



AUO Corporation

Corporate Governance Principles

Chapter 1 General principles

Article 1 To set up a good corporate governance system, the Company institutes the Principles in accordance with the “Corporate Governance Best Practice Principles for TWSE / TPEX Listed Companies” jointly established by the Taiwan Stock Exchange Corporation (hereafter referred to as TWSE) and the Taipei Exchange (hereafter referred to as TPEX) for compliance and establish an effective corporate governance framework and disclose them through the Market Observation Post System (MOPS).

Article 2 With the corporate governance system set up by the Company, in addition to complying with laws and regulations, the articles of incorporation, the contracts signed with TWSE and related regulations, the principles below shall also be followed:

1. Protect the rights and interests of shareholders.
2. Strengthen the powers of the board of directors.
3. Wield the functions of respective functional committees under the board of directors.
4. Respect the rights and interests of stakeholders.
5. Enhance information transparency.

Article 3 The Company shall take into account the overall operating activities of the Company and its subsidiaries to design and fully implement an internal control system in accordance with the “Regulations Governing Establishment of Internal Control Systems by Public Companies”, and review the system at any time, so as to adapt to the change of the Company’s internal and external environment and ensure continuous effectiveness of the system’s design and execution.

In addition to literally processing the self-assessments operation of the internal control system, the Company’s board of directors and management shall also review each department’s self-assessments results at least once a year and audit unit’s audit reports on a quarterly basis, whereas the audit committee shall also pay attention to such matters and supervise them. To review the defects of the internal control system, the board of directors and audit committee shall periodically hold seminars to discuss the matters with internal audit personnel. 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 channels and mechanisms of communication between independent



directors, audit committees, and chief internal auditors, and the convener or designated person of the audit committee shall report the communications between members of the audit committees and chief internal auditors at the shareholders' meeting.

The Company's management shall value the internal audit unit and personnel and sufficiently empower them for thorough inspection and evaluation of the defects of the internal control system and measurement of operating efficiency, so as to ensure effective and continuous implementation of the system, assist the board of directors and management in literally fulfilling their duties, and further carry out the corporate governance system.

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

Article 3-1

The Company shall have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs, and shall appoint in accordance with the requirements of the competent authorities or TWSE a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs.

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

1. Handling matters relating to board meetings and shareholders meetings according to laws
2. Producing minutes of board meetings and shareholders meetings
3. Assisting in onboarding and continuous development of directors and supervisors
4. Furnishing information required for business execution by directors and supervisors
5. Assisting directors and supervisors with legal compliance
6. Report to the board of directors on the results of the review of whether the qualifications of the independent directors meet the relevant laws and regulations during the nomination, appointment and tenure period.
7. Handle related matters concerning the changes in the board of directors.
8. Other matters set out in the articles of incorporation or contracts



Chapter 2 Protection of shareholders' equity

Section 1 Encouragement of shareholders' participation in corporate governance

Article 4 The Company's corporate governance system with protection of shareholders' equity as the main goal and treat all shareholders fairly, for which the Company shall institute a corporate governance system where shareholders' right to learn, participate in and determine the Company's material matters can be ensured.

Article 5 The Company shall convene shareholders' meetings in accordance with the Company Act and relevant laws and regulations, and set up well-rounded meeting rules and procedures. The matters adopted by a shareholders' meeting shall be literally executed according to meeting rules and procedures.

The contents of the resolutions adopted in the Company's shareholders' meetings shall comply with laws and regulations and the 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 independent directors, and for submitting proposals at shareholders' meetings, and properly handle proposals lawfully submitted by shareholders. Shareholders' meetings shall be held in convenient locations, preferably supplemented by video conferencing, with sufficient time allotted and qualified personnel appointed to handle registration procedures. No additional supporting documents shall be arbitrarily required from shareholders for their attendance. Reasonable time shall be allocated for discussion of each agenda item, and shareholders shall be given appropriate opportunities to speak.

Shareholders' meetings convened by the Board of Directors shall be chaired by the Chairman personally, and shall be attended in person by more than half of the directors (including at least one independent director) and the convener of the audit committee (or more than half of the members of the audit committee), with at least one representative from each of the other functional committees present. Attendance shall be recorded in the minutes of the shareholders' meeting.

