



## **Chapter 1: General Provisions**

**Article 1:** To establish a good corporate governance system, the company has formulated its Corporate Governance Best Practice Principles and disclosed them on the Market Observation Post System for compliance.

**Article 2:** In establishing its corporate governance system, the company shall comply with laws and regulations and the articles of incorporation, and adhere to the following principles:

1. Protect shareholders' rights.
2. Strengthen the functions of the board of directors.
3. Enhance the supervisory function of the audit committee.
4. Respect the rights and interests of stakeholders.
5. Improve information transparency.

**Article 3:** The company shall establish an internal control system in accordance with the regulations for establishing internal control systems by public companies, considering the overall operational activities of the company and its subsidiaries. The system should be designed and effectively implemented, and reviewed regularly to ensure its continuous effectiveness in response to changes in the internal and external environment.

In addition to conducting self-assessments of the internal control system, the board of directors and management shall review the results of self-assessments by each department and the audit reports of the audit unit at least annually and quarterly, respectively. The audit committee shall also pay attention to and supervise these matters. Directors and independent directors shall regularly discuss internal control deficiencies with internal audit personnel, make records, follow up on improvements, and report to the board of directors. The company should establish communication channels and mechanisms between independent directors, the audit committee, and the internal audit supervisor.

The management shall value the internal audit unit and personnel, granting them sufficient authority to effectively inspect and evaluate deficiencies in the internal control system and measure operational efficiency, ensuring the continuous effective implementation of the system. This helps the board of directors and management fulfill their responsibilities and implement the corporate governance system.

**Article 3-1:** The company shall appoint a corporate governance officer in accordance with the regulations of the competent authority. The officer should have more than three years of experience in legal affairs, compliance, internal audit, finance, stock affairs, or corporate governance-related affairs in a public company.

The corporate governance-related affairs include the following:

1. Handling matters related to board meetings and shareholders' meetings in accordance with the law.
2. Producing minutes of board meetings and shareholders' meetings.
3. Assisting directors in their appointment and continuing education.
4. Providing directors with the information needed to perform their duties.
5. Assisting directors in complying with laws and regulations.
6. Reporting to the board of directors on the review results of the qualifications of independent directors during nomination, election, and tenure.
7. Handling matters related to changes in directors.
8. Other matters stipulated by the company's articles of incorporation or contracts.

## **Chapter 2: Protection of Shareholders' Rights**

### **Section 1: Encouraging Shareholders to Participate in Corporate Governance**

**Article 4:** The company's corporate governance system shall protect shareholders' rights and treat all shareholders fairly. The company shall establish a corporate governance system that ensures shareholders have full knowledge, participation, and decision-making rights on major matters of the company.

**Article 5:** The company shall convene shareholders' meetings in accordance with the Company Act and relevant laws and regulations, and establish comprehensive rules of procedure. Matters requiring resolution by the shareholders' meeting shall be executed in accordance with the rules of procedure. The resolutions of the shareholders' meeting shall comply with laws and the company's articles of incorporation.

**Article 6:** The board of directors shall properly arrange the agenda and procedures for shareholders' meetings, establish principles and procedures for shareholders to nominate directors and propose motions, and properly handle proposals made by shareholders in accordance with the law. Shareholders' meetings should be held at convenient locations, preferably with video conferencing, sufficient time should be reserved, and appropriate personnel should be assigned to handle registration procedures. The company should not arbitrarily require additional proof documents for shareholders' attendance. Reasonable discussion time should be allocated for each agenda item, and shareholders should be given appropriate opportunities to speak.

The chairman of the board should personally preside over the shareholders' meeting convened by the board of directors. More than half of the directors (including at least one independent director) and the convener of the audit committee should attend in person, and at least one member of other functional committees should attend as a representative. The attendance should be recorded in the minutes of the shareholders' meeting.

