

Uni-President Enterprises Corporation  
Corporate Governance Principles  
Chapter I General Principles

Article 1 (Purpose)

In order to establish a sound corporate governance system, the Company has referenced the Corporate Governance Best-Practice Principles jointly adopted by the Taiwan Stock Exchange Corporation (TWSE) and the Taipei Exchange(TPEX) and promulgates its own Corporate Governance Principles (the Principles) ,establish an effective corporate governance framework and disclose them through the Market Observatory Post System (MOPS).

Article 2 (Principles of Corporate Governance)

When setting up the corporate governance system, in addition to complying with relevant laws, regulations, Articles of Incorporation, contracts signed with the TWSE or TPEX and other relevant regulations, the Company shall follow the following principles:

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

Article 3 (Establishment of Internal Control System)

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

The Company shall perform full self-assessments of the internal control system, the Board of Directors and management shall review the results of

the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The Audit Committee shall also attend to and supervise these matters, to strengthen channels and mechanisms of communication between the independent directors and internal auditors.

The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, evaluate problems of the internal control system and assess the efficiency of operations to ensure that such system can be carried out effectively on an on-going basis and may assist the Board of Directors and the management to perform their duties effectively so as to ensure a sound corporate governance system to be put into practice.

In order to strengthen the internal auditor independence, appointment, dismissal, evaluation and review, salary and compensation of internal auditors of the Company shall be submitted by the chief auditor to the board chairperson for approval.

#### Article 3-1 (Personnel responsible for corporate governance affairs)

The Company is advised to have an adequate number of corporate governance personnel with appropriate qualifications , and shall appoint in accordance with the requirements of the competent authorities and 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
4. Furnishing information required for business execution by directors

5. Assisting directors with legal compliance
6. Report to the Board of Directors on the review results of whether the qualifications of the independent directors during the period of nomination, election, and the term meet the requirement of relevant laws and regulations.
7. Conduct affairs regarding the changes of directors.
8. Other matters set out in the articles or corporation or contracts

## Chapter II Protection of Shareholders' Rights and Interests

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

#### Article 4 (Protection of Shareholders' Rights and Interests)

When implementing the corporate governance system, the Company shall be designed to protect shareholders' rights and interests and treat all shareholders equitably.

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

#### Article 5 (To Convene a Shareholder meetings and Provide Comprehensive Rules for Such Meetings)

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

Resolutions adopted by shareholder meetings of the Company shall comply with laws, regulations and Articles of Incorporation.

#### Article 6 (To Properly Determine Agenda and Procedures of Shareholder meetings by Board of Directors)

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

For a shareholders meeting called by the Board of Directors, it is advisable that the board chairperson chair the meeting, it would be advisable for one-third or more of the directors(including at least one independent director) and the chairman of Audit Committee to attend the meeting in person, and that at least one member of other functional committee attend as representative. Attendance details should be recorded in the shareholders meeting minutes.

#### Article 7 (To Encourage Active Participation of Shareholders in Corporate Governance)

The Company shall encourage its shareholders to actively participate in its corporate governance. It is advisable that the company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders meetings can proceed on a legal, effective and secure basis, seek all ways and means, including fully exploiting technologies for information disclosure and casting votes, and is advised to upload annual reports, annual financial statements, notices, agendas and supplementary information of shareholders meetings in both Chinese and English concurrently in order to enhance shareholders' attendance rates at shareholders meeting and ensure their exercise of rights at such meetings in accordance with law.

To convene shareholder meetings, the shareholders may exercise their right to vote in written or electronic form.

The Company is advised 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 MOPS.

#### Article 8 (Minutes of Shareholders Meeting)

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

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

#### Article 9 (To Be Fully Acquainted with and Comply with Corporate Rules Governing the Proceedings of Shareholders Meetings by Chairman of Shareholders Meetings)

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

In order to protect the interests of most shareholders, if the chairman declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it would be advisable for the members of the board of directors other than the chairman of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a new chairman of the shareholders

meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.

Article 10 (To Place High Importance on Shareholders' Right to Know and Prevent Insider Trading)

The Company shall place high importance on shareholders' right to know, and faithfully comply with the applicable regulations regarding the information disclosure to provide, regularly and timely, the shareholders with information relating to the financial conditions and operations, the insider shareholdings, and corporate governance status in the Company by utilizing the MOPS or the website established by the Company.

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

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

It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of the company become aware of the contents of the company's financial reports or relevant results, including (but not limited to) that directors are prohibited from stock trading during the closing period, which is 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial report.

Article 11 (Shareholders' Entitlement to Rights of Corporate Profit Distributions)

The shareholders shall be entitled to profit distributions by the company.

