

VSO ELECTRONICS CO., LTD.

Corporate Governance Code

(This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there are any inconsistencies between the Chinese version and this translation, the Chinese version shall prevail.)

Chapter 1 General Provisions

Article 1 (Basis and Purpose of the Code)

This Code is established by the Company to implement an effective corporate governance framework, referencing the *Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies* jointly issued by the Taiwan Stock Exchange Corporation (hereinafter referred to as the "TWSE") and the Taipei Exchange (hereinafter referred to as the "TPEX"). It aims to adhere to regulations and disclose information on the Market Observation Post System.

Article 2 (Principles of Corporate Governance)

The Company's corporate governance system shall comply with relevant laws, the Articles of Incorporation, contracts signed with the TWSE or TPEX, and other related standards, following these principles:

1. Protect shareholder rights and interests.
2. Enhance the functionality of the Board of Directors.
3. Leverage the functions of the Audit Committee.
4. Respect the rights of stakeholders.
5. Improve information transparency.

Article 3 (Establishing Internal Control Systems)

The Company shall establish and implement an internal control system in accordance with the *Regulations Governing Establishment of Internal Control Systems by Public Companies*. This system shall be designed and implemented based on the overall operational activities of the Company and its subsidiaries. The system must be regularly reviewed to adapt to changes in internal and external environments, ensuring its design and execution remain effective.

In addition to conducting self-assessments of the internal control system, the Board of Directors and management shall annually review the results of departmental self-assessments and quarterly audit reports prepared by the internal audit unit. The Audit Committee shall oversee and monitor these activities. Directors must regularly discuss identified deficiencies in the internal control system with internal audit personnel, document such discussions, follow up on improvements, and report to the Board of Directors.

The Company should establish communication channels and mechanisms among independent directors, the Audit Committee, and the internal audit supervisor.

The Company's management shall place significant emphasis on the internal audit unit and personnel, granting them sufficient authority to thoroughly inspect and evaluate deficiencies in the internal control system and assess operational efficiency. This ensures the continuous and effective implementation of the internal control system and supports the Board of Directors and management in fulfilling their responsibilities, thereby reinforcing the corporate governance framework.

The appointment, evaluation, and remuneration of internal audit personnel shall follow the same approval processes as those for general employees, with the audit supervisor submitting recommendations to the Chairperson for approval. The appointment or dismissal of the audit supervisor shall require approval from the Audit Committee and a resolution by the Board of Directors.

Article 4 (Personnel Responsible for Corporate Governance)

The Company shall appoint qualified and sufficient personnel for corporate governance tasks based on its size, business scope, and management needs. A Chief Governance Officer, who holds qualifications such as a lawyer or accountant license, or has more than three years of experience in securities, financial, futures institutions, or corporate governance-related units, must be designated as the highest executive responsible for corporate governance affairs.

Corporate governance tasks shall include, at a minimum:

1. Organizing Board of Directors and shareholders' meetings in compliance with the law.
2. Producing meeting minutes for the Board of Directors and shareholders' meetings.
3. Assisting directors with onboarding and ongoing training.
4. Providing directors with necessary information for business execution.
5. Assisting directors in complying with regulations.
6. Reporting to the Board of Directors on the qualification review results of independent directors during nomination, appointment, and tenure.
7. Managing director-related changes.
8. Other matters stipulated by the Articles of Incorporation or contracts.

Chapter 2 Protecting Shareholder Rights

Section 1 Encouraging Shareholder Participation in Corporate Governance

Article 5 (Protecting Shareholder Rights)

The Company's corporate governance system shall safeguard shareholder rights and ensure equitable

treatment for all shareholders. The Company shall establish a governance system to ensure shareholders are fully informed, able to participate, and make decisions regarding significant matters of the Company.

Article 6 (Convening Shareholders' Meetings and Establishing Comprehensive Meeting Rules)

The Company shall convene shareholders' meetings in accordance with the Company Act and relevant regulations and shall establish comprehensive rules for meeting procedures. Matters requiring shareholder approval must be handled in strict compliance with these procedural rules. Resolutions passed by the shareholders' meetings shall conform to laws, regulations, and the Company's Articles of Incorporation.

Article 7 (The Board of Directors Shall Arrange Shareholders' Meeting Agendas and Procedures Appropriately)

The Board of Directors shall appropriately arrange the agendas and procedures for shareholders' meetings. This includes setting principles and processes for shareholder nominations of directors and shareholder proposals, and properly handling proposals submitted by shareholders in accordance with the law.

Shareholders' meetings shall be convened in a convenient location, sufficient time shall be allocated for the meeting, and adequate personnel shall be assigned for check-in procedures. Shareholders shall not be arbitrarily required to provide additional documentation beyond necessary proof of attendance. Reasonable discussion time shall be allocated for each agenda item, and shareholders shall be given the opportunity to express their views.

