Leadtek Research Inc.
Corporate Governance Principles
Chapter I General Principles

Article 1 (The purpose of legislation)
To establishing sound corporate governance systems, LEADTEK Research Inc (the Company) hereby formulates the Corporate Governance Principles (The Principles) referencing "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" to abide by.

Article 2 (The principle of corporate governance)
In addition to complying with relevant laws and Articles of Incorporation, the Company follows 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 supervisors or the Audit Committee
4. Respect the rights and interests of stakeholders.
5. Enhance information transparency.

Article 3 (Establishment of internal control systems)
The Company follows the Criteria Governing Establishment of Internal Control Systems 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 shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the Company's internal and external environment.
The Company shall perform full self-assessments of its internal control system. Its 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. The Audit Committee shall periodically hold discussions with their internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors.
The Company is advised to establish channels and mechanisms of communication between their independent directors, audit committees and chief internal auditors, and the convener of the audit committee shall report the communications between members of the audit committees and chief internal auditors at the shareholders' meeting.
The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.

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 based on the size of the company, business situations and management needs, and shall appoint in accordance with the requirements of the competent authorities, TWSE or TPEx 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 security, 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. Reporting to the board of directors the results of examination as to whether the qualifications of independent directors at the time of their nomination and election and during their term of office conform to applicable laws and regulations
7. Handling matters related to director changes
8. Other matters set out in the articles of incorporation or contracts

Chapter II Protection of Shareholders' Rights and Interests
Section 1 Encouraging Shareholders to Participate in Corporate Governance

Article 4 (Protection shareholders' rights and interests)
The main goal of the corporate governance system of the Company executed is to protect shareholders' rights and interests and treat all shareholders equitably.
The company shall establish a corporate governance system which ensures shareholders' rights of being fully informed of, participating in and making decisions over important matters of the company.

Article 5 (To convene shareholders meetings and providing comprehensive rules)
The company shall convene shareholders 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 shareholders meetings in accordance with the rules for the meetings.
Resolutions adopted by shareholders meetings of the company shall comply with laws, regulations and articles of incorporation.

Article 6(The board of directors shall properly arrange the agenda items and procedures for shareholders meetings)
The board of directors of the company shall properly arrange the agenda items and procedures for shareholders 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, advisably with videoconferencing available and sufficient time allowed and sufficient number of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.
For a shareholders meeting called by the board of directors, it is advisable that the board chairperson chair the meeting, that a majority of the directors (including at least one independent director) and convener of the audit committee, or at least one supervisor, attend in person, and that at least one member of other functional committees attend as representative. Attendance details should be recorded in the shareholders meeting minutes.

Article 7 (Encouragement for shareholders to participate in corporate governance)

The company shall encourage its shareholders to actively participate in 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. The company shall seek all ways and means, including fully exploiting technologies for information disclosure, to upload annual reports, annual financial statements, notices, agendas and supplementary information of shareholders meetings in both Chinese and English concurrently, and shall adopt electronic voting, in order to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with laws.

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

The company is 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 Market Observation Post System.

Article 8 (Shareholders meeting minutes)

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

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

Article 9 (The chairperson of the shareholders meetings shall be fully familiar and comply with the rules established by the company)

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

In order to protect the interests of most shareholders, if the chairperson declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it is advisable for the members of the board of directors other than the chairperson of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a new chairperson of the shareholders meeting to continue the proceedings of the meeting, 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 (Placement high importance on the shareholder right to know and prevent insider trading)

The company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the company.

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

To protect its shareholders' rights and interests and ensure their equal treatment, the company shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.
It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of the company become aware of the contents of the company's financial reports or relevant results. Measures include, without limitation, those prohibiting a director from trading its shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports.

Article 10-1(To report at a general shareholder meeting the remuneration received by directors)
It is advisable that the company report at a general shareholder meeting the remuneration received by directors, including the remuneration policy, individual remuneration package and amount, and association with outcomes of performance reviews.

