

VIVOTEK INC.
Corporate Governance Best Practice Principles

Approved by the Board of Directors on November 7, 2016
Amended and approved by the Board of Directors on October 26, 2020
Amended and approved by the Board of Directors on April 27, 2022
Amended and approved by the Board of Directors on April 26, 2023

- Chapter I General Principles
- Article 1 To establish a sound corporate governance system, the Company has formulated these Principles in reference to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" for compliance.
- Article 2 In setting up its corporate governance system, the Company shall, in addition to complying with relevant laws, regulations, Articles of Incorporation, contracts signed with regulatory authorities, and other relevant regulations, adhere to the following principles:
1. Establish an effective corporate governance framework.
 2. Protect the rights and interests of shareholders.
 3. Strengthen the powers of the board of directors.
 4. Respect the rights and interests of stakeholders.
 5. Enhance information transparency.
- Article 3 The Company shall follow the Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies and take into consideration its own overall operational activities and its subsidiaries to establish an effective 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. Directors shall periodically hold discussions with their internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be preserved, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors. The Company should establish channels and mechanisms of communication between their 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 Company's management shall fully empower the internal audit department and its personnel and urge them to conduct audits effectively in order to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively and continuously, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.
- Appointment, dismissal, evaluation, and review, as well as the salary and compensation of the Company's internal auditors shall be submitted by the chief auditor to the board chairperson for approval.
- Article 3-1 The Company should 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 a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practicing 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 and should have experience handling legal affairs, 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 the 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 the 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 changes in the directors
8. Other matters stipulated in the Articles of Incorporation or contracts

Chapter II

Section 1

Article 4

Protection of Shareholders' Rights and Interests

Encouraging Shareholders to Participate in Corporate Governance

The Company adheres to a corporate governance system with primary objectives of protecting shareholders' rights and interests and of ensuring equitable treatment of all shareholders.

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

Article 5

The Company shall convene shareholders' meetings in accordance with the Company Act and relevant laws and regulations and provide comprehensive rules for such meetings. The Company shall faithfully implement resolutions adopted during the shareholders' meetings in accordance with the rules of the meetings. Resolutions adopted during the shareholders' meetings shall comply with laws, regulations, and the Articles of Incorporation.

Article 6

The Company's board of directors shall properly arrange the agenda and procedures for shareholders' meetings, as well as formulate the principles and procedures for the shareholders' 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, preferably 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 chairs the meeting, that a majority of the directors and convener of the audit committee attend in person, and that at least one member of other functional committees attend as representative. Attendance details should be recorded in the minutes of the shareholders' meeting.

- Article 7 The Company shall encourage its shareholders to actively participate in corporate governance and ensure that shareholders meetings are held legally, effectively, and safely. The Company shall seek all ways and means, including fully exploiting technologies for information dissemination, to upload annual reports, annual financial statements, notices, agendas, and supplementary information of shareholders' meetings in both Chinese and English, and shall adopt electronic voting in order to enhance shareholders' attendance rates at the shareholders' meetings and ensure their exercise of rights at such meetings in accordance with laws.
- The Company should avoid raising extraordinary motions and amendments to original proposals at a shareholders' meeting. In the event of elections of directors during the year, candidates are nominated in accordance with the provisions stipulated in the Articles of Incorporation.
- The Company should arrange for the shareholders to vote on each separate proposal in the shareholders' meeting agenda and, following the conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against, as well as the number of abstentions, on the Market Observation Post System.
- Article 8 The Company, in accordance with the Company Act and other applicable laws and regulations, shall record in the minutes of the shareholders' meeting 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 minutes of the meeting shall record the method of voting adopted and the total number of votes for the elected directors. The minutes of the shareholders' meeting 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 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 in violation of the law.
- In order to protect the interests of most shareholders, if the chairperson declares the adjournment of the meeting in a manner that is 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 The Company shall place high importance on the shareholders' 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 discloses in English all the information identified under the preceding paragraph.
- To protect its shareholders' rights and interests and ensure their equal treatment, the Company prohibits company insiders from trading securities using information not disclosed to the market.
- Company insiders, from the date of becoming aware of the contents of the Company's financial reports or relevant results, are prohibited 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 11 The shareholders shall be entitled to profit distributions by the Company. In order to ensure the investment interests of shareholders, the shareholders during the 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, and may decide profit distributions and deficit offsetting plans by resolution. In order to proceed with the above examination, the shareholders may appoint an inspector during the meeting.

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 transactions of the Company.

The Company's board of directors, audit committee, and managers shall fully cooperate in the examination conducted by the inspectors in the previous two paragraphs without any circumvention, obstruction, or rejection.

Article 12 In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders in 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 also take care of the information disclosure and the soundness of the Company's financial structure thereafter.