Shareholders' meetings convened by the Board of Directors should be chaired by the Chairperson. A majority of directors, the Audit Committee convener, and at least one member of each functional committee should attend in person, with attendance noted in the meeting minutes.

Article 8 (Encouraging Shareholder Participation in Corporate Governance)

The Company shall encourage shareholders to participate in corporate governance and may appoint professional stock transfer agents to handle shareholders' meeting affairs, ensuring meetings are conducted legally, efficiently, and securely. The Company should leverage various methods and channels to fully utilize technological means for information disclosure. This includes simultaneously uploading the annual report, annual financial statements, shareholders' meeting notices, meeting handbooks, and supplementary materials. Electronic voting shall also be implemented to increase shareholder attendance and ensure shareholders can exercise their rights in accordance with the law.

The Company should avoid introducing ad hoc motions or amendments to original proposals during shareholders' meetings.

The Company should facilitate individual voting on each agenda item during shareholders' meetings. On the day of the meeting, the results of shareholder votes—indicating approval, opposition, or abstention—shall be submitted to the Market Observation Post System.

Article 9 (Minutes of Shareholders' Meetings)

The Company shall prepare detailed minutes for shareholders' meetings in compliance with the Company Act and other regulations. The minutes shall include the date, time, and location of the meeting, the chairperson's name, the resolution methods, and the main points of discussions and resolutions. Elections of directors shall specify the voting method and the number of votes received by each elected director.

The minutes shall be permanently retained for the duration of the Company's existence. If the Company has a website, the minutes should be disclosed in full.

Article 10 (Chairperson's Adherence to Meeting Rules)

The chairperson of shareholders' meetings shall thoroughly understand and adhere to the Company's meeting rules to ensure smooth proceedings. The chairperson shall not arbitrarily declare the meeting adjourned.

If the chairperson violates the meeting rules and declares an adjournment, other members of the Board of Directors shall promptly assist attending shareholders to proceed with the meeting in accordance with legal procedures, selecting a new chairperson with the approval of a majority of voting rights held by attendees.

Article 11 (Ensuring Shareholders' Right to Information)

The Company shall prioritize shareholders' right to information and comply with information disclosure requirements. The Company's financials, business operations, insider shareholdings, and governance status shall be regularly and promptly disclosed via the Market Observation Post System or the Company's website.

To ensure equal treatment of shareholders, the Company should simultaneously disclose such information in English. Internal regulations shall prohibit insiders from using non-public information to trade securities.

The regulations should include control measures for stock trading by insiders from the date they become aware of the Company's financial reports or related performance information. These measures include, but are not limited to, a blackout period of 30 days before the announcement of annual financial reports and 15 days before quarterly reports during which directors are prohibited from trading the Company's shares.

Article 12 (Shareholders' Right to Profit Sharing)

Shareholders have the right to share in the Company's profits. To safeguard shareholders' investment interests, the shareholders' meeting may examine the reports prepared by the Board of Directors and the Audit Committee in accordance with Article 184 of the Company Act and resolve on profit distribution or loss offset. Shareholders may appoint inspectors to review the reports.

Shareholders may petition the court under Article 245 of the Company Act to appoint inspectors to examine the Company's business accounts, assets, specific matters, or transaction documents and records.

The Board of Directors, the Audit Committee, and managers shall cooperate fully with the inspectors and must not evade, obstruct, or refuse their reviews.

Article 13 (Major Financial and Business Transactions Requiring Shareholders' Approval)

The Company's major financial and business transactions, such as the acquisition or disposal of assets, loans to others, or endorsements and guarantees, shall be conducted in accordance with relevant laws and regulations. Related operational procedures shall be established and submitted to the shareholders' meeting for approval to safeguard shareholders' rights and interests.

For mergers or public tender offers, in addition to complying with relevant laws and regulations, the Company shall ensure the fairness and reasonableness of the merger or acquisition plan and transaction. Attention must also be given to information disclosure and the subsequent financial stability of the Company.

If management or major shareholders are involved in the merger, the Audit Committee members reviewing the merger shall comply with the provisions of Article 3 of the *Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies*. They must not have any relationship with the counterparty to the transaction that could affect their independence. The design and implementation of the relevant procedures must comply with applicable laws, and sufficient information disclosure must be ensured. A legal opinion issued by an independent lawyer shall verify compliance.

The lawyer providing the legal opinion must meet the qualifications specified in Article 3 of the *Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies*. The lawyer must not have any relationship with the counterparty to the transaction or any conflict of interest that could compromise independence.

Personnel handling merger or public tender offer matters for the Company must pay attention to conflicts of interest and implement appropriate recusal mechanisms.

