GlobalWafers Co., Ltd.

Corporate Governance Best Practice Principles

Chapter I General Principles

Article 1 To properly implement corporate governance and to achieve sound management of the Company, these Principles are established in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" for compliance.

Article 2 The Company shall comply with applicable laws and its Articles of Incorporation, and shall also establish its corporate governance system in accordance with the following principles:

I. Protect the rights and interests of shareholders.
II. Strengthen the Board functions.
III. Value corporate sustainable development and resilience.
IV. Enhance information transparency.

When supervising the management's establishment of the ethical corporate management policy, the sustainable development policy, and the risk management system, the Board of Directors shall follow the principles set forth in the preceding paragraph and take into consideration the overall operational activities of the Company and its subsidiaries.

Article 3 The Company shall comply with the provisions of the Regulations Governing Establishment of Internal Control Systems by Public Companies and shall consider the overall operational activities of the Company and subsidiaries to design and fully implement the internal control system, and shall conduct continuing reviews of the system, to ensure the continued effectiveness of its design and implementation considering changes in the Company's internal and external environment.

The Company shall perform full self-inspection operation of its internal control system. Its Board of Directors and management shall review the results of the self-assessments by each department at least annually and shall also review the audit reports of the audit department quarterly. The Audit Committee shall also attend to and supervise these matters. Directors and the Audit Committee Member shall periodically hold discussions with their internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the Board of Directors.

The Company shall establish communication channels and mechanisms among the independent directors or Audit Committee and chief internal audit officer.

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, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the Board of Directors and the management to perform their duties effectively to ensure a sound corporate governance system.

Appointment, dismissal, evaluation and review, salary and compensation of internal auditors of the Company shall be submitted by the chief audit officer to the chairperson of the Board of Directors for approval.

Article 3-1 The Company appoints one corporate governance officer according to the regulations of the competent authority, to be act as the highest officer in charge of corporate governance related affairs.

The following shall be included: the corporate governance affairs mentioned in the preceding paragraph shall include at least the following:

I. Handling matters related to the meetings of the Board of Directors and the Shareholders' Meeting in accordance with the law.
II. Preparing minutes of Board meetings and the Shareholders' meetings.
III. Assisting directors in their assumption of office and continuing education.
IV. Providing information necessary for the directors to carry out their duties.
V. Assisting directors with legal compliance.
VI. Report to the Board of Directors on whether the qualification of independent directors complies with relevant laws and regulations at the time of nomination, election and during the term of office.
VII. Matters with regard to the change of directors.
VIII. Other matters set forth in the Articles of Incorporation or relevant agreements.

Apart from a person newly appointed as the corporate governance officer, who shall complete at least 18 hours of continuing education within one year from the date of assuming the position, the corporate governance officer shall complete at least 12 hours of continuing education each year. The scope, system, and other matters relating to such continuing education shall be handled by reference to the Directions for the Implementation of Continuing Education for Directors of TWSE/TPEx Listed Companies.

Chapter II Protect 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 shall treat all shareholders equally.

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 Act and other applicable laws and regulations, and establish comprehensive rules and procedures for such meetings. Matters that shall be resolved by the shareholders' meetings shall be properly implemented in accordance with the rules and procedures. Resolutions adopted by shareholders' meetings of the Company shall comply with laws, regulations and Articles of Incorporation of the Company.

Article 6 The Company's Board of Directors shall properly arrange the agendas and procedures for shareholders' meetings, formulate the principles and operating procedures for shareholders' nomination of directors and proposals to shareholders' meetings, and properly handle the motions proposed by shareholders in accordance with the law. Shareholders' meetings shall be arranged at a convenient location and shall be supplemented by video teleconferencing and sufficient time shall be reserved with competent personnel assigned to conduct the check-in procedure. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Reasonable time shall be allowed for discussion of the issues and the shareholders shall be given an appropriate opportunities to speak. For a shareholders' meeting called by the Board of Directors, it is advisable that the chairperson of the Board of Directors shall chair the meeting, that a majority of the directors (including at least one independent director) and convener of the Audit Committee, and that at least one member of other functional committees attend as representative. Attendance details shall be recorded in the shareholders' meeting minutes.

