Sercomm Corporation
Corporate Governance Best Practice Principles

Chapter 1 General Principles

Article 1

To establish a sound corporate governance system and an effective corporate governance structure, Sercomm Corporation (hereinafter referred to as "the Company"), hereby adopts these Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" promulgated by the Taiwan Stock Exchange Corporation (hereinafter referred to as "TWSE").

Article 2

In addition to complying with the law, the Company's Articles of Incorporation, as well as contracts and related regulations signed with TWSE or Taipei Exchange (hereinafter referred to as "TPEx"), the Company's corporate governance system shall adhere to the following principles:

I. Protect the rights and interests of shareholders.

II. Strengthen the powers of the Board of Directors.

III. Respect the rights and interests of stakeholders.

IV. Enhance information transparency.

Article 3 (Establishment of internal control systems)

In accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies," the Company shall design and effectively implement its internal control system, taking into account the overall operational activities of the Company and its subsidiaries. The Company shall continuously review and modify this system to adapt to changes in internal and external environments, thereby ensuring the ongoing effectiveness of the system's design and implementation.

In addition to conducting self-assessments of its internal control system, the Company's Board of Directors and management shall review departmental self-assessment results annually and audit reports quarterly, the process of which shall be overseen by the Audit Committee. The Audit Committee shall regularly discuss internal control deficiencies with internal audit personnel, document these discussions, track and implement improvements, and report to the Board of Directors.

The Company is advised to establish communication channels and mechanisms between the Audit Committee and the head of internal audit. The Chair of the Audit Committee or their proxy shall report the communication status between the Audit Committee and the head of internal audit at the shareholders' meeting.

Management of the Company shall place importance on the internal audit unit and personnel, granting them sufficient authority to effectively inspect and evaluate deficiencies in the internal control system and assess operational efficiency. This shall ensure the system's continuous effective implementation and assist the Board of Directors, as well as management, in fulfilling their duties and implementing the corporate governance system.

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

The Company shall, based on its size, business operations, and management needs, appoint corporate governance personnel responsible for corporate governance-related matters. In accordance with the regulations of competent authorities and TWSE, the Company shall designate one Corporate Governance Officer as the highest-ranking executive in charge of corporate governance affairs. This officer shall possess attorney or CPA qualifications, or have at least three years of management experience in legal affairs, regulatory compliance, internal audit, finance, stock affairs, or corporate governance at a securities, financial, or futures institution or a public company.

Corporate governance affairs mentioned in the preceding paragraph should at least include the following items:

I. Handle matters in relation to the board meetings and shareholders' meetings according to law.

II. Keep minutes at the board meetings and shareholders' meetings.

III. Assist in the appointment of directors and continuing education.

IV. Provide information required for the Directors to conduct business.

V. Assist the Directors in regulatory compliance

VI. Report to the Board on the review results of the qualifications of independent directors' qualifications during nomination, selection, and tenure in accordance with applicable laws and regulations.

VII. Managing matters related to changes in Directors.

VIII. Other matters stipulated in the Articles of Incorporation or contracts.

Chapter 2 Protection of Shareholders' Rights and Interests

Section 1 Encouraging Shareholder Participation in Corporate Governance

Article 4 (Protection of shareholders' rights and interests)

The Company's corporate governance system shall protect the rights and interests of shareholders and ensure fair treatment for all shareholders.

The Company shall establish a corporate governance system that ensures that shareholders have the right to be informed of, participate in, and make decisions on matters of significance to the Company.

Article 5

The Company shall hold shareholders' meetings in compliance with the Company Act and relevant regulations; it shall also establish comprehensive rules of procedure and execute matters requiring resolutions by the shareholders' meeting in accordance with these rules.

Contents of the resolutions passed at the Company's shareholders' meetings shall adhere to relevant laws and regulations, as well as the provisions of the Company's Articles of Incorporation.