Article 14 (Dedicated Personnel for Handling Shareholder Suggestions)

To ensure shareholder rights, the Company should assign dedicated personnel to appropriately handle shareholder suggestions, inquiries, and disputes.

In the event of shareholders filing lawsuits due to resolutions of the shareholders' meeting or Board of Directors that violate laws, regulations, or the Company's Articles of Incorporation, or actions taken by directors or managers in violation of the same resulting in shareholder damages, the Company shall handle such matters properly.

The Company should establish internal procedures to address the aforementioned issues, maintain written records for review, and include these processes within its internal control system for management.

Section 2 Establishing Mechanisms for Interaction with Shareholders

Article 15 (Responsibility of the Board of Directors to Foster Interaction with Shareholders)

The Board of Directors is responsible for fostering mechanisms to interact with shareholders, enhancing mutual understanding of the Company's development goals.

Article 16 (Efficient Communication and Securing Shareholder Support)

In addition to communicating with shareholders through the shareholders' meeting, the Board of Directors should encourage shareholder participation and adopt efficient communication methods to engage with shareholders. This includes working with management and independent directors to understand shareholder opinions and concerns and explaining the Company's policies clearly to secure shareholder support.

Section 3 Corporate Governance Relations with Affiliates and Related Parties

Article 17 (Establishing Firewalls)

The management objectives and responsibilities for personnel, assets, and financial affairs between the Company and its affiliates shall be clearly defined and executed. Risk assessments must be conducted, and appropriate firewalls should be established.

Article 18 (Prohibition of Dual Roles between the Company and Affiliates)

Managers of the Company should not concurrently hold management roles in affiliated companies unless otherwise stipulated by law.

Directors engaging in activities within the scope of the Company's business for themselves or others shall disclose significant details of such activities to the shareholders' meeting and obtain its approval.

Article 19 (Sound Financial, Business, and Accounting Management Systems)

The Company shall establish sound financial, business, and accounting management objectives and systems in accordance with relevant regulations. Comprehensive risk assessments and control mechanisms must be implemented for dealings with affiliates, including primary banks, customers, and suppliers, to mitigate credit risks.

Article 20 (Fair and Reasonable Transactions with Affiliates and Shareholders)

Transactions involving finances or business between the Company and its affiliates or shareholders shall be conducted based on principles of fairness and reasonableness. Written protocols governing such transactions must clearly specify pricing and payment terms to prevent irregular transactions or improper transfers of benefits.

The written protocols shall cover management procedures for purchase and sale transactions, acquisition or disposal of assets, loans to others, and endorsements or guarantees. Significant transactions must be approved by the Board of Directors, submitted to the shareholders' meeting for consent, or reported accordingly.

Article 21 (Obligations of Controlling Shareholders)

Institutional shareholders with control over the Company shall adhere to the following obligations:

1. Act in good faith towards other shareholders and avoid actions that may result in irregular business operations or other disadvantageous activities.
2. Representatives of such shareholders must comply with the Company's regulations on exercising rights and voting. They shall act in the best interests of all shareholders when participating in shareholders' meetings and fulfill their fiduciary duties as directors.
3. The nomination of directors by institutional shareholders must comply with relevant laws and the Company's Articles of Incorporation, without exceeding the authority of the shareholders' meeting or the Board of Directors.
4. Avoid undue interference in the Company's decisions or obstruction of its operations.
5. Refrain from engaging in monopolistic procurement or restrictive practices that harm the Company's production and operations.
6. Representatives appointed as directors must possess the necessary professional qualifications and should not be replaced arbitrarily.

Article 22 (List of Major Shareholders and Their Ultimate Beneficial Owners)

The Company shall maintain up-to-date information on major shareholders who hold a substantial proportion of shares or have effective control over the Company, as well as the ultimate beneficial owners of these major shareholders.

The Company shall periodically disclose significant matters related to shareholders holding more than 10% of the shares, including pledging, increasing, or reducing their shareholdings, or any other events that may result in changes to shareholdings. This disclosure is intended to facilitate monitoring by other shareholders.

The term "major shareholders" as referred to in the preceding paragraph refers to shareholders holding 5% or more of the shares or those ranking among the top ten shareholders by shareholding percentage. However, the Company may establish a lower shareholding threshold based on the actual shareholding circumstances of those who effectively control the Company.

Chapter 3 Strengthening the Functions of the Board of Directors

Section 1 Structure of the Board of Directors

Article 23 (Capabilities of the Board of Directors as a Whole)

The Board of Directors shall guide the Company's strategy, supervise management, and be accountable to the Company and its shareholders. The governance system and arrangements must ensure that the Board exercises its powers in compliance with laws, the Articles of Incorporation, or resolutions of the shareholders' meeting.

The composition of the Board of Directors shall consider the scale of the Company's operations and the shareholding structure of its major shareholders. The number of directors should exceed five, with an appropriate number determined based on practical needs.