Article 7 The Company shall encourage its shareholders to actively participate in corporate governance. It the Company is advised to engages a professional shareholder services agent to handle shareholders' meeting matters, so that shareholders' meetings can proceed on a legal, effective and secure basis.

The Company shall use various means and channels to fully adopt technology-based information disclosure by uploading Chinese and English versions of annual reports, annual financial reports, shareholders' meeting notices, agenda handbooks, and meeting supplementary materials. Electronic voting shall be adopted to increase the percentage of shareholders' attendance at shareholders' meetings, and ensuring that shareholders are able to exercise their shareholders' rights at shareholders' meetings in accordance with laws.

The Company is advised to avoid raising extraordinary motions and amendments to original proposals at a shareholders' meeting.

The Company is to 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 votes cast for and against and the number of abstentions, on the Market Observation Post System (MOPS).

Article 8 The Company shall, in accordance with the Company Act and other applicable laws and regulations, record in the minutes of the shareholders' meetings the year, month, day, place of the meeting, the name of the chairperson and the method by which resolutions were adopted. The minutes shall also include a summary of the essential points of the proceedings and the results of the meetings. With respect to the election of directors, the meeting minutes shall record the method of voting adopted 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 the duration of the Company, and must be clearly disclosed on the Company's website.

Article 9 The chairperson 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 chairperson 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 chairperson declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders' meetings, it is advisable for the members of the Board of Directors other than the chairperson of the shareholders' meeting to promptly assist the attending shareholders at the shareholders' meeting in electing a new chairperson of the shareholders' meeting to continue the proceedings of the meeting, through a resolution 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 the shareholders' right to know, and shall faithfully comply with applicable regulations regarding information disclosure to provide shareholders with regular and timely information on Company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the Company.

To treat all shareholders equally, it the Company is advised to further disclose various information under the preceding paragraph in English.

In order to protect the rights and interests of shareholders and implement equal treatment of shareholders, the Company shall establish internal regulations to prohibit insiders from trading marketable securities using undisclosed information in 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 stocks during the closed period of thirty days before the announcement of annual financial report and fifteen days before the announcement of quarterly financial report.

Article 11 Shareholders shall be entitled to profit distributions by the Company. In order to ensure the investment interests of shareholders, the shareholders' meeting may, under 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 the proposal for earnings distribution or loss compensation by resolution. In order to proceed with the above examination, the shareholders' meeting may appoint an auditor.

The shareholders may, under Article 245 of the Company Act, request a court to select an auditor in to examine the accounting records, assets, particulars, documents and records of specific transactions of the Company.

The Company's Board of Directors, Audit Committee and managers shall fully cooperate with the audit under the preceding two paragraphs and shall not evade, hinder or reject such inspections.

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 and/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 to protect the interests of the shareholders.

When the Company is involved in a merger, acquisition 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.

The management or major shareholders of the Company participating in a merger shall review whether members of the Audit Committee of the merger described in the preceding paragraph comply with Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall not be related parties with the counterparties of mergers and acquisitions or having conflict of interest that may affect the independence, and determine whether the design and implementation of relevant procedures comply with relevant laws and whether information is sufficiently disclosed according to relevant laws, and a legal opinion shall be issued by an attorney satisfying the independence requirement.

The qualifications of the attorney described 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 parties with the counterparties of mergers and acquisitions or having conflict of interest that may affect the independence.

The Company's personnel handling merger or public acquisition shall be aware of the conflicts of interest and recusal requirements.

Article 13 In order to protect the rights and interests of shareholders, the Company has dedicated personnel to properly handle shareholders' suggestions, questions and disputes.

The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholders' interest is damaged by a resolution adopted at a shareholders' meeting or a Board of Directors' meeting in violation of applicable laws, regulations, or the Company's Articles of Incorporation, or that such damage was caused by a breach of applicable laws, regulations or the Company's Articles of Incorporation by any directors, Audit Committee, or managers in performing their duties.

It the Company is advised to shall adopt internal procedures to appropriately handle such 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 the managerial officers and independent directors shall engage with shareholders in an efficient manner to ascertain shareholders' views and concerns, and expound the Company's policies explicitly, to gain shareholders' support.