Article 6 (The Board of Directors of TWSE/TPEx listed companies shall appropriately arrange shareholder meeting agendas and procedures)

The Company's Board of Directors shall properly arrange the agenda and procedures for shareholders' meetings, establish principles and procedures for shareholder nominations of directors and proposals, and appropriately handle proposals submitted by shareholders in accordance with the law. Shareholders' meetings shall be held at convenient locations, preferably with video conferencing, allowing sufficient time and assigning suitable personnel for registration. Furthermore, the documents required for shareholders' attendance shall not include additional arbitrary requirements; each agenda item shall be given reasonable discussion time, with shareholders being provided with appropriate opportunities to speak.

The Chairperson shall personally preside over shareholders' meetings convened by the Board of Directors. It is advisable that more than half of the directors (including at least one independent director) and the Chair of the Audit Committee attend in person, along with at least one representative from other functional committees. The attendance shall be recorded in the minutes of the shareholders' meeting.

Article 7 (Encouraging shareholder participation in corporate governance)

The Company encourages shareholders to participate in corporate governance and appoints a professional stock affairs agency to handle shareholders' meeting matters, ensuring that the meetings are convened legally, effectively, and safely. The Company shall utilize various technological means for

information disclosure, simultaneously uploading annual reports, financial statements, shareholders' meeting notices, handbooks, and supplementary materials in both Chinese and English. Electronic voting shall be implemented to increase shareholder participation and ensure shareholders can exercise their rights at meetings.

The Company is advised to refrain from proposing extempore motions and amendments to the original motions at shareholders' meetings.

The Company shall arrange for shareholders to vote on each proposal at the shareholders' meeting. Moreover, the Company shall enter the results of shareholders' approvals, objections, and abstentions into the Market Observation Post System on the same day as the meeting.

Article 8

In accordance with the Company Act and relevant laws and regulations, the Company shall record in the minutes of shareholders' meetings the year, month, day, location, name of the Chair, method of resolution, essential points of the proceedings, and the results thereof. The election of directors shall specify the voting method and the number of votes required for a director to be elected.

Minutes of the shareholders' meetings shall be preserved permanently and appropriately throughout the Company's existence, and shall be disclosed in full on the Company's website.

Article 9

The Chair of the shareholders' meeting shall be fully aware of and comply with the Company's rules of procedure, ensuring the smooth progression of the agenda and not arbitrarily declaring the meeting adjourned.

To protect the rights of the majority shareholders, in the event that the Chair violates the rules of procedure and declares the meeting adjourned, other members of the Board of Directors shall promptly assist the attending shareholders in electing a new Chair in accordance with statutory procedures and resuming the proceedings; the election shall be approved by a majority of the voting rights represented by the attending shareholders.

Article 10 (TWSE/TPEx listed companies shall prioritize the right to know of shareholders and take measures to prevent insider trading)

The Company values shareholders' right to information and strictly complies with relevant regulations on information disclosure. The Company shall frequently and promptly provide information to shareholders regarding its financial status, business operations, insider shareholdings, and corporate governance through the Market Observation Post System or the Company's website.

To ensure equal treatment of shareholders, the aforementioned information shall be disclosed simultaneously in English

To protect shareholders' rights and ensure equal treatment of shareholders, the Company shall establish internal regulations to prevent insider trading by individuals within the Company.

The aforementioned regulations shall include measures to control stock transactions by company insiders from the date they become aware of the Company's financial reports or related performance information. These measures shall include, but are not limited to, prohibiting directors from trading their stocks during the 30 days prior to the annual financial report announcement and the 15 days prior to the quarterly financial report announcement.

Article 11

Shareholders shall be entitled to a share of the Company's profits. To protect shareholders' investment rights, the shareholders' meeting may, in accordance with Article 184 of the Company Act, examine the statements prepared by the Board of Directors and the report submitted by the Audit Committee, and

resolve on the distribution of profits or the offsetting of losses. When conducting the aforementioned examination, the shareholders' meeting may appoint an inspector.

In accordance with Article 245 of the Company Act, shareholders may petition the court to appoint an inspector to examine the Company's business operations, accounting books, property status, specific matters, specific transaction documents and records.

The Board of Directors, the Audit Committee, and the managers of the company shall fully cooperate with the inspection operations of the inspectors mentioned in the preceding two paragraphs, and shall not evade, obstruct, or refuse.

