to the board of directors' resolutions in a way consistent with the program schedule and objectives. It shall also follow up on these matters and faithfully review their implementation.

The board of directors shall ensure full control of the implementation and progress of these matters and make a report in subsequent meetings so as to ensure that the board's management decisions are faithfully implemented.

Section 5 Fiduciary Duty, Duty of Care and Responsibility of Directors

Article 38 Members of the board of directors should conduct corporate affairs with loyalty and perform this duty of care as a good administrator. In conducting the affairs of the company, they shall exercise their power with a high level of self-discipline and prudential attitude. Unless matters are otherwise reserved for approvals in shareholders meetings by law or in the articles of incorporation of the company, they

shall ensure that all matters be handled according to the resolutions of board of directors.

It is advisable that the Company formulate rules and procedures for board of directors performance assessments. Each year, in respect of the board of directors and individual directors, it shall conduct regularly scheduled performance assessments through self-assessments, and may also do so through outside professional institutions or in any other appropriate manner. A performance assessment of the board of directors shall include the following aspects, and appropriate assessment indicators shall be developed in consideration of the company's needs:

1. The degree of participation in the company's operations.
2. Improvement in the quality of decision making by the board of directors.
3. The composition and structure of the board of directors.
4. The election of the directors and their continuing professional education.
5. Internal controls.

It is advisable that performance assessments of board members include the following aspects, with appropriate adjustments made on the basis of the Company's needs:

1. Their grasp of the company's goals and missions.
2. Their recognition of director's duties.
3. Their degree of participation in the company's operations.
4. Their management of internal relationships and communication.
5. Their professionalism and continuing professional education.
6. Internal controls.

It is advisable that the performance assessment of a functional committee cover the following aspects, subject to changes according to the company's needs:

1. Their degree of participation in the company's operations.
2. Their recognition of the duties of the functional committee.
3. Improvement in the quality of decision making by the functional committee.
4. The composition of the functional committee, and election and appointment of committee members.
5. Internal control.

The Company is advised to submit the results of performance assessments to the board of directors.

The minimum of attendance for all board members required is 80%. In case a director is on leave, absent, or cannot exercise his/her power and authority for any cause, it is advisable for a director to attend via tele- or video-conference or to appoint another director to attend a meeting of the directors in his/her behalf, and in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting.

Article 39 If a resolution of the board of directors violates law, regulations or the company's articles of incorporation, at the request of shareholders holding shares continuously for a year or an independent director, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.
Upon discovering any threat of the company suffering material injury, members of the board of directors shall immediately report to the audit committee, an independent director member of the audit committee, in accordance with the foregoing paragraph.

Article 40 According to the articles of incorporation, the Company shall take out liability insurance for directors with respect to their liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoings or negligence of a director.
The Company shall report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for directors, at the next board meeting.

Article 41 Members of the Board of Directors shall complete at least three hours of continuing education during the year in which they assume office for each term. During their tenure, they shall continue to participate in training programs organized by institutions designated under the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEx Listed Companies, and shall ensure that employees at all levels strengthen their professional expertise and legal knowledge.

Article 41-1 The board of directors is advised to evaluate and monitor the following aspects of a TWSE/TPEx company's direction of operation and performance in connection with intellectual properties, to ensure the company develops an intellectual property regulatory system in accordance with the Plan-Do-Check-Act cycle:

1. Formulate intellectual property regulatory policies, objectives and systems that are slightly associated with the operational strategies.
2. Develop, implement and maintain on the basis of scale and form its regulatory systems governing the procurement, protection, maintenance and utilization of intellectual properties.
3. Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property regulatory system.
4. Observe internally and externally the risks and opportunities that intellectual property regulation may present and adopt corresponding measures.

5. Plan for and implement a continuous improvement mechanism to ensure the operation and effects of the intellectual property regulatory regime meet the company's expectations.

Article 41-2 For matters governed by Articles 213, 214, and 223 of the Company Act, the representative of the Company shall be elected by resolution of the Audit Committee. The Audit Committee may resolve that the Company is represented by an individual member acting independently or by multiple members acting jointly. Where no representative has been elected in accordance with the prescribed procedures, all members of the Audit Committee shall jointly represent the Company.