Article 7 The Company should encourage shareholder participation in corporate governance and should appoint a professional shareholder affairs agency to handle shareholder meeting affairs, ensuring that shareholder meetings are held legally, effectively, and securely. The Company should fully utilize technological means of information disclosure, simultaneously uploading Chinese and English versions of the annual report, annual financial report, shareholder meeting notice, meeting procedure manual, and supplementary meeting materials. Electronic voting should be adopted to increase shareholder attendance and ensure that shareholders can



legally exercise their shareholder rights at shareholder meetings.

The Company should avoid proposing temporary motions and amendments to existing resolutions at shareholder meetings.

The Company should arrange for shareholders to vote on each shareholder meeting resolution individually and, on the same day after the shareholder meeting, input the results of shareholder approval, disapproval, and abstention into the Market Observation Post System (MOPS).

Article 8

The Company shall follow the Company Act and relevant laws and regulations to record the date, place, chairperson and resolution method of a shareholders' meeting as well as the main points and results of the meeting in the minutes book. The voting method for director election and the votes cast in favor of the director-elect shall also be stated.

Shareholders' meeting minutes shall be properly retained during the existence of the Company, and sufficiently disclosed on the Company's website.

Article 9

The chairperson of a shareholders' meeting shall be fully aware of the meeting rules and procedures set up by the Company and abide by them to keep the meeting smoothly held without discretionarily calling an adjournment.

In case that a chairperson violates meeting rules and procedures by calling an adjournment, other members in the board of directors shall quickly come forward to assist attending shareholders in electing a deputy chairperson in accordance with the legal procedure in order to continue the meeting. The deputy chairperson shall be elected by the attending shareholders representing a majority of total attending shareholders' voting shares.

Article 10

The Company shall value its shareholders' right to know and guard against insider trading, and literally abide by information disclosure related rules to frequently provide shareholders with real-time information of the Company's financial, business, insider shareholding and corporate governance status on the Market Observation Post System, or on the website set up by the Company.

To ensure equal treatment of shareholders, all information mentioned above should be disclosed simultaneously in English.

To protect shareholder rights and ensure equal treatment for all shareholders, the Company shall establish internal regulations prohibiting insiders from trading securities using non-public information in the market.

These regulations include measures to control stock trading by insiders from the date they become aware of the Company's financial reports or related performance information, including but not limited to prohibiting directors from trading their shares during the closed periods of thirty days prior to the announcement of the annual financial report and fifteen days prior to the announcement of each quarterly



financial report.

Article 11 Shareholders shall be entitled to share the Company's earnings. To ensure shareholders' investment rights and interests, the shareholders' meeting shall audit the lists prepared by the board of directors and audit committee's reports, and resolve earnings distribution or loss appropriation in accordance with Article 184 of the Company Act. The board of shareholders may select inspectors to execute the aforesaid audit.

Shareholders may follow Article 245 of the Company Act to petition the court to designate inspectors for inspecting the Company's business accounts and properties.

The Company's board of directors and managerial officers shall fully cooperate with the audit operation conducted by the inspectors mentioned in the preceding two paragraphs. They shall not impede, refuse or evade the audit.

Article 12 The Company shall follow relevant laws and regulations to deal with material financial businesses, such as asset acquisition or disposal, capital lending to others, endorsement/ guarantee, etc., and set up required operation procedures and submit them to the board of shareholders for adoption, so as to protect shareholders' equity.

When management buyout (MBO) occurs to the Company, in addition to following relevant laws and regulations, an objective and independent review panel shall be constituted to review rationality of the acquisition price and plan and pay attention to information disclosure related stipulations.

The Company's personnel handling the preceding issues shall avoid conflict of interest.

Section 2 Establishing a Mechanism for Interaction with Shareholders

Article 13 To ensure shareholders' equity, the Company shall have dedicated personnel available to properly take care of shareholders' recommendations, doubts, disputes, etc.

If the resolution adopted by the Company's shareholders' meeting or board of directors breaches laws and regulations or the articles of incorporation or if the Company's director or managerial officer violates laws and regulations or the articles of incorporation in executing their duties, which results in damage to shareholders' equity, the Company shall properly handle the litigation filed by the shareholder by law.