The composition of the Board shall promote diversity. No more than one-third of the Board members may concurrently serve as managers of the Company. The Company should develop an appropriate diversity policy based on its operations and development needs, which may include, but is not limited to, the following two aspects:

1. **Basic Attributes and Values:** Gender, age, nationality, and cultural background.
2. **Professional Knowledge and Skills:** Expertise in fields such as law, accounting, industry, finance, marketing, or technology, as well as professional skills and industry experience.

Board members shall generally possess the knowledge, skills, and literacy necessary to perform their duties. To achieve optimal corporate governance, the collective capabilities of the Board of Directors should include:

1. Operational decision-making ability.
2. Accounting and financial analysis ability.
3. Management capabilities.

4. Crisis management skills.
5. Industry knowledge.
6. International market perspective.
7. Leadership.
8. Decision-making capabilities.

Article 24 (Fair, Just, and Open Selection of Directors)

The Company shall adopt a fair, just, and open procedure for selecting directors in accordance with the principles of protecting shareholder rights and ensuring equitable treatment of shareholders.

Shareholder participation is encouraged, and the cumulative voting system specified in the Company Act shall be used to fully reflect shareholder opinions.

Unless otherwise approved by regulatory authorities, more than half of the Board seats shall not be occupied by individuals who are spouses or relatives within the second degree of kinship.

If a director is dismissed, leaving fewer than five directors, the Company shall hold a by-election at the next shareholders' meeting to fill the vacancy. However, if the number of vacancies exceeds one-third of the total seats stipulated in the Articles of Incorporation, the Company must convene an extraordinary shareholders' meeting within 60 days of the occurrence to hold a by-election.

The total shareholding ratio of all directors on the Board shall comply with legal requirements.

Restrictions on share transfers by directors, as well as the establishment or removal of pledges, shall adhere to relevant regulations, with all such information fully disclosed.

Article 25 (Candidate Nomination System for Director Elections in the Articles of Incorporation)

The Company shall specify in its Articles of Incorporation that the nomination system for director elections will be adopted, in accordance with regulatory requirements. The qualifications of nominees, as well as any conditions specified under Article 30 of the Company Act, shall be carefully evaluated.

The procedure shall be conducted in accordance with Article 192-1 of the Company Act.

Article 26 (Responsibilities of the Chairperson, CEO, and General Manager)

The responsibilities of the Chairperson, Chief Executive Officer (CEO), and General Manager shall be clearly defined and separated. These positions, or equivalent roles, should not be held by the same individual.

For any functional committees established by the Company, their roles and responsibilities shall be clearly delineated.

Section 2 Independent Director System

Article 27 (Establishment of Independent Directors)

The Company shall establish independent directors as specified in the Articles of Incorporation, with the number of independent directors not being fewer than three or one-third of the total Board seats. The tenure of independent directors should not exceed three terms.

Independent directors shall possess professional knowledge, and their shareholdings shall be restricted. In addition to complying with relevant legal requirements, independent directors should not concurrently serve as directors (including independent directors) or supervisors in more than five TWSE/TPEX-listed companies. Independent directors must maintain independence within the scope of their duties and shall not have direct or indirect conflicts of interest with the Company.

If the Company or its group entities nominates a candidate for independent director who is also nominated by another company or group entity, such arrangements must be disclosed at the time of the nomination, with an explanation of the candidate's suitability. Upon election, the number of votes received by the independent director must be disclosed.

Independent directors and non-independent directors may not switch roles during their terms of service.

If an independent director is dismissed and the number of remaining independent directors falls below the required minimum as specified in the Articles of Incorporation, a by-election shall be held at the next shareholders' meeting. If all independent directors are dismissed, an extraordinary shareholders' meeting shall be convened within 60 days to hold a by-election.

The qualifications, shareholding restrictions, restrictions on concurrent positions, criteria for independence, nomination process, and other relevant requirements for independent directors shall comply with the *Securities and Exchange Act*, the *Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies*, and the rules of the TWSE or TPEX.

Article 28 (Matters Requiring Board Approval)

In accordance with the *Securities and Exchange Act*, the following matters shall be submitted to the Board of Directors for approval. If independent directors have objections or reservations, their opinions shall be recorded in the meeting minutes:

1. Establishment or amendment of internal control systems as stipulated under Article 14-1 of the *Securities and Exchange Act*.
2. Establishment or amendment of procedures for major financial or business transactions, such as the acquisition or disposal of assets, derivative transactions, loans to others, or endorsements and guarantees, in accordance with Article 36-1 of the *Securities and Exchange Act*.
3. Matters involving conflicts of interest for directors.