The Company's relevant personnel 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 In order to protect the interests of the shareholders, the Company should designate personnel who are exclusively dedicated to handling shareholder proposals, inquiries, and disputes. The Company shall properly deal with any legal action duly instituted by the shareholders in which it is claimed that the shareholders' 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 Corporate Governance Relationships between the Company and Affiliated Enterprises

Article 14 The Company shall clearly identify the objectives and the division of authority and responsibility between itself 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 Unless otherwise provided by the laws and regulations, the Company's manager 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 during the shareholders' meeting and obtain their consent.

Article 16 The Company shall establish effective 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 that they deal with, as well as customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.

Article 17 When the Company and its affiliated enterprises enter into financial or business dealings or transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions shall be prohibited.

Any transactions or contracts between the Company and its related parties or shareholders are strictly forbidden from channeling of interests.

Article 18 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 shareholders' meeting, the representative shall exercise his/her voting right in good faith and in 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 Company's Articles of Incorporation in nominating directors and shall not act beyond the authority granted during the shareholders' meeting or board meeting.
4. It shall not improperly intervene in company policy making or obstruct company management activities.
5. It shall not restrict or impede the management or production of the Company by methods of unfair competition such as monopolizing company procurement or foreclosing sales channels.
6. The representative that is designated when a corporate shareholder has been elected as a director shall meet the Company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.

Article 19 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.

The major shareholder indicated in the first paragraph refers to those who own 5 percent or more of the outstanding shares of the Company or the shareholding stake thereof is on the top 10 list.

Chapter III Enhancing the Functions of the board of directors

Section 1 Structure of the board of directors

Article 20 The Company's board of directors is responsible to the shareholders and shall carry out all procedures and arrangements of its corporate governance system in accordance 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 must include, without 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, and technology), professional skills, and industry experience.

The board of directors should be composed of a diverse group of members, including those with varying professional backgrounds, areas of expertise, and genders. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

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

Article 21

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

Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the Company's directors.

When the number of directors falls below five due to the dismissal of a director for whatever reason, the Company shall hold a by-election of 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 of director(s).

The aggregate shareholding percentage of all of the Company's directors shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 22

The Company shall specify in its Articles of Incorporation in accordance with the Company Act that it adopts the candidate nomination system for elections of directors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with

Article 192-1 of the Company Act.

Article 23 Clear distinctions shall be drawn between the responsibilities and duties of the Chairperson of the Board of the Company and the General Manager.

It is inappropriate for the Chairperson to also act as the General Manager or equivalent position (Chief Executive Officer). If the Chairman and General Manager or equivalent position (Chief Executive Officer) are the same person, or if they are spouses or first-degree relatives, the number of independent directors should be increased, and more than half of the board members should be non-employees or non-managers.

The functional committee established by the Company shall have their responsibilities and duties clearly defined.

Section 2 Independent Director System

Article 24 The Company shall appoint independent directors in accordance with the Articles of Incorporation. There shall be no less than three in number and advisably no less than one-fifth of the total number of directors. It is advisable that an independent director serves for not more than three consecutive terms.

Independent directors shall possess professional knowledge and there will 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 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 is comprised of 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.

Article 25 The Company shall submit the following matters to the board of directors for approval by a resolution. 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 some personal interests 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, 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 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 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 For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors, in consideration of the Company's scale and type of operations and the number of its board members, may set up functional committees for auditing, remuneration, or any other functions.

Functional committees shall be responsible to the board of directors and submit their 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 numbers, terms of office, and powers of the committee members, as well as the meeting rules and resources to be provided by the Company for exercise of power by the committee.

Article 27-1 The Company shall establish an Audit Committee, which is composed of the entire number of independent directors, one of whom shall be convener. At least one of them shall have accounting or financial expertise.

The exercise of power by the Audit Committee and independent directors, as well as other 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.

Article 28 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 other 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 28-1 The Company should 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 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.

The Company shall, based on Audit Quality Indicators (AQIs), evaluate the independence and suitability of the CPA engaged by the Company regularly, and no less frequently than once annually. In the event that the Company engages the same CPA without replacement for seven years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.

Article 30 The Company shall engage a professional and competent legal counsel or legal officers to provide adequate legal consultation services to the company, or to assist the directors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.

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

The Audit Committee or an independent director may retain the service of a legal counsel, CPA, or other professionals on behalf of the Company to conduct a necessary audit or provide consultation on matters related 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 The Company's board of directors 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 no later than seven days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the board of directors.

The Company shall adopt rules of procedure for board meetings, which shall follow the Regulations Governing Procedure for board of directors' Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the minutes of the meeting, and other matters for compliance.