**Article 7:** The company shall encourage shareholders to participate in corporate governance and may appoint a professional stock affairs agency to handle shareholders' meeting affairs, ensuring the meeting is held legally, effectively, and safely. The company should use various methods and channels to fully adopt technological information disclosure methods, such as uploading the annual report, annual financial report, shareholders' meeting notice, agenda handbook, and supplementary materials in both Chinese and English simultaneously. Electronic voting should be adopted to increase the attendance rate of shareholders at the shareholders' meeting and ensure shareholders can exercise their rights in accordance with the law.

The company should avoid proposing temporary motions and amendments to original proposals at the shareholders' meeting. The company should arrange for shareholders to vote on each proposal item by item and input the results of shareholders' consent, opposition, and abstention into the Market Observation Post System on the day of the shareholders' meeting.

**Article 8:** The company shall record the year, month, day, place, chairman's name, and resolution method of the meeting in the minutes of the shareholders' meeting in accordance with the Company Act and relevant laws. The minutes should also record the key points of the proceedings and their results. For the election of directors, the voting method and the number of votes received by each elected director should be recorded.

The minutes of the shareholders' meeting should be properly preserved permanently during the company's existence and fully disclosed on the company's website if available.

**Article 9:** The chairman of the shareholders' meeting should fully understand and comply with the company's rules of procedure and maintain the smooth progress of the meeting, and should not arbitrarily declare the meeting adjourned. To protect the rights of the majority of shareholders, if the chairman violates the rules of procedure and declares the meeting adjourned, other members of the board of directors should promptly assist the attending shareholders in accordance with legal procedures to elect one person as chairman with the consent of more than half of the voting rights of the attending shareholders to continue the meeting.

**Article 10:** The company shall value shareholders' right to know and comply with information disclosure regulations, providing shareholders with information on the company's financial, business, insider shareholding, and corporate governance status regularly and promptly through the Market Observation Post System or the company's website. To treat shareholders equally, the information mentioned above should be disclosed simultaneously in English.

To protect shareholders' rights and ensure equal treatment of shareholders, the company shall establish internal regulations prohibiting insiders from trading securities using undisclosed information. Insiders of the company shall not trade the company's stock during the 30 days before the announcement of the annual financial report and the 15 days before the announcement of each quarterly financial report.

**Article 10-1:** The company should report the remuneration of directors at the annual shareholders' meeting, including the remuneration policy, the content and amount of individual remuneration, and its correlation with performance evaluation results.

**Article 11:** Shareholders shall have the right to share in the company's profits. To ensure shareholders' investment rights, the shareholders' meeting may examine the statements prepared by the board of directors and the audit committee's report in accordance with Article 184 of the Company Act and resolve on the distribution of profits or the offsetting of losses. When conducting the aforementioned examination, the shareholders' meeting may appoint inspectors.

Shareholders may apply to the court to appoint inspectors to examine the company's business accounts, property status, specific matters, specific transaction documents, and records in accordance with Article 245 of the Company Act. The board of directors, audit committee, and managers of the company shall fully cooperate with the inspectors' examination and shall not evade, obstruct, or refuse.

**Article 12:** The company's major financial and business actions, such as acquiring or disposing of assets, lending funds, and providing endorsements and guarantees, shall be handled in accordance with relevant laws and regulations, and relevant procedures shall be established and submitted to the shareholders' meeting for approval to protect shareholders' rights. In the event of mergers or public acquisitions, the company shall handle them in accordance with relevant laws and regulations, paying attention to the fairness and reasonableness of the merger or acquisition plan and transaction, as well as information disclosure and the subsequent soundness of the company's financial structure.

Personnel handling the aforementioned matters should pay attention to conflicts of interest and recusal.

**Article 13:** To protect shareholders' rights, the company should have dedicated personnel to properly handle shareholders' suggestions, doubts, and disputes. If the resolutions of the shareholders' meeting or the board of directors violate laws or the company's articles of incorporation, or if directors or managers violate laws or the company's articles of incorporation in the performance of their duties, resulting in damage to shareholders' rights, the company should properly handle lawsuits filed by shareholders in accordance with the law.