In order to ensure the investment interests of shareholders, the shareholder meetings may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the Board of Directors and

the audit reports submitted by the audit committee, and may decide, by resolution, profit distributions and deficit off-setting plans.

In order to proceed with the above examination, the shareholders meeting may appoint an inspector.

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

Board of Directors, Audit Committee and managers of the Company shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any circumvention, obstruction or rejection.

#### Article 12 (Reporting to and Approval of Shareholders Meeting Required in Material Financial and Business Transactions)

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 shareholder meetings so as to protect the interests of the shareholders.

When the Company involves 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 the merger and acquisition shall retain an independent attorney to issue a legal opinion and the opinion content shall indicate whether or not the Audit

Committee members of the merger and acquisition described in the preceding paragraph comply with the provision of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies are reviewed and they shall not be a related party of the merger and acquisition transaction counterparties or have an interest relationship that may affect its independence; design and execution of relevant procedures are affected and whether or not the execution complies with the relevant laws as well as whether or not sufficient disclosure has been made according to the relevant laws.

The qualification of the attorney described in the preceding paragraph shall comply with the provision of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and he/she shall not be a related party of the merger and acquisition transaction counterparties or have an interest relationship that may affect its independence.

The relevant personnel of the Company handling the merger and acquisition or public tender offer shall pay attention to any conflicts of interest and recusal requirements.

## Section 2 Establishing a Mechanism for Interaction with Shareholders

### Article 13 (Recommended to Designate Personnel Exclusively Dedicated to the Handling of Shareholders' Proposals)

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

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



It is advisable that the company adopt internal procedures for appropriate handling of matters referred to in the preceding two paragraphs, and that it keep relevant written records for future reference.

Article 13-1 (The Board of Directors is responsible for establishing a mechanism for interaction with shareholders)

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 (Efficient communication with shareholders to gain their support)

In addition to communicating with shareholders through shareholders meetings and encouraging shareholders to participate in such meetings, the Board of Directors of the Company shall engage in an efficient manner to ascertain shareholders' views and concerns, and expound company policies explicitly, in order to gain shareholders' support.

### Section 3 Corporate Governance Relationships Between the Company and Its Related Parties

Article 14 (Establishment of Appropriate Firewalls)

The company shall clearly identify the objectives and the division of authority and responsibilities over personnel, assets and financial matters of its affiliated enterprises, and shall properly carry out risk evaluation and establish appropriate firewalls.

Article 15 (No Serving as a Manager of Its Affiliated Enterprises by a Manager of a TWSE/ TPEX Listed Company)

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

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

Article 16 (Establishment of Sound Finance, Operation and Accounting Management Systems)

The Company shall establish sound objectives and systems for finance management, operations and accounting in accordance with the relevant laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk evaluation of the major banks they are dealing with, their customers and their suppliers, and carry out the necessary control mechanism to reduce credit risks.

Article 17 (Financial and business relationship or transactions between the Company and its related parties and shareholders shall be dealt with in accordance with the principle of fair dealing and reasonableness)

For financial and business relationship or transactions between the Company and its related parties and shareholders, 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 channeling of interests shall be prohibited.

The written agreement set forth in the preceding paragraph shall include management procedures for transactions of purchase and sales, acquisition and disposal of assets, loaning of funds, and making of endorsements/guarantees. In addition, relevant significant transactions not between the Company and its subsidiary or between subsidiaries shall be submitted to the Board of Directors for resolution, and shall be reported to the shareholders' meeting.

Article 18 (Matters to be Complied with by Institutional Shareholders with Control over the Company)

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

1. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the company to conduct any business which is contrary to normal business practice or not profitable.
2. Its representative shall follow the rules implemented by the Company with respect to the exercise of rights and participation of resolution, so that at a shareholder meetings, the representative shall exercise his/her voting right for the best interest of all shareholders and in good faith and exercise the fiduciary duty and duty of care of a director.
3. It shall comply with relevant laws, regulations and the Articles of Incorporation of the Company in nominating directors and shall not act beyond the authority granted by the shareholder meetings or board meeting.
4. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.
5. 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.
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 (Roster of Major Shareholders and Persons Having Ultimate Control over the Company Thereof)

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

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

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

### Chapter III Enhancing the Function of Board of Directors

#### Section 1 Structure of Board of Directors

##### Article 20 (Capabilities Required to be Possessed by Board of Directors)

The Board of Directors of the Company shall direct company strategies, supervise the management, and be responsible to the company and shareholders. Procedures and arrangement relating to corporate governance shall ensure that, in exercising its authority, the Board of Directors will comply with laws, regulations, Articles of Incorporation, and the resolutions of shareholder meetings of the Company.