Article 11(The shareholders shall be entitled to profit distributions by the company)
In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee or supervisors, and may decide profit distributions and deficit off-setting plans by resolution. In order to proceed with the above examination, the shareholders meeting may appoint an inspector.
The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records, assets, particulars, documents and records of specific transaction of the company.
The board of 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(Material financial and business transactions shall be approved by the shareholders meeting)
In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.
When the company is involved in a merger, acquisition or public tender offer, in addition to proceeding in accordance with the applicable laws and/or regulations, it shall not only pay attention to the fairness, rationality, etc. of the plan and transaction of the merger, acquisition or public tender offer, but information disclosure and the soundness of the company's financial structure thereafter.
The relevant personnel of the company handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflicts of interest and the need for recusal.

Article 13(To designate personnel exclusively dedicated to handling shareholder proposals)
In order to protect the interests of the shareholders, the company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.
The company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the company's articles of incorporation, or that such damage was caused by a breach of applicable laws, regulations or the company's articles of incorporation by any directors or managers in performing their duties.

Section 2 Establishing a Mechanism for Interaction with Shareholders

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 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 operating strategies and business plans, clarify specific measures to enhance corporate value, and should submit them to the board of directors and actively communicate with shareholders.

Section 3 Corporate Governance Relationships Between the Company and Related Parties

Article 14(Establishment appropriate firewalls)

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

Article 15 (A manager of the company may not serve as a manager of its affiliated enterprises)

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 sound systems for management of finance, operations, and accounting)

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

Article 17

When the company and its related parties and shareholders enter into financial or business dealings or transactions, a written agreement governing the relevant financial and business operations between them is advisable to 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 content of the written agreement mentioned in the preceding paragraph shall include regulatory procedures governing transactions such as purchase and sale of goods, acquisition and disposal of assets, loans of funds, and provision of endorsements and guarantee etc. Relevant material transactions shall be approved by a resolution of the board of directors and approved or reported to the shareholders' meeting.

Article 18(A corporate shareholder having controlling power over the company shall comply with the provisions)

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 its company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director.
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 shareholders meeting 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(A register of major shareholders and of the persons with ultimate control over those major shareholders)

The company shall retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders. The company shall disclose periodically important information about its shareholders holding more than 10 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.

Chapter III Enhancing the Functions of the Board of Directors

Section 1 Structure of the Board of Directors

Article 20(The board of directors shall possess the abilities)

The board of directors of the company shall direct company strategies, supervise the management, and be responsible to the company and shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.

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

The composition of the board of directors shall be determined by taking diversity into consideration. 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 female directors 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(Establishment a fair, just, and open procedure for the election of directors)

The company shall establish a fair, just, and open procedure for the election of directors and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.
A spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the company.
When the number of directors falls below five, due to the discharge of a director for any reason, the company shall hold a by-election for director at the following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s).
The aggregate shareholding percentage of all of the directors of the company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 22(Specification the candidate nomination system for elections of directors in articles of incorporation)

The company shall specify in its articles of incorporation in accordance with the laws and regulations of the competent authorities that it adopts the candidate nomination system for elections of directors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.

Article 23(The board of directors of the company shall draw clear distinctions of the authorities and responsibilities of the functional committees, chairperson of the board and general manager)

Clear distinctions shall be drawn between the responsibilities and duties of the chairperson of the board and those of its general manager.
It is inappropriate for the chairperson to also act as the general manager or an equivalent post.
The company with a functional committee shall clearly define the responsibilities and duties of the committee.

Section 2 Independent Director System

Article 24(The company shall appoint independent directors in accordance with its articles of incorporation)

The company shall appoint independent directors in accordance with its articles of incorporation. They shall be not less than two in number and advisably not less than one-third of the total number of directors. It is advisable that an independent director serve for not more than three consecutive terms.

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) 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 or managerial officer as a candidate for an independent director of the other, the company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the company shall disclose the number of votes cast in favor of the elected independent director.
The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the company, any foundation to which the company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the company.
Change of status between independent directors and non-independent directors during their term of office is prohibited.
The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the Taiwan Stock Exchange or Taipei Exchange.

Article 25(Matters to the board of directors for approval)
The company shall submit the following matters to the board of directors for approval by resolution as provided in the Securities and Exchange Act. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:
1. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
3. A matter bearing on the personal interest of a director or a supervisor.
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, discharge, or compensation of an attesting CPA.
8. The appointment or discharge of a financial, accounting, or internal auditing officer.
9. Any other material matter so required by the competent authority.