The company should establish internal procedures to properly handle the aforementioned matters, keep written records for reference, and include them in the internal control system for management.

**Article 13-1:** The board of directors has the responsibility to establish an interaction mechanism with shareholders to enhance mutual understanding of the company's development goals.

**Article 13-2:** In addition to communicating with shareholders through the shareholders' meeting and encouraging shareholders to participate in the shareholders' meeting, the board of directors should also efficiently communicate with shareholders, understand shareholders' opinions and concerns together with managers and independent directors, and clearly explain the company's policies to gain shareholders' support.

## **Section 2: Corporate Governance Relationship Between the Company and Affiliated Enterprises**

**Article 14:** The management objectives and responsibilities for personnel, assets, and finances between the company and its affiliated enterprises should be clarified, and risk assessments should be effectively implemented along with the establishment of appropriate firewalls.

**Article 15:** Unless otherwise stipulated by law, the company's managers should not concurrently serve as managers of affiliated enterprises. Directors who engage in activities within the company's business scope for themselves or others should explain the important details of such activities to the shareholders' meeting and obtain their approval.

**Article 16:** The company shall establish sound financial, business, and accounting management objectives and systems in accordance with relevant laws and regulations. It should also conduct comprehensive risk assessments with its affiliated enterprises regarding major banks, customers, and suppliers, and implement necessary control mechanisms to reduce credit risk.

**Article 17:** Financial and business transactions between the company and its related parties and shareholders should be based on the principles of fairness and reasonableness. Written regulations should be established for financial and business operations between them. Contractual matters should clearly stipulate price conditions and payment methods, and irregular transactions and improper transfer of benefits should be avoided.

The written regulations mentioned above should include management procedures for transactions such as the purchase and sale of goods, acquisition or disposal of assets, lending of funds, and endorsements and guarantees. Major transactions should be approved by the board of directors, agreed upon by the shareholders' meeting, or reported.

**Article 18:** Controlling corporate shareholders of the company should comply with the following:

1. They owe a duty of loyalty to other shareholders and should not directly or indirectly cause the company to engage in operations that are not in line with business norms or are otherwise disadvantageous.
2. Their representatives should follow the company's regulations on exercising rights and participating in resolutions, and when attending shareholders' meetings, they should exercise their voting rights in good faith and in the best interests of all shareholders, fulfilling their duties of loyalty and care as directors.
3. Nominations for the company's directors should comply with relevant laws and the company's articles of incorporation and should not exceed the authority of the shareholders' meeting or the board of directors.
4. They should not improperly interfere with the company's decision-making or obstruct business activities.
5. They should not restrict or hinder the company's production and operations through unfair competition methods such as monopolizing procurement or closing sales channels.

6. The corporate representatives appointed due to their election as directors should have the necessary professional qualifications required by the company and should not be arbitrarily replaced.

**Article 19:** The company should always be aware of the list of major shareholders who hold a significant proportion of shares and can actually control the company, as well as the ultimate controllers of these major shareholders. The company should regularly disclose important matters such as pledges, increases, or decreases in shares held by shareholders holding more than ten percent of the shares, or other significant matters that may cause changes in shareholding, to allow other shareholders to monitor.

The term "major shareholders" in the first paragraph refers to shareholders who hold more than five percent of the shares or are among the top ten shareholders in terms of shareholding ratio. However, the company may set a lower shareholding ratio based on the actual control of the company.

### **Chapter 3: Strengthening the Functions of the Board of Directors**

#### **Section 1: Structure of the Board of Directors**

**Article 20:** The board of directors of the company shall guide the company's strategy, supervise the management, and be accountable to the company and its shareholders. The operations and arrangements of the corporate governance system shall ensure that the board of directors exercises its powers in accordance with laws, the company's articles of incorporation, or resolutions of the shareholders' meeting.

The structure of the board of directors shall be determined based on the company's business development scale and the shareholding status of its major shareholders, considering practical operational needs, and shall consist of at least five directors.