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

The composition of the Board of Directors shall be determined by taking diversity into consideration. 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. It is advisable that the policy should be included, not being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
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 necessary knowledge, skill, and experience to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

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

#### Article 21 (Establishment of Fair, Just, and Open Procedures for Election of Directors by TWSE/ TPEX Listed Companies)

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

Unless otherwise the competent authority 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.

Where the number of directors falls below five due to the release of director(s) for any reason, the Company shall hold a by-election for director at the next following shareholder meetings. Where the number of directors falls short by one-third of the total number prescribed by the Articles of Incorporation, the Company shall convene a special shareholder meetings 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 (Provision of Candidate Nomination System in Articles of Incorporation for Elections of Directors)

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 and act in accordance with Article 192-1 of the Company Act.

Article 23 (Clear Distinction between Responsibilities and Duties of Chairman of Board of Directors, and General Manager of the Company)

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

If it is necessary to set up a functional committee, the responsibilities and duties of the committee shall be clearly defined.

## Section 2 Independent Director System

Article 24 (Appointment of Independent Directors According to the Articles of Incorporation by the Company)

The Company shall appoint independent directors in accordance with its Articles of Incorporation not less than two in number and not less than one-fifth of the total number of directors.

Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings. Applicable laws and regulations shall be observed and, in addition, it is not advisable for an independent director to hold office concurrently as a director (including independent director) or supervisor of more than five other TWSE/TPEX listed companies.

Independent directors shall also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the company.

If the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director, supervisor or managerial officer as a candidate for an independent director of the other, the Company, 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 TWSE/TPEX listed company, any foundation to which the TWSE/ TPEX listed company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the company.

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

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the

Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the Taiwan Stock Exchange or GreTai Securities Market.

Article 25 (Matters Required to be Submitted to Board of Directors for Resolution and Adoption)

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

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

Article 26 (Express Stipulation of the Scope of Duties of Independent Directors)

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 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.

When the Company, under its Articles of Incorporation, or by resolution of its shareholder meetings, or by order of the competent authority, sets aside a certain proportion of earnings as special reserve, such allocation shall be made after the allocation of legal reserve and the Company shall provide in the Articles of Incorporation the method to be adopted for distributing earnings when reversal of the special reserve is added into the undistributed earnings.

### Section 3 Functional Committees

#### Article 27 (Setting up of Functional Committees)

For the purpose of developing supervision functions and strengthening management mechanisms, the Board of Directors of the Company, in consideration of the company's scale , type of operations, the size of the board and the number of the independent directors, set up audit, compensation or any other functional committees, and have them stipulated in the Articles of Incorporation.

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

Functional committees shall adopt an organizational charter to be approved by the Board of Directors.

The organizational charter shall contain the number, term of office, and power of committee members, as well as the meeting rules.

#### Article 28 (Establishment the Audit Committee)

The Board of Directors of the Company has set up underneath it the Audit Committee. The Audit Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

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

#### Article 28-1 (Requirement of Establishing a Remuneration Committee)

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

#### Article 28-2(A whistleblowing system)

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.

## Article 29 (Enhance and Improve the Quality of Financial Reports)

To improve the quality of its financial reports, a TWSE/TPEX listed company shall establish the position of deputy to its principal accounting officer.

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

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

The Company shall select a professional, responsible and independent CPA to be its external auditor, who shall perform regular reviews of the financial conditions and internal control measures of the Company.

With regard to the irregularity or deficiency timely discovered and disclosed by the auditor during the review, and the concrete measures for improvement or prevention suggested by the auditor, the company shall faithfully implement improvement actions. It is advisable that the company establish channels and mechanisms of communication between the independent directors, the supervisor or Audit Committee, and the attesting CPA in order to incorporate procedures for that purpose into the company's internal control system for management purposes.

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

## Article 30 (Competent Legal Counsel to Provide Adequate Legal Services to the Company)

It is advisable that the Company engages 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 by the Company or its staff of laws or regulations, and ensuring the corporate governance matters will proceed pursuant to the relevant legal framework and the prescribed procedures.

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

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

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

### Article 31 (Convening of Board Meetings)

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

The Company shall adopt the rules of proceedings for board meetings and

follow the provisions in the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcement, and other matters for compliance.