Section 3 Corporate Governance Relationship Between the Company and Its Related Parties

Article 14 The Company shall clearly identify the objectives and the division of authority and responsibility between it and its affiliated enterprises regarding 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 shall 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 contents 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 When the Company and its related parties and shareholders enter into financial or business dealings or transactions, a written agreement governing the relevant financial and business operations between them 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 improper benefits shall be prohibited.

The written regulations referred to in the preceding paragraph shall include the management procedures for purchase and sale transactions, acquisition or disposal of assets, loaning of funds, and endorsement/guarantee transactions. The relevant material transactions shall be approved by the Board of Directors and approved or reported by the shareholders' meeting.

Article 18 A corporate shareholder having controlling power over the Company shall comply with the following provisions:

I. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the Company to conduct any business contrary to normal business practices.

II. Its representative shall follow the rules implemented by the Company regarding the exercise of rights and participation of resolution, so that at a shareholders' meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director.

III. It shall comply with relevant laws, regulations and the Articles of Incorporation of the Company in nominating directors and independent directors, and may not exceed the authority granted by the shareholders' meeting or Board meeting.

IV. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.

V. It shall not restrict or impede the management or production of the Company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.

VI. The representative that is designated when a corporate shareholder has been elected as a director shall meet the Company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.

Communications between a corporate shareholder having controlling power referred to in the preceding paragraph and the Company shall give due regard to the following principles, in order to comply with the requirements of the preceding paragraph:

I. In principle, such communications shall be conducted through the representative whom the shareholder has designated and who has been elected as a director of the Company. Where necessary, such director's representative may invite the Company's managerial officers to accompany him/her in communicating with the shareholder, and the Company shall make a record of the communication.

II. Where a corporate shareholder having controlling power has any suggestion regarding a proposal of the Board of Directors or a business decision of the Company, such suggestion shall be raised by its director's representative at a meeting of the Board of Directors or a functional committee for the exchange of opinions and engagement; the shareholder shall not convene meetings on its own initiative or otherwise improperly intervene in the Company's decision-making.

III. A corporate shareholder having controlling power and its employees shall bear a duty of confidentiality with respect to material information of the Company that comes to their knowledge before such information is publicly disclosed, and shall not use such information to engage in insider trading.

Where a corporate shareholder having controlling power fails to communicate with the Company in accordance with the principles set forth in the preceding paragraph, the Company shall remind the shareholder to act in accordance with the preceding paragraph and shall notify the corporate governance officer.

Article 19 The Company shall retain consistently a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders.

The Company shall disclose periodically important information about its shareholders holding more than 10% 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.

A major shareholder, as indicated in Paragraph 1, refers to those who owns 5 percent or more of the outstanding shares of the Company or they are within the top 10 shareholders, 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 Functions of the Board of Directors

Section 1 Structure of the 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.

The structure of the Company's Board of Directors shall be determined by choosing an appropriate number of Board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.

The composition of the Board of Directors shall be determined by taking diversity into consideration. The number of directors of any single gender shall not be less than one. It is advisable that directors concurrently serving as the Company's 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:

I. Basic requirements and values: gender, age, nationality, etc. It is advisable that the proportion of directors of any single gender reach one-third of the total number of board seats.

II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the Board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the entirety of the Board of Directors shall possess the following abilities:

I. Ability to make operational judgments.
II. Ability to perform accounting and financial analysis.
III. Ability to conduct management administration.
IV. Ability to conduct crisis management.
V. Knowledge of the industry.
VI. Knowledge of international markets.
VII. Ability to lead.
VIII. Ability to make policy decisions.

Where the number of board seats held by directors of any single gender is less than one-third, the Company shall specify in its annual report the reasons therefor and the measures it plans to adopt to enhance the gender diversity of its directors.

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 under the Company Act to fully reflect shareholders' views.

Unless the competent authority otherwise grants 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.

When the number of directors falls below five due to the discharge of a director for any reason, the Company shall hold a by-election for director at the following shareholders' meeting. When 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 shall specify in its articles of incorporation in accordance with the laws and regulations of the competent authorities that it adopts the candidate nomination system for elections of directors, carefully review the qualifications of a nominated candidate 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 duties and responsibilities of the chairperson of the Board of Directors, Chief Executive Officer and President of the Company.