Chapter IV Emphasize Corporate Sustainability and Resilience

Article 42 The Company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the company, respect and safeguard their legal rights and interests, and designate a stakeholder’s section on its website.

When any of a stakeholder's legal rights or interests is harmed upon, the company shall handle such matter in a proper manner and in good faith.

Article 43 The Company shall provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational and financial conditions of the Company and decision-making process. When any of their legal rights or interest is harmed upon, the Company shall respond with a responsible attitude and assist creditors in obtaining compensation through proper means.

Article 44 The Company should establish channels of communication with employees and encourage employees to communicate directly with the management or directors so as to reflect employees' opinions about the management, financial conditions and material decisions of the company concerning employee welfare.

Article 45 In developing its normal business and maximizing the shareholders' interest, the Company shall pay attention to consumers' interest, environmental protection of community and public interest issues, and shall have high regard for the social responsibility of the company.

The Company shall, in promoting sustainable development, pay attention to stakeholders' rights and interests. In pursuing sustainable management and profitability, the Company shall also give due consideration to environmental, social, and corporate governance matters and integrate them into its corporate management policies and operational activities.

Chapter V Improving Information Transparency

Section 1 Enhancing Information Disclosure

Article 46 Publication of information is the major responsibility of the Company. The Company shall perform its obligations faithfully in accordance with the relevant laws, and related competent authorities rules.

The Company shall establish an internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing the information, and establish a spokesperson system so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.

Article 47 In order to enhance the accuracy and timeliness of the material information disclosed, the Company shall appoint a spokesperson and acting spokesperson(s) who understand thoroughly the company's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the company in making statements independently.

The Company shall appoint one or more acting spokesperson who shall represent the Company, when the spokesperson cannot perform his/her duties, in making statements independently, provided that the order of authority is established to avoid any confusion.

In order to implement the spokesperson system, the Company shall unify the process of making external statements and require the management and employees to maintain the confidentialities of financial and operational secrets and prohibit disclosure thereof by them at will.

The company shall disclose the relevant information regarding any change to the position of a spokesperson or acting spokesperson upon such change.

Article 48 In order to keep shareholders and stakeholders fully informed, the Company shall utilize the convenience of the Internet and set up a website containing the information regarding the company's finances, operations, and corporate governance. It is also advisable for the company to furnish the financial, corporate governance, and other relevant information in English.

To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, in detail and updated timely.

Article 49 The Company shall hold an investor conference in compliance with the regulations of the TWSE, and shall keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on the Market Observation Post System and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE rules.

Section 2 Disclosure of Information on Corporate Governance

Article 50 The company's website should set up a special area to disclose the following corporate governance-related information, and continue to update:

1. Board of Directors: such as the resumes of board members and their responsibilities, the diversity policy of board members and their implementation.
2. Functional committees: such as the resumes of the members of each functional committee and their responsibilities.
3. Corporate governance-related regulations: such as the Company's Articles of Incorporation, Rules and Procedures of Board of Directors Meeting, and functional charter and other corporate governance-related regulations.
4. Important information related to corporate governance: such as setting up a chief corporate governance officer, etc.

Chapter VI Supplementary Provisions

Article 51 The Company shall at all times monitor domestic and international development of corporate governance and thereby review and improve the company's corporate governance mechanism so as to enhance the performance of corporate governance.

Article 52 With respect to the provisions concerning supervisors under these Rules, where an Audit Committee or independent directors have been established and are applicable, such provisions shall be governed by Article 14-4 of the Securities and Exchange Act.

Article 53 The Principles will be taken into effect after the BOD adopts the resolution, same as amendment.

The Principles were enacted on March 25, 2014.

The 1st amendment was made on November 11, 2016.

The 2nd amendment was made on March 25, 2019.

The 3rd amendment was made on March 24, 2020.

The 4th amendment was made on December 23, 2021.

The 5th amendment was made on March 14, 2023.

The 6th amendment was made on December 19, 2025.

The 7th amendment was made on August 4, 2026.