Article 32 Company directors shall exercise a high degree of self-discipline. If a board proposal involves a director's personal interest that could likely prejudice the interests of the Company, the director may not participate in the 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. Directors should also maintain self-discipline and avoid inappropriate mutual support.

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

Article 33 When a board meeting is convened to consider any matter submitted to it pursuant to Article 14-3 of the Securities and Exchange Act, the Company's independent director

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 out 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 minutes of the meeting 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 board's approval:

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 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 any 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 a deliberation or voting takes place.

Article 34

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

The minutes of the board of directors' meetings shall be signed by the Chairperson and secretary of the meeting and sent to each director within 20 days after the meeting. The directors' attendance records shall be made part of the minutes of the meeting, and the attendance of directors should be fully documented. These records should be treated as important company records and be kept permanently safe during the entire existence of the Company.

The minutes of the meeting may be produced, distributed, and preserved by electronic means.

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

If before the end of the preservation period referred to in the preceding paragraph, a lawsuit arises with respect to a resolution during a board of directors' meeting, the relevant audio or video recordings shall be preserved for a longer 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 minutes of the meeting 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 harm to the Company, dissenting directors whose dissent can be proven by minutes or written statements will not be liable for damages.

Article 35

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

1. Company 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 during 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 a resolution at a shareholders' meeting or to be approved by a 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 laws, regulations, or the Company's 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 Company shall ask the appropriate company department or personnel to execute matters pursuant to a 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 company affairs and perform the duty of care of a good administrator. In conducting the affairs of the Company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders' meetings or in the Articles of Incorporation, they shall ensure that all matters are handled according to the resolutions of the board of directors.

Each year, in respect of the board of directors, Audit Committee, Remuneration Committee, and individual directors, the Company shall conduct regularly scheduled performance assessments through self-assessments or peer-to-peer assessments, and 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.

It is advisable that the Audit Committee conducts performance assessments 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 Audit Committee.
3. Improvement in the quality of decision-making of the Audit Committee.
4. The composition of the Audit Committee, and election and appointment of committee members.
5. Internal control.

It is advisable that the Remuneration Committee conducts performance assessments 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 Remuneration Committee.
3. Improvement in the quality of decision-making of the Remuneration Committee.
4. The composition of the Remuneration Committee, and election, and appointment of committee members.

The Company should 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 extension of term of office.

Article 37-1 The Company should 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 The board of directors should evaluate and monitor the following aspects of the Company's direction of operation and performance in connection with intellectual properties, to ensure that 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 sufficiently 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 that the operation and effects of the intellectual property regulatory regime meet the Company's expectations.
- Article 38 If a resolution of the board of directors violates laws, regulations, or the Company's Articles of Incorporation, then 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 a likelihood that the Company would suffer material injury, members of the board of directors shall immediately report to an independent director member or a member of the Audit Committee in accordance with the foregoing paragraph.
- Article 39 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 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 Members of the board of directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law, or company social responsibility offered by institutions designated in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies," which cover subjects relating to corporate governance upon becoming directors and throughout their terms of office. 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 channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the Company, as well as respect and safeguard their legal rights and interests.
When a management buyout occurs, the Company must ensure the subsequent financial structure remains robust and healthy.
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 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 The Company shall establish channels of communication with employees and encourage employees to communicate directly with the management or directors so as to reflect the employees' opinions about the management, financial conditions, and material decisions of the Company concerning employee welfare.
- Article 44 In developing its normal business and maximizing the shareholders' interest, the Company shall pay attention to consumers' interests. Through strategic marketing and branding, the Company should actively engage in various activities to enhance its public image and fulfill its company social responsibilities.
- Chapter V Improving Information Transparency

Section 1 Enhancing Information Disclosure

Article 45 Disclosure of information is a major responsibility of the Company. The Company shall perform its obligations faithfully in accordance with the relevant laws and the related TWSE 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 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 appoints one or more 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 Company shall require the management and its 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 In order to keep shareholders and stakeholders fully informed, the Company shall utilize the convenience of the internet and set up a website containing the information regarding the Company's finances, operations, and corporate governance. It is also advisable for the company to furnish the financial, corporate governance, and other relevant information in English.

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

Article 48 The Company shall hold an investors' 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 investors' conference shall be disclosed on the designated internet information reporting system of TWSE 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 According to relevant laws and regulations of the TWSE, 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, as well as 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 6 Supplementary Provisions

Article 50 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 The Company's Corporate Governance Best Practice Principles shall take effect after having been submitted to and adopted by the board of directors. Subsequent amendments thereto shall be put in effect in the same manner.

The first amendment took effect on October 26, 2020.

The second amendment was made on April 27, 2022.

The third amendment was made on April 26, 2023.