The Company should establish internal procedures to properly manage the matters mentioned in the previous two paragraphs, retain written records for future reference, and incorporate these measures into the internal control system.



Article 13-1 The board of directors 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 together with officers and independent directors shall engage with shareholders in an efficient manner to ascertain shareholders' views and concerns, and expound company policies explicitly, in order to gain shareholders' support.

Article 13-3 The Company should formulate and disclose its operational strategies and business plans, describing specific measures to enhance corporate value. These strategies and plans are advised to be submitted to the Board of Directors for review, and the Company shall actively engage in communication with shareholders.

Section 3 Corporate governance relationship between the Company and its affiliated person

Article 14 The authorization and responsibilities of the personnel and the asset and financial management between the Company and its affiliated enterprises shall be specifically defined, the risks shall be literally assessed and adequate firewall shall be established.

Article 15 Unless otherwise stated by law or obtaining the Company's prior approval, any of the Company's managerial officers shall not concurrently serve as the managerial officer of the Company's affiliated enterprises.

Directors shall elaborate on the major content of their conduct engaged for themselves or others within the Company's business scope at the shareholders' meeting, and obtain shareholders' approval.

Article 16 The Company shall follow relevant laws and regulations to set up a well-rounded financial, business and accounting management system, adequately conduct a comprehensive risk assessment with its affiliated enterprises for major correspondent banks, clients and suppliers, and implement required control and management mechanism, so as to reduce credit risk.

Article 17 The Company shall follow the fair and reasonable principle to do business with its related person and shareholders and set up the rules in writing for the mutual financial business related operations. Price terms and the payment terms shall be specifically covered by the contract, and non-arm's length transactions are not allowed and inappropriate transfer of benefits shall be prohibited.

The aforementioned conduct includes transaction of purchase and sale, acquisition or disposal of asset, capital lending and endorsements and guarantees. And related material transactions should be approved by the Board of Directors and reported to or approved by the shareholders meeting.



Article 18 The Company's institutional shareholders with control power shall comply with the following:

1. Bear the faithful obligation toward other shareholders, and shall not directly or indirectly make the Company engage in non-arm's length business transactions or other disadvantageous business operating.
2. Their representatives shall comply with the relevant regulations set up by the Company for their exercise of the right and participation in the voting. When attending a shareholders' meeting, they shall exercise their voting right according to the faithful principle and the best interests of all of the shareholders, and carry out directors' faithful and precaution obligation.
3. 3The nomination of the Company's directors shall be processed in accordance with relevant laws and regulations and the articles of incorporation, which shall not be beyond the authorization scope of the board of shareholders and the board of directors.
4. They shall not improperly interfere with the Company's decision making or impede the Company's operating activities.
5. They shall not restrict or hinder the Company's production and operating by an unfair competition way, such as a procurement monopoly or closure of sales channels.
6. The representative that is designated when a corporate shareholder has been elected as a director or supervisor shall meet the company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.

Article 19 The Company shall always get hold of the list of its major shareholders who have a greater shareholding ratio and can actually control the Company and the list of the final controller of the major shareholders.

The Company shall periodically disclose the shares pledged, increased or decreased by the Company's shareholders holding more than 10% of the Company's shares, or he important issues which may trigger change in shareholdings, so other shareholders may proceed with the supervision.

The major shareholders referred to in the first paragraph of the Article are the ones with an equity ratio more than 5% or listed as one of the top ten shareholders.

Chapter 3 Reinforcement of the function of the board of directors

Section 1 Structure of the board of directors

Article 20 The board of directors 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 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. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture; it is advisable that the number of each gender account for at least one-third of all the directors.
2. 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 board of directors shall possess the following abilities:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. An international market perspective.
7. Ability to lead.
8. Ability to make policy decisions.

Article 21 The Company shall set up a fair, impartial and open director-election procedure, and adopt the cumulative voting system to sufficiently respond to shareholders' opinions.

Unless otherwise approved by the competent authorities, a majority of the seats of directors shall not be taken up by directors' spouses or the ones within second degree of kinship with the directors. In case that the number of directors is less than 5 as a result of the dismissal of any director, the Company shall hold a by-election in the next shareholders' meeting.