4. Major asset or derivative transactions.
5. Significant loans, endorsements, or guarantees.
6. Public offerings, issuances, or private placements of securities with equity characteristics.
7. Appointment, dismissal, or remuneration of certified public accountants (CPAs).
8. Appointment or dismissal of financial, accounting, or internal audit supervisors.
9. Other significant matters as prescribed by regulatory authorities.

Article 29 (Defining the Scope of Duties for Independent Directors)

The Company shall clearly define the scope of duties for independent directors and provide the necessary human and material resources to enable them to exercise their powers effectively.

Neither the Company nor other members of the Board of Directors may obstruct, refuse, or evade the execution of duties by independent directors.

The Company shall, in accordance with relevant laws and regulations, establish a remuneration system for directors. Such remuneration shall appropriately reflect individual performance, the Company's long-term operational success, and take into account the Company's operational risks. Reasonable remuneration distinct from that of regular directors may be established for independent directors.

Section 3 Functional Committees

Article 30 (Establishment of Functional Committees)

To enhance its supervisory functions and strengthen management capabilities, the Board of Directors may establish functional committees such as an Audit Committee, a Compensation Committee, a Nomination Committee, a Risk Management Committee, or other specialized committees. Based on the principles of corporate social responsibility and sustainable operations, the Company may also establish committees related to environmental protection, corporate social responsibility, or other areas.

Functional committees shall report to the Board of Directors, and their proposals shall be submitted to the Board for resolution. However, if the Audit Committee is performing its duties in accordance with Article 14-4, Paragraph 4 of the *Securities and Exchange Act*, this provision does not apply.

Each functional committee shall establish organizational rules, which must be approved by the Board of Directors. These rules should define the number of members, term of office, scope of duties, meeting procedures, and resources provided by the Company for the committee to perform its functions.

Article 31 (Establishment of Audit Committee)

The Company shall establish an Audit Committee.

The Audit Committee shall consist entirely of independent directors, with at least three members. One member shall serve as the convener, and at least one member must possess expertise in accounting or finance.

The duties and related matters of the Audit Committee and its independent director members shall comply with the *Securities and Exchange Act*, the *Regulations Governing the Exercise of Powers by Audit Committees of Public Companies*, and the rules of the TWSE or TPEX.

Article 32 (Establishment of Compensation Committee)

The Company shall establish a Compensation Committee, with the majority of its members preferably being independent directors. The professional qualifications, duties, organizational rules, and related matters for the committee shall comply with the *Regulations Governing the Establishment and Exercise of Powers of Compensation Committees of Companies Listed on the TWSE or TPEX*.

Article 33 (Establishment of Nomination Committee)

The Company is encouraged to establish a Nomination Committee and to define its organizational rules. A majority of the committee's members should preferably be independent directors, and the committee chair should be an independent director.

Article 34 (Whistleblowing System)

The Company should establish and publicly announce internal and external whistleblowing channels, as well as a whistleblower protection mechanism. The unit handling whistleblowing cases must maintain independence, encrypt and protect whistleblower-provided documents, restrict access permissions appropriately, and establish internal procedures to include these mechanisms in the internal control system.

Article 35 (Enhancing and Improving the Quality of Financial Reporting)

To improve the quality of financial reporting, the Company shall designate a deputy for the accounting supervisor.

The designated deputy shall undergo ongoing professional development, similar to the accounting supervisor, to strengthen their professional capabilities.

Accounting personnel responsible for preparing financial reports must undertake at least six hours of professional training annually, which may include internal training sessions or courses offered by professional accounting organizations.

The Company shall engage professional, responsible, and independent certified public accountants (CPAs) to regularly audit its financial status and internal control systems. The Company must carefully review and improve any anomalies or deficiencies identified by the CPA during the audit process, and

it should establish communication mechanisms between independent directors, auditors, or the Audit Committee and the CPA. Internal procedures and controls shall be documented and included in the internal control system.

The Company shall periodically (at least annually) assess the independence and suitability of its appointed CPAs using audit quality indicators (AQIs). If the Company has engaged the same CPA for seven consecutive years or if the CPA has been disciplined or compromised their independence, the Company shall evaluate whether a replacement is necessary and report the assessment results to the Board of Directors.

Article 36 (Provision of Legal Services to the Company)

The Company shall engage qualified professional lawyers to provide legal consultation services and assist the Board of Directors, Audit Committee, and management in enhancing their legal literacy. This prevents the Company and related personnel from violating laws and ensures the corporate governance framework operates within legal and procedural boundaries.

In cases where directors or management face lawsuits or disputes with shareholders during the execution of their duties, the Company shall engage lawyers to provide necessary assistance as appropriate.

Independent directors or members of the Audit Committee may engage lawyers, accountants, or other professionals on behalf of the Company to perform necessary audits or consultations related to their duties. The expenses for such engagements shall be borne by the Company.