The composition of the board of directors should consider diversity. Directors who concurrently serve as company managers should not exceed one-third of the board seats. The board should formulate appropriate diversification policies based on its operations, business model, and development needs, including but not limited to the following two major aspects:

1. Basic conditions and values: gender, age, nationality, and culture, with at least one female director.
2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Board members should generally possess the knowledge, skills, and qualities necessary to perform their duties. To achieve the ideal goal of corporate governance, the board as a whole should have the following capabilities:

1. Operational judgment.
2. Accounting and financial analysis.
3. Business management.

4. Crisis management.
5. Industry knowledge.
6. International market perspective.
7. Leadership.
8. Decision-making.

**Article 21:** The company shall establish fair, just, and open procedures for the election of directors, encourage shareholder participation, and adopt a cumulative voting system in accordance with the Company Act to fully reflect shareholders' opinions.

Except as approved by the competent authority, more than half of the board seats should not have spousal or second-degree kinship relationships. If a director is dismissed for any reason, resulting in fewer than five directors, the company shall hold a by-election at the next shareholders' meeting. However, if the number of vacancies reaches one-third of the seats specified in the articles of incorporation, the company shall convene an extraordinary shareholders' meeting within 60 days from the date of the occurrence to hold a by-election.

The total shareholding ratio of all directors of the board shall comply with legal requirements. Restrictions on the transfer of directors' shares, the establishment or release of pledge rights, and changes in shareholding shall be handled in accordance with relevant regulations, and all information shall be fully disclosed.

**Article 22:** The company's articles of incorporation stipulate that the election of directors shall adopt a candidate nomination system. The qualifications and conditions of the nominees, as well as any circumstances listed in Article 30 of the Company Act, shall be carefully evaluated and handled in accordance with Article 192-1 of the Company Act.

**Article 23:** The responsibilities of the chairman and the general manager of the company shall be clearly divided. The chairman and the general manager or equivalent positions should not be held by the same person. Functional committees established by the company shall have clearly defined responsibilities.

**Article 24:** The company shall appoint at least three independent directors in accordance with its articles of incorporation, and the number should not be less than one-third of the board seats. The consecutive term of independent directors should not exceed three terms.

Independent directors should have professional knowledge, and their shareholding should be restricted. In addition to complying with relevant laws and regulations, they should not concurrently serve as directors (including independent directors) or supervisors of more than five listed companies. They should maintain independence within the scope of their duties and should not have direct or indirect interests with the company.

If the company and its group enterprises and organizations, and other companies and their group enterprises and organizations, mutually nominate each other's directors, supervisors, or managers as

independent director candidates, the company shall disclose this when accepting the nomination of independent director candidates and explain the suitability of the candidate. If elected as an independent director, the number of votes received should be disclosed.

The term "group enterprises and organizations" in the preceding paragraph refers to the company's subsidiaries, foundations that receive direct or indirect donations exceeding 50% of their total funds from the company, and other institutions or legal entities with substantial control.

Independent directors and non-independent directors shall not change their status during their term of office. The professional qualifications, shareholding, and concurrent positions of independent directors, the determination of independence, nomination methods, and other matters to be followed shall be handled in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and the regulations of the stock exchange.

**Article 25:** The company shall submit the following matters to the board of directors for resolution in accordance with the Securities and Exchange Act. If independent directors have objections or reservations, they should be recorded in the minutes of the board meeting:

1. Establish or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
2. Establish or amend procedures for major financial and business actions such as acquiring or disposing of assets, engaging in derivative transactions, lending funds to others, and providing endorsements or guarantees in accordance with Article 36-1 of the Securities and Exchange Act.
3. Matters involving the interests of directors themselves.
4. Major asset or derivative transactions.
5. Major lending of funds, endorsements, or guarantees.
6. Raising, issuing, or privately placing equity securities.
7. Appointment, dismissal, or remuneration of certified public accountants.
8. Appointment, dismissal, or remuneration of financial, accounting, or internal audit officers.
9. Other major matters stipulated by the competent authority.