However, if the number of the director vacancies is more than one third of the seats required by the articles of incorporation, the Company shall hold a provisional shareholders' meeting to fill up the vacancies within 60 days after the day the fact occurs.

The total ratio of the shares held by the entire body of the directors of the Company's board of directors shall comply with laws and regulations, whereas the transfer of shares between directors and provision or dismissal and change of the pledge shall be processed in accordance with relevant laws and regulations, in which all the related information shall be fully disclosed.

Article 22 The Company shall, in accordance with the provisions of the competent authority, stipulate in its articles of association that the election of directors shall adopt a candidate nomination system, carefully assess the qualifications of the nominees and whether they fall under any of the circumstances listed in Article 30 of the Company Law, and proceed in accordance with Article 192-1 of the Company Law.

Article 23 The authorization and responsibilities of the Company's chairperson and general manager shall be clearly defined, and the chairperson and general manager, or other equivalent positions (top managers), should not be held by the same person. In case that the chairperson and the general manager, or other equivalent positions (top managers), are the same person, or are spouses or first-degree relatives, the number of independent directors should be increased, and more than half of the directors should not be employees or managers.

The functional committees established by the company should have their responsibilities clearly defined.

Section 2 Independent director system

Article 24 The company shall, in accordance with its articles of association, appoint at least three independent directors, and the term of office for independent directors shall not exceed three consecutive terms.

Independent directors shall possess professional knowledge, and their shareholdings shall be restricted. In addition to complying with relevant laws and regulations, they should not simultaneously serve as directors (including independent directors) or supervisors of more than five listed or over-the-counter companies. Furthermore, they shall maintain independence within the scope of their business operations and shall not have any direct or indirect conflict of interest with the Company.

If a company and its group of enterprises and organizations mutually nominate each other's directors, supervisors, or managers as candidates for independent



directors, the company shall disclose this information when accepting nominations and explain the suitability of the candidate. If elected as an independent director, the company shall disclose the number of votes cast.

The term "group of enterprises and organizations" as used above applies to the company's subsidiaries, foundations whose direct or indirect contributions exceed 50% of the total, and other institutions or legal entities with substantial control over the company.

Independent directors and non-independent directors may not change their status during their term of office.

The professional qualifications, shareholding and concurrent employment restrictions, independence determination, nomination methods, and other matters to be followed by independent directors shall be handled in accordance with the Securities and Exchange Act, the Measures for the Appointment and Compliance of Independent Directors of Publicly Listed Companies, and the regulations of the stock exchange.

Article 25 The company shall clearly define the scope of duties of independent directors and allocate the necessary human and material resources to them in exercising their powers. Neither the company nor other members of the board of directors shall obstruct, refuse, or circumvent the independent directors' performance of their duties.

The Company shall stipulate the directors' remuneration in accordance with relevant laws and regulations. Directors' remuneration shall fully reflect their individual performance and the company's long-term operating performance, and shall comprehensively consider the company's operating risks. Independent directors may be granted reasonable remuneration that differs from that of ordinary directors.

Article 26 Independent directors should have a domicile in the country to enable them to perform their oversight functions promptly.

Article 27 Independent directors shall be familiar with relevant laws and regulations, be aware of the rights, obligations and duties of the Company's directors and each department's functions, division of labor and operation content, supervise the operation of the board of directors and put forth their opinions in due time, so as to get hold of the status and spot any irregularities in advance.

Article 28 Independent directors shall supervise the Company's business execution, evaluate the performance of directors and managerial officers and concern execution of the Company's internal control system, so as to reduce the Company's financial crisis and operating risk.



When a director conducts any trading, lending or other legal act with the Company for themselves or others, the independent director of the audit committee shall be the Company's representative.

Article 29 An independent director may investigate the Company's business and financial status at any time, for which the Company's relevant departments shall cooperate by providing the documents required by the audit.

An independent director may represent the attorney or certified public accountant (CPA) appointed by the Company to audit the Company's finance and business. However, if this is the case, the Company shall inform relevant personnel of their confidentiality obligation.