Section 4 Rules and Procedures for Board Meetings

Article 37 (Convening Board Meetings)

The Board of Directors shall convene at least once every quarter and may hold additional meetings as necessary in emergencies. Notices for Board meetings shall specify the purpose of the meeting and be sent to all directors at least seven days in advance, along with sufficient meeting materials. If materials are insufficient, directors have the right to request supplementary information or defer discussions by Board resolution.

The Company shall establish rules for Board meeting procedures. The main agenda, procedures, required records, announcements, and other compliance matters shall adhere to the *Regulations Governing Procedure for Board of Directors Meetings of Public Companies*.

Article 38 (Self-Discipline by Directors)

Directors shall maintain a high degree of self-discipline. For proposals on the Board meeting agenda in which a director or the entity they represent has a conflict of interest, the director must disclose the

material aspects of the conflict during the meeting. If the conflict is likely to harm the Company's interests, the director shall not participate in the discussion or voting on the proposal and must recuse themselves. Furthermore, the director shall not act as a proxy for other directors to exercise their voting rights.

Provisions for director recusal shall be specified in the rules for Board meeting procedures.

Article 39 (Independent Directors and the Board of Directors)

Independent directors must attend in person for matters specified under Article 14-3 of the *Securities and Exchange Act* that are required to be brought before the Board of Directors. Independent directors who have objections or reservations shall have their opinions recorded in the meeting minutes. If an independent director cannot attend a Board meeting in person to express objections or reservations, they must provide a written opinion in advance, which shall also be recorded in the minutes.

If any of the following circumstances arise during Board resolutions, they shall be disclosed in the minutes and reported on the Market Observation Post System within two hours of the opening of the next business day:

1. Independent directors express objections or reservations, whether documented in meeting records or written statements.
2. Resolutions not approved by the Audit Committee but passed with the consent of at least two-thirds of all Board members.

During Board meetings, the chairperson may invite non-director managers from relevant departments to attend and report on the Company's operations or respond to directors' inquiries. If necessary, accountants, lawyers, or other professionals may also be invited to attend to assist directors in understanding the Company's situation and making informed decisions. However, such invitees must leave the meeting during discussions and voting.

Article 40 (Minutes of Board Meetings)

The staff responsible for Board meeting records shall accurately document the meeting proceedings, including reports, discussions, and resolutions.

Meeting minutes must be signed or sealed by the chairperson and the record keeper and distributed to all directors within 20 days after the meeting. Attendance records of directors shall form part of the meeting minutes and shall be permanently preserved as important company records. The preparation, distribution, and preservation of minutes may be conducted electronically.

The Company shall record the entire Board meeting through audio or video means and retain these records for at least five years. These records may be stored electronically.

If a legal dispute arises regarding Board resolutions before the end of the retention period, the audio or video recordings must be preserved until the conclusion of the dispute.

For meetings held via video conferencing, the recordings shall form part of the meeting minutes and be permanently retained.

If a Board resolution violates laws, regulations, the Articles of Incorporation, or shareholders' meeting resolutions, causing harm to the Company, directors who expressed dissent and have documented their objections or issued written statements shall be exempt from liability.

Article 41 (Matters to Be Submitted to the Board of Directors for Discussion)

The following matters must be submitted to the Board of Directors for discussion:

1. The Company's business plans.
2. Annual and semi-annual financial reports. However, semi-annual financial reports that are not required by law to be audited and certified by a certified public accountant are excluded.
3. Establishment or amendment of internal control systems and assessment of their effectiveness in accordance with Article 14-1 of the *Securities and Exchange Act*.
4. Establishment or amendment of procedures for major financial or business transactions, such as the acquisition or disposal of assets, derivative transactions, loans to others, or endorsements and guarantees, as stipulated in Article 36-1 of the *Securities and Exchange Act*.
5. Public offerings, issuances, or private placements of securities with equity characteristics.
6. Performance evaluation and remuneration standards for managerial personnel.
7. Remuneration structures and systems for directors.
8. Appointment or dismissal of financial, accounting, or internal audit supervisors.
9. Donations to related parties or significant donations to non-related parties. However, charitable donations made in response to major natural disasters may be submitted for ratification at the next Board meeting.
10. Other matters requiring resolution by the shareholders' meeting or the Board of Directors as stipulated by laws, regulations, the Articles of Incorporation, or as prescribed by the competent authorities.

In addition to the matters listed above, during recess periods of the Board, the exercise of Board powers delegated by laws or the Articles of Incorporation must be specific in scope, content, and authority, and shall not be granted as a blanket authorization.

Article 42 (Implementation and Follow-up of Board Resolutions)

The Company shall assign the implementation of Board resolutions to appropriate units or personnel, clearly specifying the objectives and timelines. The execution of these resolutions shall be tracked and managed, with performance evaluations conducted to ensure effective implementation.