It is inappropriate for the chairperson of the Board of Directors to also act as the President or an equivalent post. If the two positions of the chairperson of the Board of Directors and the President are held by the same person or by two persons in a spousal relationship or by persons within the first degree of kinship, it is necessary to increase the number of independent directors according to the regulations of the Taipei Exchange.

The Company having the need to establish a functional committee shall clearly define the responsibilities and duties of the committee.

Section 2 Independent Director System

Article 24 The Company shall appoint more than three independent directors in accordance with the Articles of Incorporation, and shall not be less than one-third of the total number of directors. No independent director shall serve for more than three consecutive terms.

Independent directors should have professional knowledge, and their shareholding shall be limited. In addition to complying with relevant laws and regulations, it is not advised that directors (including independent directors) serve in more than five TWSE/TPEx-listed companies at the same time, and they should maintain independence within the scope of business. and should not have a 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 manager 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% 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 Matters for Public Companies, and the rules and regulations of TWSE or TPEx.

Article 25 For the following matters, in addition to the approval of the competent authority, the consents of one-half or more of all members of this Committee shall be obtained, and shall also be submitted to the Board of directors for resolution:

I. Adoption or amendment of the internal control system under Article 14-1 of the Securities and Exchange Act.

II. Assessment of the effectiveness of the internal control system.

III. Adoption or amendment, under 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.

IV. Matters bearing on the personal interest of a director.

V. Material assets or derivatives transactions.

VI. Loans of funds, endorsements, or provision of guarantees of a material nature.

VII. Offering, issuance or private placement of equity-type securities.

VIII. Hiring or dismissal of a certified public accountant and their compensation.

IX. Appointment and dismissal of financial, accounting or internal auditing officers.

X. Annual financial report and financial report for the second quarter signed or sealed by the chairperson of the Board of Directors, officer and chief accounting officer audited and attested by CPA.

XI. Other important matters regulated by the Company or the competent authority.

For matters described in the preceding paragraphs, except for Subparagraph 10, if the approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, it may be implemented based on the approval of two-thirds or more of all directors without the restriction of the preceding paragraph, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

Article 26 The Company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The Company or other Board members shall not obstruct, reject or circumvent the performance of duties by the independent directors. The Company or the other members of the Board of Directors may not obstruct, refuse, or evade the actions of independent directors in the execution of their duties.

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. 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 supervisory functions and strengthening management mechanisms, the Board of Directors of the Company, in consideration of the Company's scale and type of operations and the number of its Board members, may set up functional committees for auditing, remuneration, nomination, risk management or any other functions, and based on concepts of corporate social responsibility and sustainability, may set up environmental protection, corporate social responsibility, or other committees, and expressly provide for them in the Articles of Incorporation.

Functional committees shall be responsible to the Board of Directors and submit their proposals to the Board of Directors for approval, except when the Audit Committee exercises the powers of supervisor in accordance with Paragraph 4 of Article 14-4 of the Securities and Exchange Act.

Functional committees shall formulate their charters subject to approval by the Board of Directors through resolution. The charters shall contain the number, term of office, powers and rules of procedures of the committee members, and resources to be provided by the Company to the committees.

Article 28 The Company’s Audit Committee shall be composed of all independent directors and the number shall not be less than three. One of them shall be the convener, and at least one of them shall have accounting or financial expertise. The Board of Directors is advised to establish a mechanism to encourage the convener of the Audit Committee to actively participate in communication and engagement with shareholders and interested parties on key issues such as governance, strategy, and sustainable development. The exercise of power by the 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 or TPEx.

Article 29 The Company shall establish the Remuneration Committee, and the majority of the members shall be independent directors. The professional qualifications of its members, the exercise of their powers, the establishment of organizational charters and related matters shall be handled in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange".

Article 29-1 The Company is advised to establish the Nomination and Sustainable Development Committee and its organizational charter. The number of members should be not less than three, and a majority of the members of the committee shall be independent directors, and it is advisable that at least one member be of a different gender, with an independent director serving as the convener and the chair of meetings.