The board of directors or managerial officers shall submit the report requested by the independent director. They shall not impede, evade or refuse independent director's inspection for any reason.

When an independent director fulfills their duties, the Company shall provide required assistance for them and the incurred reasonable expenses shall be paid by the Company.

Article 30 To help independent directors spot the Company's possible corruptions in a timely way, the Company shall set up a communication channel for independent directors to communicate with the Company's employees, shareholders and stakeholders.

When he or she discovers any corruption, an independent director shall take an appropriate measure in a timely manner to prevent deterioration of the corruption.

When necessary, they shall report the case to the competent authorities or units.

In case of any resignation or replacement occurring to any of the Company's independent directors, general manager, any of executives of financial, accounting, R&D and internal audit departments or the CPA, the independent director shall further probe it.

Any violation of laws and regulation, articles of incorporation or duty negligence by any independent director resulting in damage to the Company, the independent director shall compensation the Company for the damage.

Section 3 Functional committees

Article 31 To have a well-rounded supervision function and strengthen the management mechanism, the Company may set up a variety of functional committees for auditing, nomination, risk management or others according to the size of its board of directors and the number of its independent directors. Also, to fulfill its corporate social responsibility and have sustainable operation, the Company may set up environmental protection or other committees, and specifically stipulate the establishment of them in its articles of incorporation.



Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for resolutions. However, it is not limited to audit committee's exercise of its supervisor's powers in accordance with Paragraph 4 of Article 14-4 of the Securities and Exchange Act.

Functional committees shall set up an organization charter, which shall be adopted by the board of directors. The content of the organizational charter shall cover the number, term of office and authority of committee members, meeting rules and procedures, and resources to be provided by the Company for committee's exercise of its powers.

Article 32 The Company shall set up an audit committee in accordance with its articles of incorporation.

The exercise of the powers of the audit committee and its independent directors and other relevant matters shall be processed in accordance with the "Securities and Exchange Act", "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies" and TWSE's regulations.

Article 32-1 The Company shall set up a remuneration committee, and more than half of the members should be independent directors, in which the committee member's professional qualifications and authority exercise, establishment of the organizational charter and relevant matters shall comply with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter".

Article 32-2 The Company shall set up a nomination committee or a corporate governance committee, and more than half of the members should be independent directors.

Article 32-3 The company shall 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 33 To improve the quality of financial reporting, the Company shall appoint a deputy to serve as the Accounting Supervisor.

The deputy to serve as the Accounting Supervisor shall undergo continuing education annually, in accordance with the requirements of the Accounting Supervisor, to enhance the professional competence of the deputy.

Accounting personnel involved in preparing financial reports should also complete at least six hours of professional training annually, which may be achieved through



in-house training programs or professional courses offered by relevant institutions. The company should select professional, responsible, and independent auditors to conduct regular audits of the company's financial condition and internal controls. The company should thoroughly review and improve any anomalies or deficiencies discovered and disclosed by the auditors during the audit process, as well as any specific improvement or fraud prevention suggestions made. The company should also establish communication channels or mechanisms between independent directors and the audit committee and the auditors, and formulate internal operating procedures and incorporate them into the internal control system.

The Company shall periodically (at least once a year) assess the independence and competence of its appointed accountants by referring to Audit Quality Indicators (AQIs). If an accountant has not been replaced for seven consecutive years or has been subject to disciplinary action or circumstances that impair independence, the Company shall assess whether it is necessary to replace the accountant and submit the assessment results to the Board of Directors.

Article 34 The Company shall appoint a qualified attorney to provide the Company with the appropriate legal consultation service or assist the board of directors, audit committee and management in enhancing their legal proficiency, so as to prevent the Company and its relevant personnel from breaching laws and regulations and have the corporate governance operation smoothly work under the structure of relevant laws and legal procedures.

In case of any litigation and disputes with shareholders occurring in director or management's business execution, the Company shall request the attorney to give required assistance.

The audit committee or its independent directors may represent the Company's attorney, CPA or other professionals to audit those that are relevant to their exercise of powers or provide consultation, in which the incurred expenses shall be paid by the Company.