#### Article 32 (Requirement for Directors to Exercise High Degree of Self-Discipline)

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

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

#### Article 33 (Independent Directors and Board Meetings)

If the Company has independent directors, the independent directors must attend the board meeting in person without being represented by a non-independent director via proxy when the meeting is convened for considering any of the matters submitted to the board pursuant to Article 14-3 of the Securities and Exchange Act. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the Board of Directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion before the board meeting unless justifiable reasons exist for failure to so comply, and the opinion shall be noted in the minutes of the Board of Directors meeting.

In any of the following circumstances, decisions made by the Board of Directors shall be noted in the meeting minutes, and in addition, publicly

announced and filed on the MOPS two hours before the beginning of trading hours on the first business day after the date of said board meeting:

1. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.
2. The matter was not approved by the Audit Committee, but had the consent of more than two-thirds of all directors.

During the proceeding of the board meetings, managers from the relevant departments who are not directors may, in view of the meeting agenda, sit in at the meetings, make report on the current business conditions of the Company and respond to inquiries raised by the directors. Where necessary, accountant, legal counsel or other professionals may be invited to sit in at the meetings to assist the directors in understanding the conditions of the Company for the purpose of adopting an appropriate resolution, provided that they shall leave the meeting when deliberation or voting takes place.

#### Article 34 (Meeting Minute for Board of Directors)

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

The minutes of the Board of Directors meetings shall be signed by the chairman and secretary of the meeting and be sent to each director and supervisor within 20 days after the meeting. The director attendance records shall become a part of the meeting minutes, and be treated as important corporate records and be kept safe permanently during the life of the company.

Meeting minutes may be produced, distributed and preserved by electronic means.

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

If before the end of the preservation period referred to in the preceding paragraph a lawsuit arises with respect to a resolution of a Board of Directors meeting, the relevant audio or video recordings shall be preserved for a further period, in which case the preceding paragraph does not apply.

Where a Board of Directors meeting is held via teleconference or video conference, the audio or video recordings of the meeting form a part of the meeting minutes and shall be preserved permanently.

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

#### Article 35 (Matters Requiring Discussion at Board Meetings)

The Company shall submit the following matters to the Board of Directors for discussion

1. The Company's business plan.
2. Annual and quarterly financial reports, which are signed or sealed by the chairperson, managerial officer, and accounting officer.
3. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.

5. The offering, issuance, or private placement of any equity-type securities.
6. The performance assessment and the standard of remuneration of the managerial officers.
7. The structure and system of director's remuneration.
8. The appointment or discharge of a financial, accounting, or internal audit officer.
9. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.
10. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or to be approved by resolution at a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.

The Company shall report problems of the internal control system to the audit committee and the Board of Directors.

Except for matters that must be submitted to the Board of Directors for discussion as provided in paragraph 1, the Board of Directors may delegate others to exercise its power when it is in recess according to laws or regulations, or its articles of incorporation. The delegation however shall be specific with regard to the level, content or matters of authorization, and general authorization is not permitted.

Article 36 (Clear Assignment of Implementation of Board of Directors' Resolutions to Appropriate Corporate Department or Personnel)

The Company shall ask the appropriate corporate department or personnel to handle matters and implement actions pursuant to the Board of Director's resolutions in a way consistent with the program schedule and objectives. It



shall also follow up on these matters and faithfully review their implementation.

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

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

### Article 37 (Fulfillment of Duty of Loyalty While Conducting Corporate Affairs and Duty of Care as a Good Administrator by Members of Board of Directors)

Members of the Board of Directors shall conduct corporate affairs with loyalty and perform this duty of care as a good administrator. In conducting the affairs of the company, they shall exercise their power with a high level of self-discipline and prudential attitude. Unless matters are otherwise reserved for approvals in shareholders meetings by law or in the articles of incorporation of the company, they shall ensure that all matters be handled according to the resolutions of board of directors.

It is advisable that the company formulate rules and procedures for Board of Directors performance assessments. Each year, in respect of the Board of Directors and individual directors, it shall conduct regularly scheduled performance assessments through self-assessments or peer-to-peer assessments. A performance assessment of the Board of Directors shall include the following aspects, and appropriate assessment indicators shall be developed in consideration of the company's needs:

1. Participation in the operation of the company.
2. Improvement of the quality of the Board of Directors' decision making.
3. Composition and structure of the Board of Directors.
4. Election and continuing education of the directors.
5. Internal control.

The criteria for evaluating the performance of the board members, should cover, at a minimum, the following six aspects:

1. Alignment of the goals and missions of the company.

2. Awareness of the duties of a director.
3. Participation in the operation of the company.
4. Management of internal relationship and communication.
5. The director's professionalism and continuing education.
6. Internal control.