**Article 26:** The company shall clearly define the responsibilities of independent directors and provide them with the necessary resources to exercise their powers. The company or other members of the board shall not obstruct, refuse, or evade the execution of duties by independent directors.

The company shall stipulate the remuneration of directors in accordance with relevant laws and regulations. The remuneration of directors should fully reflect individual performance and the company's long-term business performance, and comprehensively consider the company's operational risks. Reasonable remuneration different from that of general directors may be set for independent directors.



**Article 27:** To enhance the supervisory function and strengthen management, the board of directors may establish audit, remuneration, nomination, risk management, or other functional committees based on the company's scale, business nature, and number of board members. Committees such as environmental protection, corporate social responsibility, or others may also be established based on the concept of corporate social responsibility and sustainable operation.

Functional committees shall be accountable to the board of directors and submit proposals to the board for resolution. However, this does not apply to the audit committee exercising the powers of supervisors in accordance with Article 14-4, Paragraph 4 of the Securities and Exchange Act.

Functional committees shall establish organizational rules, which shall be approved by the board of directors. The content of the organizational rules shall include the number of committee members, term of office, responsibilities, rules of procedure, and resources provided by the company when exercising their powers.

**Article 28:** The company shall establish an audit committee. The audit committee shall be composed of all independent directors, with no fewer than three members, one of whom shall be the convener, and at least one member shall have accounting or financial expertise.

The exercise of powers and related matters of the audit committee and its independent director members shall be handled in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the regulations of the stock exchange.

## **Section 2: Functional Committees**

**Article 28-1:** The company shall establish a Compensation Committee, with more than half of its members being independent directors. The professional qualifications of its members, the exercise of their powers, the establishment of organizational rules, and related matters shall be handled in accordance with the "Regulations Governing the Establishment and Exercise of Powers of Compensation Committees of Companies whose Stock is Listed on the Stock Exchange or Traded Over the Counter."

**Article 28-2:** The company has established a Nomination Committee and formulated its organizational rules. More than half of its members should be independent directors, and the chairman should be an independent director.

**Article 28-3:** The company should establish and announce internal and external whistleblowing channels and establish a whistleblower protection system. The receiving unit should be independent, encrypt the files provided by whistleblowers, appropriately restrict access rights, and formulate internal procedures and include them in the internal control system for management.

**Article 29:** To improve the quality of financial reports, the company shall appoint a deputy for the accounting officer. The deputy should undergo continuous training annually, similar to the accounting officer, to enhance their professional capabilities. Accounting personnel involved in preparing financial

reports should also receive more than six hours of professional training annually, either through internal company training or professional courses offered by accounting training institutions.

The company shall select professional, responsible, and independent certified public accountants to regularly audit the company's financial status and internal controls. The company should review and improve any abnormalities or deficiencies identified and disclosed by the accountants during the audit process, and establish communication channels or mechanisms between independent directors, the audit committee, and the certified public accountants. Internal procedures should be formulated and included in the internal control system for management.

The company shall regularly (at least once a year) refer to Audit Quality Indicators (AQIs) to evaluate the independence and suitability of the appointed accountants. If the company has not changed accountants for seven consecutive years or if there are circumstances that affect their independence, the company should assess the necessity of changing accountants and report the assessment results to the board of directors.

**Article 30:** The company should appoint professional and suitable lawyers to provide appropriate legal consultation services to the company or assist the board of directors and management in enhancing their legal knowledge, preventing the company and related personnel from violating laws, and ensuring that corporate governance operations are conducted within the legal framework and statutory procedures.

In the event of litigation involving directors or management in the performance of their duties or disputes with shareholders, the company should appoint lawyers to assist as needed. The audit committee or its independent director members may appoint lawyers, accountants, or other professionals on behalf of the company to conduct necessary audits or provide consultations related to the exercise of their powers, with the costs borne by the company.