Section 4 Rules and procedures of board meetings and decision-making procedure

Article 35 The Company's board of directors shall hold a board meeting at least once a quarter, and may convene it at any time in case of emergency. To convene a board meeting, a meeting notice specifying the purpose of the meeting shall be sent to each director no later than 7 days prior to the scheduled meeting date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. In case that the provided meeting materials are insufficient, directors are entitled to request the Company to make up the deficiency, or the meeting may be postponed



after approval by the board of directors.

For the board meeting rules and procedures set up by the Company, the major agenda content, operation procedure, the matters required to be stated in the meeting minutes book, announcements and other matters required to be followed shall comply with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 36 Directors shall exercise a high degree of self-discipline. If a director has any conflict of interest with any agenda item listed by the board of directors, which may possibly damage the Company's interests, the director shall enter recusal, and is neither allowed to participate in discussion or resolution nor act as another director's proxy to exercise the voting right on the matter in question. Self-discipline shall also apply between directors, in which mutual improper support is not allowed.

Matters regarding a director's voluntary recusal shall be specifically stated in the rules and procedures of board meetings.

Article 37 In case of any of the following circumstances occurring to the resolutions of the board of directors, in addition to being recorded in the meeting minutes book, announcement and declaration shall be made on the information declaration website designated by the competent authorities within two days after the board meeting date:

1. An independent director has any objection or qualified opinion, which is on record or with a written statement.
2. The matter not approved by the audit committee is adopted by more than two-thirds of the entire body of directors.

During a board meeting, the managerial personnel (who are not directors) from the departments in relation to the agenda content may be invited to attend the meeting as a guest to report the Company's current business status and respond to any inquiries raised by directors. When necessary, the CPA, attorney or other professionals may also be invited to attend the meeting as a guest to assist directors in better understanding the Company's current status and adopting appropriate resolutions.

Article 38 The meeting handling personnel of the Company's board shall literally follow the stipulations to prepare meeting minutes covering meeting reports, summary of each agenda item and the resolution method and results.

The board meeting minutes book shall be signed or sealed by the meeting chairperson and note taker, and distributed to respective directors within 20 days after the meeting. The board meeting attendance book is part of the meeting minutes book and shall be listed as one of the Company's important files and



properly retained during the existence of the Company.

The production, distribution and retention of the meeting minutes book may be conducted in an electronic form.

The Company shall record the entire proceeding of a board meeting in an audio or video format as the evidence, and keep such recording for at least five years. The retention may be made in an electronic format.

In case that litigation in relation to the resolution adopted by the board of directors arises prior to expiration of the preceding retention period, the relevant audio and video evidence shall be continued to be retained. If this is the case, the preceding regulation is not applicable.

If a board meeting is held by way of video conference, the audio and video data shall become part of the meeting minutes book, and shall be permanently retained.

In case that the resolution adopted by the board of directors breaches laws and regulations, articles of incorporation or the resolution adopted by the board of shareholders, which results in the damage to the Company, the directors who have had an objection to the resolution and whose objection was record or with a written statement, can be free from compensation.

Article 39

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

1. Corporate business plan.
2. Annual and semi-annual financial reports.
3. Establishment or amendment to the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
4. Establishment or amendment to the handling procedures of material financial business acts in relation to asset acquisition or disposal, derivative product transactions, capital lending to others, endorsement for others or guarantee offer in accordance with Article 36-1 of the Securities and Exchange Act.
5. Offering, issuance or private placement of any equity-linked securities.
6. Performance evaluation and remuneration standards for managerial officers.
7. Structure and system of director's remuneration.
8. Appointment or discharge of financial, accounting or internal audit supervisors.
9. Donations to related parties or significant donations to unrelated parties. However, charitable donations for emergency relief in the event of a major natural disaster may be ratified at the next board meeting.
10. Any matters which shall be submitted to a shareholders' meeting or board meeting for resolution according to Article 14-3 of the Securities and Exchange Act, laws and regulations or articles of incorporation, or any material matters prescribed by the competent authorities.



Other than the matters listed in the first paragraph which are required to be submitted to the board of directors for discussion, the level, content or items of authorization given by the board of directors for exercising the powers of the board of directors during the recess period in accordance with laws and regulations or articles of incorporation shall be clear and specific, and general authorization is not permitted.