Article 30 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 31 The Company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the Company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the Company shall faithfully implement improvement actions. It the Company is advised to shall establish channels and mechanisms of communication between the independent directors, the Audit Committee, and the external auditor. It shall also formulate internal operating procedures and incorporate those procedures into the Company’s internal control system for management purposes.

The Company shall, based on Audit Quality Indicators (AQIs) as reference, 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 seven years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA’s independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the Board of Directors.

Article 32 It the Company is advised to engage a professional and competent legal counsel to provide adequate legal consultation services to the Company, or to assist the Board of Directors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the Company or its staff and ensuring that corporate governance matters proceed under the relevant legal framework and the prescribed procedures.

When, as a result of performing their lawful duties, directors, supervisors or the management are involved in litigation or a dispute with shareholders, the Company shall retain a legal counsel to provide assistance as needed.

The Audit Committee or an independent director may retain attorneys-at-law, CPAs or other professionals on behalf of the Company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their powers, at the expense of the Company.

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

Article 33 The Company's Board of Directors shall convene meeting at least once quarterly, and may convene meetings at any time in case of emergency. To convene a Board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to All director and supervisor no later than seven days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are 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 rules of procedure for Board meetings, which shall follow 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 announcements, and other matters for compliance.

Article 34 Directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party regarding 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 or a blood relative within the second degree of kinship of a director, or a company that has a controlling or subordinate relationship with a director, has an interest in a matter of the meeting referred to in the preceding paragraph, the director shall be deemed to have a personal interest in that matter.

Matters requiring the voluntary recusal of a director shall be clearly set forth in the in order of procedure for Board meetings.

Article 35 At least one independent director of the Company shall attend Board meetings in person. With respect to any matter required to be submitted to the Board of Directors under Article 14-5 of the Securities and Exchange Act, all independent directors shall attend the Board meeting; an independent director who is unable to attend in person shall appoint another independent director to attend as his/her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the Board of Directors meeting minutes.

Any of the following matters in relation to a resolution passed at a Board of Directors' meeting shall be stated in the meeting minutes and also publicly announced and filed on the MOPS at least two hours before the beginning of trading hours on the first business day after the date of the Board meeting:

I. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.

II. Where a matter is not approved by the audit committee, but the consents of more than two-thirds of all directors are obtained.

During a Board meeting, personnel from relevant departments or subsidiaries may, in view of the meeting agenda, sit in at the meetings, make reports on the current business conditions of the Company and respond to inquiries 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 they shall leave the meeting when deliberation or voting takes place.

Article 36 Staff personnel of the Company attending Board meetings shall collect and correctly record the meeting minutes in detail, as well as a summary, the 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 chairperson and minutes taker of the meeting and shall be sent to all directors and supervisors within twenty days after the meeting. The director attendance records shall be included in the meeting minutes, treated as important corporate records, and 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 five years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph any litigation arises relating to a resolution of a meeting of the Board of Directors, the relevant audio or video recordings shall continue to be preserved until the conclusion of the litigation, while the requirements referred to in the preceding paragraph shall not apply.

Where a Board of Directors' meeting is held via video conference, the video and audio recording of the meeting forms a part of the meeting minutes and shall be properly preserved during the existence of the Company.

When a resolution of the Board of Directors violates laws, regulations, the 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 37 The Company shall submit the following matters to its Board of Directors for discussion:

I. Corporate business plans.

II. Annual and semi-annual financial reports. With the exception of semi-annual financial reports which, under relevant laws and regulations, need not be CPA audited and attested.

III. Adoption or amendment of the internal control system according to Article 14-1 of the Securities and Exchange Act., and evaluation of effectiveness of the internal control system.

IV. Adoption or amendment, according 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.

V. Offering, issuance, or private placement of any equity-type securities.

VI. Performance assessment and the standard of remuneration of the managerial officers.

VII. Structure and system of director's remuneration.

VIII. Election or dismissal of the chairperson of the Board of Directors.

IX. Appointment and dismissal of financial, accounting or internal auditing officers.

X. Donations to related parties or significant donations to non-related parties.

However, a public-interest donation of disaster relief that is made for a major natural disaster shall be submitted to the following Board of Directors meeting for retroactive recognition.