### **Section 3: Rules of Procedure and Decision-Making Process of the Board of Directors**

**Article 31:** The board of directors of the company shall meet at least once every quarter and may convene at any time in case of emergencies. The notice of the board meeting shall specify the reasons for the meeting and be sent to all directors seven days in advance, along with sufficient meeting materials. If the meeting materials are insufficient, directors have the right to request supplementation or postpone the review after a board resolution.

The company shall establish rules of procedure for board meetings. The main agenda items, operational procedures, matters to be recorded in the minutes, announcements, and other compliance matters shall be handled in accordance with the Rules of Procedure for Board Meetings of Public Companies.

**Article 32:** Directors shall exercise a high degree of self-discipline. For proposals listed in the board meeting agenda, if a director or the legal entity they represent has a conflict of interest, they shall explain the important aspects of the conflict at the meeting. If the conflict is detrimental to the company's

interests, the director shall not participate in the discussion and voting and shall recuse themselves from the discussion and voting. They shall not act as a proxy for other directors in exercising their voting rights.

Matters of self-recusal by directors shall be clearly stipulated in the rules of procedure for board meetings.

**Article 33:** Independent directors of the company shall personally attend board meetings for matters specified in Article 14-3 of the Securities and Exchange Act and shall not appoint non-independent directors as proxies. If independent directors have objections or reservations, they shall be recorded in the minutes of the board meeting. If independent directors cannot attend the board meeting in person to express their objections or reservations, they shall provide written opinions in advance, which shall be recorded in the minutes of the board meeting.

If any of the following circumstances occur in the resolutions of the board of directors, they shall be recorded in the minutes and announced on the Market Observation Post System before the start of trading hours on the next business day:

1. Independent directors have objections or reservations with records or written statements.
2. For companies with an audit committee, matters not approved by the audit committee but approved by more than two-thirds of all directors.

During the board meeting, relevant department managers who are not directors may be invited to attend the meeting to report on the company's business status and answer directors' questions. If necessary, accountants, lawyers, or other professionals may also be invited to attend the meeting to assist directors in understanding the company's current situation and making appropriate resolutions. However, they shall leave the meeting during discussions and voting.

**Article 34:** The personnel responsible for board meeting minutes shall accurately record the meeting reports and summaries of each proposal, the methods of resolution, and the results in accordance with relevant regulations.

The minutes of the board meeting shall be signed or sealed by the meeting chairman and the recorder and distributed to all directors within 20 days after the meeting. The attendance book of the board meeting is part of the minutes and shall be included in the company's important files and properly preserved permanently during the company's existence.

The preparation, distribution, and preservation of the minutes may be done electronically. The company shall record or videotape the entire process of the board meeting and preserve the recordings for at least five years, which may be done electronically.

If a lawsuit related to the resolutions of the board of directors occurs before the expiration of the preservation period, the relevant recordings shall continue to be preserved and are not subject to the previous paragraph. For board meetings held via video conference, the recordings are part of the minutes and shall be permanently preserved during the company's existence.

If the resolutions of the board of directors violate laws, the articles of incorporation, or shareholders' meeting resolutions, causing damage to the company, directors who have expressed objections with records or written statements may be exempt from liability for compensation.

**Article 35:** The company shall submit the following matters to the board of directors for discussion:

1. The company's business plan.
2. Annual and semi-annual financial reports. However, semi-annual financial reports that are not required to be audited by accountants according to regulations are excluded.
3. Establishment or amendment of the internal control system and assessment of its effectiveness in accordance with Article 14-1 of the Securities and Exchange Act.
4. Establishment or amendment of procedures for major financial and business actions such as acquiring or disposing of assets, engaging in derivative transactions, lending funds to others, and providing endorsements or guarantees in accordance with Article 36-1 of the Securities and Exchange Act.
5. Raising, issuing, or privately placing equity securities.
6. Performance evaluation and remuneration standards for managers.
7. Remuneration structure and system for directors.
8. Appointment, dismissal, or remuneration of financial, accounting, or internal audit officers.
9. Donations to related parties or major donations to non-related parties. However, public welfare donations for emergency relief due to major natural disasters may be submitted to the next board meeting for ratification.
10. Other matters that should be resolved by the shareholders' meeting or submitted to the board of directors for resolution in accordance with Article 14-3 of the Securities and Exchange Act, other laws, or the articles of incorporation, or major matters stipulated by the competent authority.