Article 40 The Company shall specifically hand over the matters adopted by the board of directors to the proper execution unit or personnel, and request them to execute the details according to the project schedule and goal. At the same time, the execution shall be listed for tracking management, so as to evaluate the execution status. The board of directors shall fully get hold of the execution progress, and report it in the next meeting, so the business policy of the board of directors can be fulfilled.

Section 5 Directors' exercise of their due care as a prudent fiduciary

Article 41 Board members shall faithfully perform their duties and exercise the care of good managers, and exercise their powers with a high degree of self-discipline and prudence. In the execution of the company's business, except for matters that should be resolved by the shareholders' meeting as required by law or the company's articles of association, they shall act in accordance with the resolutions of the board of directors.

This company should establish a performance evaluation method and procedure for the board of directors. In addition to conducting annual self-evaluations of the board and individual directors, it may also appoint external professional organizations or use other appropriate methods to conduct performance evaluations. The evaluation of the board's performance should include the following dimensions, and appropriate evaluation indicators should be established considering the company's needs:

1. Level of involvement in company operations.
2. Improving the quality of board decision-making.
3. Composition and structure of the board.
4. Selection and continuing education of directors.
5. Internal control.

The performance evaluation of board members should include the following dimensions, with appropriate adjustments made to meet company needs:

1. Understanding of company goals and objectives.
2. Perception of director's responsibilities.
3. Level of involvement in company operations.
4. Internal relationship management and communication.



5. Director's professional development and continuing education.
6. Internal controls.

The Company should conduct performance evaluations of its functional committees. The evaluations should include the following dimensions, with appropriate adjustments made to meet the Company's needs:

1. Level of involvement in Company operations.
2. Understanding of the responsibilities of functional committees.
3. Improving the quality of decision-making by functional committees.
4. Composition and selection of members of functional committees.
5. Internal controls.

The Company should submit the results of the performance evaluations to the Board of Directors and use them as a reference for directors' remuneration and nominations for reappointment.

Article 42 The Company shall set up its management's succession plan, and the board of directors shall assess the plan's development and execution as required, so as to ensure sustainable operating.

Article 42-1 The Board of Directors shall evaluate and monitor the company's intellectual property management direction and performance in accordance with the following aspects to establish an intellectual property management system:

1. Formulate intellectual property management policies, objectives, and systems related to the operational strategy.
2. Establish, implement, and maintain management systems for the acquisition, protection, maintenance, and utilization of intellectual property, based on scale and type.
3. Determine and provide sufficient resources to effectively implement and maintain the intellectual property management system.
4. Monitor internal and external risks or opportunities related to intellectual property management and take corresponding measures.
5. Plan and implement continuous improvement mechanisms to ensure that the operation and effectiveness of the intellectual property management system meet the company's expectations.

Article 43 In case that the resolution adopted by the board of directors breaches laws and regulations and the articles of incorporation, and a shareholder or an independent director who has continued their holding of the Company's shares for more than one year requests the board of directors to suspend their execution of the resolution, the board members shall properly handle such case or suspend execution of the resolution as soon as possible.



In case that he or she discovers that the Company may suffer material damage, a board member shall follow the preceding regulation to promptly report to the audit committee or any independent director of the audit committee.

Article 44 The Company shall follow the articles of incorporation or the resolution adopted by the board of shareholders to purchase liability insurance for its directors in their term of office for the compensation liability to be assumed by them by law within the scope of their business execution, so as to reduce and diversify the risk of material damage to the Company and its shareholders as a result of director's error or negligence.

After the Company has taken out or renewed liability insurance for its directors, it shall submit the insured amount, coverage, and premium rate, among other important details, to the most recent board report.

Article 45 When they are elected or in the term of office, the board members shall continue to participate in the advanced courses of finance, risk management, business, commerce, accounting, law or corporate social responsibility in relation to the subjects of corporate governance and provided by the agencies designated in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE List and TPEX Listed Companies. Also, the Company shall request its employees across the board to reinforce their professionalism and increase their legal knowledge.

Chapter 4 Respect stakeholders' rights and interests

Article 46 The company shall maintain open communication channels with its banks and other creditors, employees, consumers, suppliers, communities or other stakeholders, and respect and protect their legitimate rights and interests. The company shall also set up a stakeholder section on its website.