Article 12

The Company shall handle significant financial and business activities such as the acquisition or disposal of assets, lending funds, and endorsements or guarantees in accordance with relevant laws and regulations. Furthermore, the Company shall establish relevant operational procedures and submit them to the shareholders' meeting for approval to safeguard shareholders' interests.

When engaging in mergers, acquisitions, or public tender offers, in addition to complying with relevant laws and regulations, the Company shall pay attention to the fairness and reasonableness of the merger, acquisition, or public tender offer plans and transactions. The Company shall also ensure proper information disclosure and the subsequent soundness of the Company's financial structure.

When the Company's management or major shareholders participate in a merger or acquisition, the members of the Audit Committee reviewing the merger or acquisition shall comply with Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. They shall not be related parties to or have interests with the counterparty of the merger or acquisition that could affect their independence. Whether the design and execution of relevant procedures comply with applicable laws and regulations, and whether information is fully disclosed in accordance with relevant laws, shall be addressed in a legal opinion issued by an independent attorney.

The qualifications of the attorney mentioned in the preceding paragraph shall comply with Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The attorney shall not be a related party to the counterparty of the merger or acquisition, nor have any interest that could affect their independence.

Personnel handling matters related to mergers or public acquisitions for the company shall be mindful of conflicts of interest and avoid such situations.

Article 13

To safeguard shareholder rights, the Company shall designate personnel specifically responsible for addressing shareholder suggestions, inquiries, and disputes.

In cases where resolutions of the shareholders' meeting or Board of Directors violate laws, regulations, or the Company's Articles of Incorporation, or where directors or managers violate laws, regulations or the Company's Articles of Incorporation in performing their duties, resulting in damage to shareholders' rights and interests, the Company shall appropriately handle lawsuits filed by shareholders in accordance with the law.

Section 2 Establishing a Mechanism for Interaction with Shareholders

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

The Board of Directors is responsible for establishing a mechanism for interaction with shareholders to enhance mutual understanding of the Company's goals and development.

Article 13-2 (Efficient communication with shareholders to gain their support)

In addition to communicating with shareholders through shareholders' meetings and encouraging shareholder participation, the Company's Board of Directors shall efficiently engage with shareholders, collaborate with managers and independent directors to understand shareholders' opinions and concerns, and clearly explain company policies to gain shareholder support.

Section 3 Corporate Governance Relationships Between the Company and Related Parties

Article 14

The Company shall clearly identify the objectives and the division of authority and responsibility between itself and affiliated enterprises regarding the management of personnel, assets, and financial matters, and shall properly carry out risk assessments and implement suitable firewalls.

Article 15

Unless otherwise stipulated by law or with prior approval from the Company, managers of the Company shall not concurrently hold managerial positions in affiliated enterprises.

Directors shall provide a comprehensive explanation of their actions to the shareholders' meeting and seek its approval for any actions taken by themselves or others within the Company's business operations.

Article 16

The Company shall establish sound management objectives and systems for finance, operations, and accounting in accordance with relevant laws and regulations. Together with its affiliated enterprises, the Company shall also conduct comprehensive risk assessments on major banks, customers, and suppliers with which it conducts business, and implement necessary control mechanisms to reduce credit risk.

Article 17

In situations where our company engages in financial transactions or dealings with related parties and shareholders, it is essential to establish written guidelines for the financial operations between them. These guidelines should be based on the principles of fairness and reasonableness. For contract matters, the price terms and payment methods shall be clearly specified, and irregular transactions and improper transfer of benefits shall be strictly prohibited.

The content of the written regulations referred to in the preceding paragraph shall include management procedures for transactions such as sales and purchases, acquisition or disposal of assets, lending of funds, and endorsements or guarantees. Furthermore, relevant material transactions shall be submitted to the Board of Directors for resolution and approval, presented to the shareholders' meeting for consent, or reported in accordance with relevant provisions.

Article 18

Corporate shareholders with controlling power over the Company shall comply with the following provisions:

I. Corporate shareholders shall uphold a duty of good faith towards other shareholders and shall not directly or indirectly cause the Company to engage in operations that are irregular or detrimental.