In addition to the matters that should be submitted to the board of directors for discussion as mentioned in the preceding paragraph, during the recess of the board of directors, if the board of directors is authorized to exercise its powers in accordance with laws or the articles of incorporation, the level, content, or matters of authorization shall be specific and clear and shall not be broadly authorized.

**Article 36:** The company shall clearly assign the matters resolved by the board of directors to appropriate execution units or personnel, requiring them to execute according to the planned schedule and objectives, and include them in tracking management to ensure the execution is effectively assessed.

The board of directors shall fully grasp the progress of execution and report at the next meeting to ensure the implementation of the board's business decisions.

#### **Section 4: Duties of Loyalty and Care of Directors**

**Article 37:** Members of the board of directors shall faithfully perform their duties and exercise the duty of care of a good administrator, exercising their powers with a high degree of self-discipline and prudence.

For the execution of company business, except for matters that should be resolved by the shareholders' meeting according to laws or the company's articles of incorporation, they shall act in accordance with the resolutions of the board of directors.

The company has established methods and procedures for evaluating the performance of the board of directors. Annually, the board and individual directors shall conduct self-evaluations or peer evaluations, or use other appropriate methods for performance evaluation. The evaluation of the board's performance shall include the following aspects, with suitable evaluation indicators set according to the company's needs:

1. Participation in the company's operations.
2. Improvement of the board's decision-making quality.
3. Composition and structure of the board.
4. Election and continuous education of directors.
5. Internal control.

The evaluation of the performance of board members (self or peer evaluation) shall include the following aspects, with adjustments made according to the company's needs:

1. Understanding of the company's goals and missions.
2. Awareness of directors' duties.
3. Participation in the company's operations.
4. Internal relationship management and communication.
5. Professionalism and continuous education of directors.
6. Internal control.

The company should also evaluate the performance of functional committees, including the following aspects, with adjustments made according to the company's needs:

1. Participation in the company's operations.
2. Awareness of the functional committee's duties.
3. Improvement of the functional committee's decision-making quality.
4. Composition and member selection of the functional committee.
5. Internal control.

The results of the performance evaluations should be reported to the board of directors and used as a reference for the remuneration and re-nomination of individual directors.

**Article 37-1:** The company should establish a succession plan for management and have the board of directors regularly evaluate the development and implementation of the plan to ensure sustainable operations.

**Article 38:** If a resolution of the board of directors violates laws or the company's articles of incorporation, and shareholders who have held shares for more than one year or independent directors request the board to stop executing the resolution, the board members shall promptly and appropriately handle or stop executing the related resolution. If board members find that the company is at risk of significant damage, they shall handle it according to the preceding paragraph and immediately report to the audit committee or the independent directors of the audit committee.

**Article 39:** During their term of office, the company shall insure directors for liability insurance for the scope of their business execution responsibilities according to law, to reduce and disperse the risk of significant damage to the company and shareholders caused by directors' errors or negligence. After insuring or renewing liability insurance for directors, the company shall report the insured amount, coverage, and premium rates to the most recent board meeting.

**Article 40:** Members of the board of directors should continuously participate in training courses related to corporate governance topics such as finance, risk management, business, commerce, accounting, law, or corporate social responsibility, organized by institutions designated by the Guidelines for the Continuing Education of Directors and Supervisors of TWSE/TPEX Listed Companies, either upon taking office or during their term. They should also ensure that employees at all levels enhance their professional and legal knowledge.