When the legitimate rights and interests of stakeholders are infringed, the company shall handle the matter appropriately in accordance with the principle of good faith.

Article 47 The Company shall provide sufficient information for its correspondent banks and other creditors, so they may make judgment and make decisions according to the Company's operating and financial status. When their legal rights and interests are infringed, the Company shall make a positive response and take a responsible attitude to have creditors be compensated through a proper way.

Article 48 The Company shall set up an employee communication channel and encourage employees to directly communicate with management or directors and appropriately reflect their opinions on the Company's operating and financial status or the major policies involving employees' interests.



Article 49 While keeping its normal operation and development and maximizing shareholders' interests, the Company shall also pay attention to consumer's rights and interests, community environmental protection, public welfare, etc., and put stress on its corporate social responsibility.

Chapter 5 Reinforcement of information transparency

Section 1 Strengthen information disclosure

Article 50 Information disclosure is the Company's important responsibility, so the Company shall faithfully fulfill its obligation for it in accordance with relevant laws and regulations and the Securities and Exchange Act.

The Company shall announce and submit quarterly financial reports and monthly operating results before the stipulated deadline.

The Company shall establish an online declaration system for information disclosure, and designate dedicated personnel to collect and disclose the Company's information. In addition, it shall also set up its spokesperson system to ensure that the information which may affect shareholder and stakeholder's decision making can be adequately disclosed in a timely way.

Article 51 To enhance the accuracy and timeliness of the disclosed material information, the Company shall appoint a spokesperson and deputy spokesperson(s) who thoroughly understand the Company's financial and business conditions or are capable of coordinating various departments to offer relevant data and can individually speak externally on behalf of the Company.

The Company shall have at least one deputy spokesperson. When the spokesperson cannot perform their speech duty, any deputy spokesperson shall be able to replace the spokesperson to individually speak externally. In this case, the sequence of the deputies for speech shall be clearly defined so as to avoid any confusion.

To carry out the spokesperson system, the Company shall unify the speech procedure, and request its management and employees to keep its trade secret confidential. Any trade secret is prohibited from discretionary disclosure.

In case of any change in the spokesperson or deputy spokespersons, the Company shall promptly disclose the information.

Article 52 The Company shall make good use of the convenience of the Internet to set up a website to post the information on its finance and business as well as corporate governance for shareholders and stakeholders to refer to. The Company shall also provide the English version of Financial, corporate governance or other related information.



The website referred to in the preceding paragraph shall be maintained by dedicated personnel, and the data on the website shall be in detail and accurate and updated in real time, so as to avoid misleading the viewers.

Article 53 When holding an investor conference, the Company shall comply with the regulations of TWSE, and record the entire proceeding in an audio or video format as evidence. The financial and business information for an investor conference shall be input on the Internet information declaration system stipulated by TWSE, and the information shall also be posted on the Company's website or other appropriate channels for inquiry.

Section 2 Disclosure of corporate governance information

Article 54 Our website should include a dedicated section disclosing and continuously updating the following corporate governance-related information:

1. Board of Directors: Biographies of board members and their powers and responsibilities, as well as the board's diversity policy and its implementation status.
2. Functional Committees: Biographies of members of each functional committee and their powers and responsibilities.
3. Corporate Governance-Related Regulations: Such as the company's articles of association, procedures for board meetings, and organizational procedures for functional committees.
4. Important Information Related to Corporate Governance: Such as information regarding the appointment of a corporate governance officer.

Chapter 6 Supplementary provisions

Article 55 The Company shall keep an eye on the development of local and international corporate governance systems, so as to review and improve the corporate governance system established by it and enhance the effect of its corporate governance.

Article 56 The Principles shall be implemented after adoption by the board of directors, and the same shall also apply to all the revisions.

Article 57 The Principles were set up on November 14, 2014. The first amendment was made on January 25, 2017, the second amendment was made on October 29, 2019, the third amendment was made on March 20, 2020, the fourth amendment was made on February 10, 2022, the fifth amendment was on February 8, 2023, and the sixth amendment was on February 10, 2026.