The Board of Directors shall remain informed of the progress of execution and receive a report at the subsequent Board meeting to ensure the decisions are effectively carried out.

Section 5 Fiduciary Duties and Responsibilities of Directors

Article 43 (Directors' Fiduciary Duties and Duty of Care)

Members of the Board of Directors shall perform their duties faithfully and with the care of a good administrator. They shall exercise their powers with a high level of self-discipline and prudence. Except for matters that require shareholder resolutions as stipulated by law or the Company's Articles of Incorporation, directors shall act in accordance with Board resolutions when carrying out Company operations.

The Company is encouraged to establish a performance evaluation system for the Board of Directors and individual directors. The Board and directors shall conduct regular self-assessments or peer evaluations annually, and evaluations may also be conducted by external professional organizations or other appropriate methods.

Performance evaluations for the Board of Directors should include the following aspects, with appropriate evaluation indicators based on the Company's needs:

1. Participation in the Company's operations.
2. Improvement of the decision-making quality of the Board of Directors.
3. Composition and structure of the Board.
4. Election and continuous education of directors.
5. Internal controls.

Performance evaluations for individual directors (self-assessments or peer evaluations) should include the following aspects, with adjustments based on the Company's needs:

1. Grasp of the Company's goals and missions.
2. Understanding of director duties.
3. Participation in the Company's operations.
4. Internal relationship management and communication.
5. Professional expertise and continuous education.
6. Internal controls.

Performance evaluations for functional committees should include the following aspects, with adjustments based on the Company's needs:

1. Participation in the Company's operations.

2. Understanding of committee responsibilities.
3. Improvement of the decision-making quality of the committee.
4. Composition and selection of committee members.
5. Internal controls.

The results of the performance evaluations should be reported to the Board of Directors and used as a reference for determining individual directors' remuneration and nomination for reappointment.

Article 44 (Succession Planning for Management)

The Company is encouraged to establish a succession plan for its management team. The Board of Directors shall periodically evaluate the development and implementation of the plan to ensure the sustainability of the Company's operations.

Article 45 (Establishing Intellectual Property Management Systems)

The Board of Directors shall evaluate and oversee the management and performance of the Company's intellectual property (IP) based on the following aspects to ensure that the Company establishes an effective IP management system following the "Plan-Do-Check-Act" cycle:

1. Formulate IP management policies, objectives, and systems aligned with operational strategies.
2. Develop, implement, and maintain systems for the acquisition, protection, maintenance, and utilization of IP based on the Company's scale and type.
3. Allocate adequate resources for effectively implementing and maintaining the IP management system.
4. Monitor internal and external risks or opportunities related to IP management and adopt appropriate responses.
5. Plan and implement mechanisms for continuous improvement to ensure the operation and effectiveness of the IP management system meet the Company's expectations.

Article 46 (Requests to Halt Implementation of Unlawful Resolutions)

If the Board of Directors adopts resolutions that violate laws or the Company's Articles of Incorporation, and shareholders holding shares continuously for over one year or independent directors request, or the Audit Committee notifies the Board to halt the implementation of such resolutions, the Board shall promptly address or cease the implementation of the resolutions.

If members of the Board discover that the Company is at risk of significant harm, they shall act immediately as stipulated above and report the matter to the Audit Committee or its independent director members.

Article 47 (Directors' Liability Insurance)

The Company shall obtain liability insurance for directors during their term of office to cover

compensation liabilities incurred within the scope of their duties, thereby reducing and diversifying the risks of significant harm to the Company and shareholders caused by directors' errors or negligence.

The Company shall report the key terms of the liability insurance, including coverage amount, scope, and premiums, to the Board of Directors following the procurement or renewal of such insurance.

Article 48 (Ongoing Education for Members of the Board of Directors)

Members of the Board of Directors are encouraged to participate in ongoing education courses related to corporate governance, such as finance, risk management, business operations, commerce, accounting, law, or corporate social responsibility. These courses may be taken during their initial appointment or their term, as specified by the *Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE and TPEX Listed Companies*.

The Company shall also ensure that employees at all levels strengthen their professional knowledge and understanding of relevant legal matters.

Chapter 4 Respecting the Rights and Interests of Stakeholders

Article 49 (Maintaining Communication with Stakeholders and Protecting Their Rights and Interests)

The Company shall maintain open communication channels with its stakeholders, including banks, other creditors, employees, consumers, suppliers, the community, and other parties with a vested interest in the Company. It shall respect and protect their legal rights and establish a stakeholder section on the Company's website.

When the legal rights of stakeholders are infringed, the Company shall address and resolve such issues in good faith.

Article 50 (Providing Adequate Information to Banks and Creditors)

The Company shall provide adequate information to banks and other creditors to enable them to assess the Company's operations and financial condition and make informed decisions.

If the legal rights of creditors are violated, the Company shall respond promptly and responsibly, providing appropriate avenues for creditors to obtain redress.