#### **Chapter 4: Respecting the Rights and Interests of Stakeholders**

**Article 41:** The company shall maintain open communication channels with banks and other creditors, employees, consumers, suppliers, communities, or other stakeholders of the company, and respect and protect their legitimate rights and interests. A stakeholder section should be set up on the company's website. When the legitimate rights and interests of stakeholders are infringed, the company shall handle it appropriately in good faith.

**Article 42:** The company shall provide sufficient information to banks and other creditors to enable them to make judgments and decisions about the company's operations and financial status. When their legitimate rights and interests are infringed, the company shall respond positively and take responsible actions to provide creditors with appropriate means of compensation.

**Article 43:** The company shall establish communication channels for employees, encouraging direct communication between employees and management or directors, and appropriately reflecting employees' opinions on the company's operations and financial status or major decisions affecting employees' interests.

**Article 44:** While maintaining normal business development and maximizing shareholder interests, the company shall pay attention to consumer rights, community environmental protection, and public welfare issues, and emphasize the company's social responsibility.

#### **Chapter 5: Enhancing Information Transparency**

## **Section 1: Strengthening Information Disclosure**

**Article 45:** Information disclosure is an important responsibility of the company. The company shall faithfully fulfill its obligations in accordance with relevant laws and regulations and the requirements of the stock exchange. The company shall establish an online reporting system for public information, designate personnel responsible for collecting and disclosing company information, and establish a system to ensure that information that may affect the decisions of shareholders and stakeholders is disclosed in a timely and appropriate manner.

**Article 46:** To improve the accuracy and timeliness of major information disclosure, the company shall appoint a spokesperson and deputy spokesperson who are fully knowledgeable about the company's financial and business matters and can coordinate the provision of relevant information from various departments. The company shall have more than one deputy spokesperson, and any deputy spokesperson should be able to speak on behalf of the company when the spokesperson is unable to perform their duties. The order of succession should be clearly defined to avoid confusion.

To implement the spokesperson system, the company shall establish unified speaking procedures and require management and employees to keep financial and business information confidential and not to disseminate information arbitrarily. Changes in the spokesperson or deputy spokesperson shall be promptly disclosed.

**Article 47:** The company shall utilize the convenience of the internet to set up a website, providing financial, business, and corporate governance information for reference by shareholders and stakeholders. It is advisable to provide English versions of financial, corporate governance, or other related information. The website shall be maintained by designated personnel, and the information listed should be accurate and updated promptly to avoid misleading.

**Article 48:** When the company holds investor conferences, it shall comply with the regulations of the stock exchange and record or videotape the proceedings. The financial and business information disclosed at the investor conference shall be entered into the Market Observation Post System in accordance with the regulations of the stock exchange and made available for inquiry through the company's website or other appropriate channels.

## **Section 2: Disclosure of Corporate Governance Information**

**Article 49:** The company's website shall have a dedicated section for disclosing the following corporate governance-related information and continuously updating it:

1. Board of Directors: such as the resumes and responsibilities of board members, and the diversity policy and implementation status of the board.
2. Functional Committees: such as the resumes and responsibilities of members of each functional committee.

3. Corporate Governance Regulations: such as the company's articles of incorporation, rules of procedure for board meetings, and organizational rules for functional committees.
4. Important information related to corporate governance: such as information on the appointment of corporate governance officers.

## **Chapter 6: Supplementary Provisions**

**Article 50:** The company shall pay attention to the development of domestic and international corporate governance systems and review and improve the company's corporate governance system accordingly to enhance the effectiveness of corporate governance.

**Article 51:** The company's Corporate Governance Best Practice Principles shall be implemented after approval by the board of directors, and the same applies to amendments.

**Article 52:** These principles were established on November 7, 2014. First revision on July 3, 2015. Second revision on November 10, 2017. Third revision on November 8, 2019. Fourth revision on August 7, 2020. Fifth revision on August 4, 2022. Sixth revision on August 12, 2024.