Article 26(The company shall stipulate the scope of duties of the 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 articles of incorporation or resolutions of the shareholder meeting. The remuneration of the directors shall fully reflect the long-term management performance of the company, and shall also take the overall operational risks of the company

into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.

Section 3 Functional Committees

Article 27 (Setting up functional committees)
For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of the company, in consideration of the company's scale and the number of its independent directors, may set up functional committees.
Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval.
Functional committees shall adopt an organizational charter to be approved by the board of directors. The organizational charter shall contain the numbers, terms of office, and powers of committee members, as well as the meeting rules and resources to be provided by the company for exercise of power by the committee.

Article 28
The company shall establish an 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(Establishment a remuneration committee)
The company shall establish a remuneration committee, and it is advisable that more than half of the committee members be independent directors. 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(The company is advised to establish a nomination committee)
The company is advised to establish a nomination committee and its articles of association. It is advisable that a majority of the members of said committee be independent directors and an independent director be its chairperson

Article 28-3(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 into the company's internal control system for management purposes.

Article 29
To improve the quality of its financial reports, the company shall establish the position of deputy to its principal accounting officer.

To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the schedule of the principal accounting officer. Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses for 6 hours or more each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers.
The company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the company shall faithfully implement improvement actions. It is advisable that the company establish channels and mechanisms of communication between the independent directors or audit committee, and the attesting CPA, and to incorporate procedures for that purpose into the company's internal control system for management purposes.
The company shall, based on Audit Quality Indicators (AQIs) as reference, evaluate the independence and suitability of the CPA engaged by the company regularly, and no less frequently than once annually. In the event that the company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.

Article 30(To Provide adequate legal consultation services to the company)
It is advisable that the company engage a professional and competent legal counsel to provide adequate legal consultation services to the company, or to assist the directors, the supervisors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.
When, as a result of performing their lawful duties, directors, supervisors or the management are involved in litigation or a dispute with shareholders, the company shall retain a legal counsel to provide an assistance as circumstances require.
The audit committee or an independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their power, at the expense of the company.

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

Article 31(To convene a board meeting)
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 the meeting shall be sent to each director and supervisor in accordance with the time of rules. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the board of directors.
The company shall adopt rules of procedure for board meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.

Article 32(Company directors shall exercise a high degree of self-discipline)

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

Article 33(Independent director of the company and a board meeting)

When a board meeting is convened to discuss any matter submitted to it pursuant to Article 14-3 of the Securities and Exchange Act, an independent director of the company shall attend the board meeting in person, and may not be represented by a non-independent director via proxy. 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 there are justifiable reasons for failure to do so, 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 the 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 (if the company has set up an audit committee), but had the consent of more than two-thirds of all directors.

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

Article 34(The minutes of the board of directors)

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

The minutes of the board of directors shall be signed by the chairperson and secretary of the meeting and sent to each director and supervisor within 20 days after the meeting. The director attendance records shall be made part of the meeting minutes, treated as important corporate records, and 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.

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

Article 35(Matters submitted to the board of directors for discussion)

The company shall submit the following matters to its board of directors for discussion and approval.

1. Corporate business plans.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be CPA audited and attested.
3. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and evaluation of effectiveness of an internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. The performance assessment and the standard of remuneration of the managerial officers.
7. The structure and system of director's remuneration.
8. 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.

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

Article 36(The appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions)

The company shall ask the appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions in a manner consistent with the planned schedule and objectives. It shall also follow up on those matters and faithfully review their implementation.

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

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

Article 37(Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator)

Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of incorporation, they shall ensure that all matters are handled according to the resolutions of 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, and may also do so through outside professional institutions or in any other appropriate manner. A performance assessment of

the board of directors shall include the following aspects, and appropriate assessment indicators shall be developed in consideration of the company's needs:
1. The degree of participation in the company's operations.
2. Improvement in the quality of decision making by the board of directors.
3. The composition and structure of the board of directors.
4. The election of the directors and their continuing professional education.
5. Internal controls.