XI. 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 Board of Directors' meeting, or any such significant matter as may be prescribed by the competent authority.

Except for matters that shall 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 laws, 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 38 The Company shall ask the appropriate corporate department or personnel to execute matters under Board of Directors' resolutions in a manner consistent with the planned schedule and objectives. It shall also follow up on those matters and faithfully review their implementation.

The Board of Directors shall remain informed of the progress of implementation and receive reports in subsequent meetings to ensure the actual implementation of the Board's management decisions.

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

Article 39 Members of the Board of Directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the Company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders' meetings or in the Articles of Incorporation, they shall ensure that all matters are handled according to the resolutions of the Board of Directors.

It the Company is advised to shall formulate rules and procedures for the 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 or peer-to-peer 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:

I. Degree of participation in the Company's operations.

II. Improvement of the quality of the Board of Directors' decision making.

III. Composition and structure of the Board of Directors.
IV. Election of the directors and their continuing professional education.
V. Internal control.

The performance assessments of Board members (self-assessments or peer-to-peer assessments) shall include the following aspects, with appropriate adjustments made on the basis of the Company's needs:

I. Comprehension of the Company’s targets and missions.
II. Awareness of the director’ duties.
III. Degree of participation in the Company’s operations.
IV. Management and communication of internal relations.
V. Professionalism and ongoing education of directors.
VI. Internal control.

It the Company shall conduct performance assessments of a functional committee, covering the following aspects, with appropriate adjustments made on the basis of the Company's needs:

I. Degree of participation in the Company's operations.
II. Awareness towards the duties of the functional committee.
III. Improvements to the quality of decisions made by the functional committee.
IV. Composition of the functional committee and selection of committee members.
V. Internal control.

The Company shall submit the results of performance assessments to the Board of Directors and use them as reference in determining compensation for individual directors, their nomination and additional office term.

Article 40 It is advisable for the Company to establish a succession plan for the management. The development and implementation of such plan shall be periodically evaluated by the Board of Directors to ensure sustainable operation.

Article 40-1 The Board of Directors is advised to evaluate and monitor the following aspects of the Company's direction of operation and performance relating to intellectual properties, to ensure the Company develops an intellectual property regulatory system in accordance with the “Plan-Do-Check-Act” cycle:

I. Formulate intellectual property regulatory policies, objectives and systems that are slightly associated with the operational strategies.
II. Develop, implement and maintain the intellectual property acquisition, protection, maintenance and utilization management system based on the scale and type.
III. Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property management

system.

IV. Observe internally and externally the risks and opportunities that intellectual property management may present and adopt corresponding measures.

V. 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 If a resolution of the board of directors violates law, regulations or the Company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director, or at the of a supervisor to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.

Upon discovering a likelihood that the Company may suffer material injury, members of the Board of Directors shall immediately report to the Audit Committee or an independent director member of the Audit Committee accordance with the foregoing paragraph.

Article 42 The Company shall, according to the Articles of Incorporation, apply for directors liability insurance regarding liabilities resulting from of incorporation exercising their duties during their terms of occupancy 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 43 Members of the Board of Directors shall complete at least three hours of continuing education in the year of taking office for each term, and shall continue, during their terms of office, to participate in training courses offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors of TWSE/TPEx Listed Companies. They shall also ensure that the Company's employees at all levels will enhance their professionalism and knowledge of relevant laws and regulations.

Chapter IV Empowering Audit Committee

Section 1 Supervisory Power of Audit Committee

Article 44 The Audit Committee shall monitor the implementation of the Company's operations and the directors' and managerial officers' performance of their duties, and shall give due attention to the implementation of the internal control system, In order to lower the possibility of financial crisis and to manage risk.

The representative of the Company in matters under Articles 213, 214 and 223 of the Company Act shall be selected by a resolution of the Audit Committee. The Audit Committee may resolve that a member represents the Company individually or that members represent the Company jointly; where a representative is not selected in accordance with the prescribed procedure, all members shall jointly represent the Company.

Article 45 The Audit Committee may investigate The Company operational and financial condition of the Company from time to time, and the relevant departments in the Company shall cooperate in providing the account books or documents required for auditing.