II. Representatives of corporate shareholders shall comply with the relevant regulations established by the Company regarding the exercise of rights and participation in resolutions. When attending shareholders' meetings, the representatives shall exercise voting rights based on the principles of good faith and the best interests of all shareholders, and shall faithfully fulfill the duties of loyalty and due care of a director.

III. The nomination of company directors shall be conducted in accordance with relevant laws and the Company's Articles of Incorporation, and shall not exceed the bounds of authority granted by the shareholders' meeting and the Board of Directors.

IV. Improper interference with company decisions or obstruction of business activities is prohibited.

V. Restricting or hindering the Company's production and operations through unfair competition methods such as monopolizing procurement or closing sales channels is prohibited.

VI. The corporate representative appointed as a director should possess the professional qualifications required by the Company and shall not be arbitrarily reassigned.

Article 19

The Company shall retain at all times a register of major shareholders who own a significant proportion of shares and have controlling power over the Company, as well as the ultimate controllers of these major shareholders.

The Company shall regularly disclose important matters related to shareholders holding more than ten percent of the shares, such as the pledging, increasing, or decreasing of company shares, or other events that may cause changes in shareholding, to enable supervision by other shareholders.

The term "major shareholder" refers to a shareholder who holds more than five percent of the Company's shares.

Chapter 3 Strengthening Board Functions

Section 1 Structure of the Board of Directors

Article 20 (Overall competencies of the Board of Directors)

The Board of Directors of the Company shall provide guidance on corporate strategy, oversee management, and be accountable to the Company and its shareholders. The various operations and arrangements of the corporate governance system shall ensure that the Board of Directors exercises its powers in accordance with laws and regulations, the Company's Articles of Incorporation, or resolutions of the shareholders' meetings.

The board structure of the Company shall be determined based on the scale of the Company's business development and the shareholding situation of major shareholders, taking into consideration practical operational needs, and shall consist of at least five appropriate director seats.

The composition of the Board of Directors shall take into account diversity. In addition to ensuring that the number of directors who concurrently serve as managers of the Company does not exceed one-third of the total number of director seats, the Board shall formulate appropriate diversity guidelines based on its own operations, business model, and development needs. These guidelines should include, but not be limited to, standards encompassing the following two key aspects:

I. Basic criteria and values: Gender, age, nationality, and culture.

II. Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Board members should have the knowledge, skills, and qualities required to fulfill their responsibilities. To achieve the desired objectives of corporate governance, the Board of Directors should possess the following capabilities:

I. Capabilities of operational judgment.

II. Capabilities of accounting and financial analysis.

III. Capabilities of operations management.

IV. Capabilities of crisis handling.

V. Industrial knowledge.

VI. International market outlooks.

VII. Leadership skills.

VIII. Decision-making capabilities.

Article 21

The Company shall establish a fair, just, and transparent director selection process, adhering to the principles of safeguarding shareholder rights and ensuring equal treatment of shareholders. This process shall encourage shareholder participation and employ a cumulative voting system in accordance with the Company Act, ensuring comprehensive representation of shareholder opinions.

Unless approved by competent authorities, more than half of the seats on the Board of Directors of the Company shall not be held by individuals who have a spousal or second-degree familial relationship with each other.

In the event that directors are dismissed for any reason, resulting in fewer than five remaining directors, the Company shall hold a by-election at the next shareholders' meeting to fill the vacant positions. If the number of vacancies on the Board of Directors reaches one-third of the number of seats specified in the Articles of Incorporation, the Company must convene an extraordinary shareholders' meeting within sixty days of the occurrence to appoint a replacement.

The aggregate shareholding percentage of all directors on the Company's Board of Directors shall comply with the requirements stipulated by law. Any restrictions on the transfer of directors' shares, the establishment or release of pledges, and any changes shall be handled in accordance with relevant regulations, and all information shall be fully disclosed.