Article 51 (Establishing Communication Channels for Employees)

The Company shall establish communication channels for employees and encourage direct communication between employees, management, the Board of Directors, and independent directors of the Audit Committee. Employees should have opportunities to express their opinions on the Company's operations, financial condition, or significant decisions affecting their interests.

Article 52 (Corporate Social Responsibility of the Company)

While pursuing normal business development and maximizing shareholder interests, the Company shall also focus on protecting consumer rights, environmental sustainability, and community welfare, thereby fulfilling its corporate social responsibility.

Chapter 5 Enhancing Information Transparency

Section 1 Strengthening Information Disclosure

Article 53 (Information Disclosure and Online Reporting Systems)

Information disclosure is a vital responsibility of the Company. The Company shall faithfully fulfill its obligations to disclose information in accordance with relevant laws and the rules of the Taiwan Stock Exchange or Taipei Exchange.

The Company is encouraged to announce and file its annual financial reports within three months after the fiscal year ends and to announce and file quarterly financial reports and monthly operating results ahead of the statutory deadlines.

The Company shall establish an online reporting system for public information and designate personnel responsible for collecting and disclosing information. A spokesperson system shall also be implemented to ensure that information affecting shareholder and stakeholder decisions is disclosed promptly and appropriately.

Article 54 (Appointment of Spokespersons)

To ensure the accuracy and timeliness of material information disclosure, the Company shall appoint spokespersons who are well-versed in the Company's financial and business operations and capable of coordinating with all departments to provide relevant information. The spokespersons shall be authorized to represent the Company in public communications.

The Company shall also appoint at least one deputy spokesperson. The deputy spokespersons shall be capable of substituting for the primary spokesperson in case of absence, ensuring a clear sequence of representation to avoid confusion.

To implement the spokesperson system, the Company shall establish unified communication procedures. Management and employees must protect the confidentiality of financial and operational information and refrain from unauthorized information dissemination.

Any changes to spokespersons or deputy spokespersons must be promptly disclosed.

Article 55 (Establishing a Website for Financial, Business, and Governance Information)

The Company shall utilize the convenience of the internet to establish a website that provides financial and business-related information as well as corporate governance details. This is to facilitate access for shareholders and stakeholders.

The website should also include an English version of financial, corporate governance, or other relevant information.

A dedicated person shall be responsible for maintaining the website to ensure the information is accurate, detailed, and updated promptly, avoiding any risk of misleading information.

Article 56 (Conducting Investor Conferences)

When the Company holds investor conferences, it shall comply with the regulations of the Taipei Exchange. The Company shall retain recordings or videos of such conferences for reference.

Financial and business information disclosed at investor conferences shall be uploaded to the Market Observation Post System and made available through the Company's website or other appropriate channels.

Section 2 Disclosure of Corporate Governance Information

Article 57 (Disclosure of Corporate Governance Information)

The Company shall, in accordance with relevant laws and the rules of the Taipei Exchange, establish a dedicated section on its website to disclose the following corporate governance information and ensure its continuous updates:

1. The framework and rules of corporate governance.
2. Shareholding structure and shareholder rights (including a specific and clear dividend policy).
3. Structure of the Board of Directors, including the professionalism and independence of its members.
4. Responsibilities of the Board of Directors and management.
5. Composition, responsibilities, and independence of the Audit Committee.
6. Composition, responsibilities, and operations of the Compensation Committee and other functional committees.
7. The total compensation paid to directors, the general manager, and deputy general managers in the past two years, including a breakdown of the ratio of compensation to net profit after tax, the policies, standards, and combination of compensation, the procedures for determining compensation, and its relevance to performance and future risks. Individual compensation for directors and supervisors under special circumstances shall also be disclosed.
8. Continuing education status of directors and supervisors.

9. Rights, relationships, complaint mechanisms, concerns, and appropriate responses for stakeholders.
10. Details of compliance with information disclosure requirements mandated by laws and regulations.
11. The Company's corporate governance practices and any discrepancies between the practices and the Company's governance policies, with explanations.
12. Other corporate governance-related information.

The Company is encouraged to disclose its specific plans and measures for improving corporate governance based on its actual implementation status.

Chapter 6 Supplementary Provisions

Article 58 (Monitoring Domestic and International Developments)

The Company shall stay informed of domestic and international developments in corporate governance practices and use this knowledge to review and improve its own governance framework, thereby enhancing governance effectiveness.

Article 59 (Compliance with Laws and Regulations)

Matters not specified in this Code shall be handled in accordance with the *Company Act*, the *Securities and Exchange Act*, and other relevant laws, regulations, and customary practices.

Article 60 (Implementation and Amendments)

This Code shall be implemented following approval by the Board of Directors. Amendments to this Code shall follow the same process.