When reviewing the finances or operations of the Company, the Audit Committee may retain attorneys or accountants on behalf of the Company to perform the review; provided, the corporate shall inform the relevant persons of their confidentiality obligations.

The Board of Directors or managerial officers shall submit reports in accordance with the requests of the Audit Committee and shall not for any reason obstruct, circumvent, or refuse inspections performed by the Audit Committee.

When the Audit Committee performs its duties, all units of the Company shall provide necessary assistance according to the needs, and the reasonable expenses that the Audit Committee needs shall be borne by the Company.

Article 46 For the Audit Committee to timely discover any possible irregularity within the company, the Company shall establish a channel for the Audit Committee to communicate with relevant personnel.

Upon discovering any irregular conduct, the Audit Committee shall take appropriate measures timely to curb the expansion of the irregular conduct, and file a report to the relevant regulatory authorities or agencies if necessary.

When any independent director or President, any officer of the finance, accounting, research and development, or internal audit department, or a CPA resigns or is removed from his/her position, the Audit Committee shall investigate the reasons.

In the event that the Audit Committee or an independent director neglects its duties and therefore causes damage to the Company, the Audit Committee or the independent director shall be liable to the Company jointly or individually.

Article 47 The Audit Committee of the Company shall exercise its duties and authorities according to the laws and the organizational charger via meeting resolutions, provided each independent director of the Audit Committee may still exercise his/her duties and authorities independently.

Section 5 Valuing Corporate Sustainable Development and Resilience

Article 48 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 shall designate a stakeholders section on its website.

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

Article 49 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 its decision-making process. When any of their legal rights or interest are harmed, the Company shall respond with a responsible attitude and assist creditors in obtaining compensation through proper means.

Article 50 The Company shall establish channels of communication with employees and encourage employees to communicate directly with management, directors, or supervisors to reflect employees’ opinions about the management, financial conditions, and material decisions of the Company concerning employee welfare.

Article 51 In developing its normal business and maximizing the shareholders' interest, the Company shall pay attention to consumer interests, environmental protection of the community, and public interest issues, and shall give serious regard to the Company’s social responsibility.

In promoting sustainable development, the Company shall pay attention to the rights and interests of stakeholders and, while pursuing sustainable operation and profitability, give due regard to environmental, social, and governance factors and incorporate them into the Company’s management policies and operational activities.

Chapter V Improving Information Transparency

Section 1 Enhancing Information Disclosure

Article 52 The Company shall perform its obligations of information disclosure faithfully in accordance with the relevant laws and the related TWSE and TPEx 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 to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.

Article 53 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 spokespersons who shall represent the Company, when the spokesperson cannot perform his/her duties, in making statements independently, provided 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. The Company shall require management and employees to maintain the confidentiality of financial and operational secrets and prohibit their disclosure of any such information at will.

The Company shall disclose the relevant information immediately whenever there is any change to the position of a spokesperson or deputy spokesperson.

Article 54 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. The Company shall also furnish the financial, corporate governance or other relevant information in English.

To avoid misleading information, the aforesaid website shall be maintained by dedicated personnel, and the recorded information shall be accurate, detailed and updated on a timely basis.

Article 55 The Company shall hold an investor conference in compliance with the regulations of the TWSE and TPEx, 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 MOPS and provided for inquiry through the Company’s website or other channels in accordance with the TWSE or TPEx rules.

Section 2 Disclosure of Information on Corporate Governance

Article 56 The Company shall dedicate a space on its website, with reference to the sample of “Important and Necessary Information to be Disclosed on the Websites of TWSE/TPEx Listed Companies,” to disclose and update from time to time the information regarding corporate governance.

Chapter VI Supplementary Provisions

Article 57 The Company shall consistently monitor domestic and international developments in corporate governance as a basis for review and Amendments of the Company's own corporate governance mechanisms, to enhance their effectiveness.

Article 58 The Principles, and the amendments hereto, shall be implemented after the approval from the Board of Directors.

Article 59 These Principles were established on March 19, 2015.
These Principles were amended on March 15, 2022.
These Principles were amended on November 7, 2023.
These Principles were amended on August 4, 2026.