The performance assessments of board members (self-assessments or peer-to-peer assessments) shall include the following aspects, with appropriate adjustments made on the basis of the company's needs:
1. Their grasp of the company's goals and missions.
2. Their recognition of director's duties.
3. Their degree of participation in the company's operations.
4. Their management of internal relationships and communication.
5. Their professionalism and continuing professional education.
6. Internal controls.

The company conduct performance assessments of a functional committee, covering the following aspects, with appropriate adjustments made on the basis of the company's needs:
1. Their degree of participation in the company's operations.
2. Their recognition of the duties of the functional committee.
3. Improvement in the quality of decision making by the functional committee.
4. The composition of the functional committee, and election and appointment of committee members.
5. Internal control.

The company is advised to submit the results of performance assessments to the board of directors and use them as reference in determining compensation for individual directors, their nomination and additional office term.

Article 37-1(Establishment a succession plan for the management)

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

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

The board of directors is advised to 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(The request of shareholders or an independent director, or at the notice of a supervisor to discontinue the implementation of the resolution)

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

Article 39(Liability insurance of directors)
The company shall take out director's 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 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(The board of directors participate in training courses)
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 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 the matter in a proper manner and in good faith.

Article 42(To provide 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 its decision-making process. When any of their legal rights or interest is harmed, the company shall respond with a responsible attitude and assist creditors in obtaining compensation through proper means.

Article 43(Establishment channels of communication with employees)
The company shall establish channels of communication with employees and encourage employees to reflect employees' opinions about the management, financial conditions, and material decisions of the company concerning employee welfare.

Article 44(The company's social responsibility)
In developing its normal business and maximizing the shareholders' interest, the company shall pay attention to consumers' interests, environmental protection of the community, and public interest issues, and shall give serious regard to the company's social responsibility.

Chapter V Improving Information Transparency
Section 1 Enhancing Information Disclosure

Article 45(Disclosure of information and an internet-based reporting system)
The company shall perform its obligations faithfully in accordance with the relevant laws and the related TWSE and TPEx rules.
The company shall 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 a spokesperson)
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 acting spokespersons 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 spokesperson representing the company shall unify making external statements. It shall require the management and employees to maintain the confidentiality of financial and operational secrets and prohibit their disclosure of any such information at will.
The company shall disclose the relevant information immediately whenever there is any change to the position of a spokesperson or acting spokesperson.

Article 47 (Setting up a website containing the information regarding corporate governance)
In order to keep shareholders and stakeholders fully informed, it is advisable that the company utilize the convenience of the Internet and set up a website containing the information regarding the company's finances, operations, and corporate governance. It is also advisable for the company to furnish the financial, corporate governance, and other relevant information in English.
To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed and updated on a timely basis.

Article 48(The regulations of holding an investor conference)
The company shall hold an investor conference in compliance with the regulations of the TWSE, and shall keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on the Market Observation Post System and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE rules.

Section 2 Disclosure of Information on Corporate Governance

Article 49(Disclosure of Information on Corporate Governance)
The company shall dedicate a space on its website to disclose and update from time to time the following information regarding corporate governance:
1. Board of directors: such as resumes and authorities and responsibilities of board members, board member diversification policy and the implementation thereof.
2. Functional committees: such as resumes and authorities and responsibilities of members of each functional committee.

3. Corporate governance bylaws: such as articles of incorporation, procedure of board of directors meetings, charter of each functional committee, and other relevant corporate governance bylaws.
4. Important corporate governance information: such as information of establishment of corporate governance executive officers.

Chapter VI Supplementary Provisions

Article 50(Monitoring domestic and international developments)
The company shall at all times monitor domestic and international developments in corporate governance as a basis for review and improvement of the company's own corporate governance mechanisms, so as to enhance their effectiveness.

Article 51(Implement)
This Principles and any amendments hereto shall come into in force after adoption by the Board of Directors.

Article 52(The date of amendment)
The Principles were enacted on November 13,2019
The amendment was made on November 12, 2020
The amendment was made on March 16, 2022
The amendment was made on November 11, 2022
The amendment was made on March 15, 2023.
The amendment was made on March 9, 2026.