The criteria for evaluating the performance of the Remuneration Committee and the Audit Committee should cover, at a minimum, the following five aspects:

1. Participation in the operation of the company.
2. Awareness of the duties of the functional committee.
3. Improvement of quality of decisions made by the functional committee.
4. Makeup of the functional committee and election of its members.
5. Internal control.

The company submits the results of performance assessments to the Board of Directors. And it should be taken into account when it comes to electing or nominating members of the Board of Directors.

#### Article 37- 1 (Establishment of Management Succession Plan)

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

#### Article 37- 2 (Establishment of an intellectual property regulatory system)

The Board of Directors shall evaluate and monitor the following aspects of the company's direction of operation and performance in connection with intellectual properties, to ensure the company develops an intellectual property regulatory system in accordance with the Plan-Do-Check-Act cycle:

1. Formulate intellectual property regulatory policies, objectives and systems that are slightly associated with the operational strategies.
2. Develop, implement and maintain on the basis of scale and form its regulatory systems governing the procurement, protection, maintenance and utilization of intellectual properties.

3. Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property regulatory system.
4. Observe internally and externally the risks and opportunities that intellectual property regulation may present and adopt corresponding measures.
5. Plan for and implement a continuous improvement mechanism to ensure the operation and effects of the intellectual property regulatory regime meet the company's expectations.

Article 38 (Discontinuance of Implementing Resolution at the Request of Shareholders or Independent Directors to the Board of Directors)

If a resolution of the Board of Directors violates law, regulations or the Company's Articles of Incorporation, at the request of shareholders holding shares continuously for a year or an independent director, 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 any threat of the Company suffering material injury, members of the Board of Directors shall immediately report to the Audit Committee or an independent director member of the Audit Committee in accordance with the foregoing paragraph.

Article 39 (Liability Insurance for Directors)

The company shall take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoings or negligence of a director.

The company shall discuss or 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 40 (Participation in Continuing Education of Board Directors)

Members of the Board of Directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies, which cover subjects relating to corporate governance upon becoming directors and throughout their terms of occupancy. They shall also ensure that company employees at all levels will enhance their professionalism and knowledge of the law.

### Chapter IV Respecting Stakeholders' Rights

#### Article 41 (The company shall maintain communication with stakeholders and safeguard their rights and interests)

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

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

#### Article 42 (Provision of Sufficient Information to Banks and Other Creditors)

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

Article 43 (Establishment of Employee Communication Channels Required for the Companies)

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

Article 44 (Corporate Social Responsibility)

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

Chapter V Improving Information Transparency

Section 1 Enhancing Information Disclosure

Article 45 (Information Disclosure and Internet-Based Reporting Systems)

Publication of information is the major responsibility of a TWSE/TPEX listed company. The Company shall perform its obligations faithfully in accordance with the relevant laws, and related TWSE and GTSM rules.

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

Article 46 (Appointment of Acting Spokesperson Required for TWSE/TPEX Listed Companies)

In order to enhance the accuracy and timeliness of the material information disclosed, the Company shall appoint a spokesperson and acting

spokesperson(s) who understand thoroughly the Company's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the Company in making statements independently.

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

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

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

#### Article 47 (Setting up of Corporate Governance Website)

In order to keep shareholders and stakeholders fully informed, it is advisable that the Company utilizes the convenience of the Internet and set up a website containing the information regarding the Company's finance, operation and corporate governance. It is also advisable for the company to furnish the financial, corporate governance, and other relevant information in English.

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

#### Article 48 (Way of Holding Institutional Investor Meeting)

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

## Article 49 (Disclosure of Information Regarding Corporate Governance)

The following corporate governance-related information should be disclosed on the specific page of the Company's website and it shall be updated regularly:

1. Board of Directors: Such as the resumes of board members and their responsibilities, the board diversity policy and its implementation.
2. Functional committees: Such as the resumes of the members of each functional committee and their responsibilities.
3. Corporate governance-related regulations: Such as the Company's Articles of Incorporation, Regulations Governing Procedures for Board of Directors Meetings, functional committee charter and other corporate governance-related regulations.
4. Important information related to corporate governance: Such as appointing corporate governance officers, etc.

## Chapter VI Supplementary Provisions

### Article 50 (Monitoring of Domestic and International Development of Corporate Governance)

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

### Article 51 (Promulgation and Amendment)

These rules, and any amendments hereto, shall be implemented after adoption by the Board of Directors.

These rules were made on 11 August 2014 and have been amended on :

(01) 26 March 2015 (02) 9 November 2016 (03) 8 November 2017

(04) 19 December 2018 (05) 27 March 2020 (06) 23 December 2020

(07) 09 March 2022 (08) 21 December 2022 (09) 11 May 2023