Article 22 (Election of directors by candidate nomination system as stipulated in the Articles of Incorporation)

In accordance with the regulations of competent authorities, the Company has stipulated in its Articles of Incorporation that the election of directors shall adopt a candidate nomination system. The Company shall carefully evaluate the qualifications of the nominated candidates and whether they are subject to any of the circumstances listed in Article 30 of the Company Act; the nomination process shall be conducted in compliance with Article 192-1 of the Company Act.

Article 23 (The Board of TWSE/TPEx listed companies shall clearly define the authorization and responsibilities of functional committees, the Chairman, and the President)

The responsibilities of the Company's Chairperson and President shall be clearly delineated. The positions of Chairperson and President, or their equivalents, should not be held by the same individual. If the Chairperson and the President are the same person, spouses, or first-degree relatives, the number of independent directors should be increased.

The Company shall clearly define the responsibilities of any functional committee it establishes.

Section 2 Independent Director System

Article 24 (A TWSE/TPEx listed company shall appoint independent directors in accordance with its Articles of Incorporation)

According to the Articles of Incorporation, the Company shall appoint two or more independent directors. Independent directors shall constitute no less than one-third of the board, and each may serve a maximum of three consecutive terms.

Independent directors shall possess professional knowledge, and their shareholdings shall be subject to restrictions. In addition to complying with relevant laws and regulations, they shall not concurrently serve as directors (including independent directors) or supervisors of more than five TWSE/TPEx listed companies. Within the scope of their duties, independent directors shall maintain independence and shall not have any direct or indirect interest in the Company.

The Company, its affiliated enterprises and organizations, and other companies and their affiliated enterprises and organizations may nominate each other's directors, supervisors, or managers as candidates for independent directors. Upon receiving the nomination, the Company shall disclose these nominations and provide a statement on the suitability of the nominated independent director candidate. The number of votes received shall be disclosed when an independent director is elected.

The aforementioned term "affiliated enterprises and organizations" refers to the scope that applies to the Company's subsidiaries, foundations to which the Company has made direct or indirect donations totaling more than fifty percent of the funds, and other institutions or legal entities with substantial control.

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

The professional qualifications, shareholding and concurrent position restrictions, determination of independence, nomination procedures, and other matters to be complied with regarding independent directors shall be handled in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and TWSE regulations.

Article 25

In accordance with the Securities and Exchange Act, the Company shall submit the following matters for resolution by the Board of Directors; if independent directors have any objections or reservations, they should be recorded in the minutes of the board meeting.

I. Formulation or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.

II. Adoption or amendment, in accordance with Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.

III. Matters bearing on the personal interest of directors.

IV. Material assets or derivatives trading.

V. Material loaning of funds, and provision of endorsements/guarantees.

VI. Offering, issuance or private placement of any equity securities.

VII. Appointment, discharge or compensation of attesting CPAs.

VIII. Appointment or discharge of a finance manager, accounting manager or head of internal audit.

IX. Other significant matters set forth by competent authorities.

Article 26

The Company shall clearly define the scope of responsibilities for independent directors and provide them with the necessary human and material resources to exercise their duties. The Company, or other members of the Board of Directors, shall not obstruct, refuse, or evade the execution of duties by independent directors

The remuneration of directors in our company is clearly stipulated in accordance with relevant laws and regulations. It should fully reflect individual performance and the long-term operational performance of the company, while also considering the overall business risks. Reasonable remuneration for independent directors shall be determined differently from that of general directors.

Section 3 Functional Committees

Article 27

To enhance its supervisory function and strengthen management capabilities, the Board of Directors may establish various functional committees such as the Audit Committee, Remuneration Committee, or other functional committees, taking into consideration the Company's size, nature of business, and the number of board members. Furthermore, based on the concepts of corporate social responsibility and sustainable operations, the Board may also establish relevant functional committees. The establishment of such committees shall be clearly stipulated in the Company's Articles of Incorporation.

Functional committees shall be accountable to the Board of Directors and submit their proposals to the Board for resolution. However, the Audit Committee, which exercises the supervisory powers outlined in Article 14-4, Paragraph 4 of the Securities and Exchange Act, shall be exempt from this limitation.

Functional committees shall establish organizational regulations, which shall be effective upon resolution by the Board of Directors. Contents of the organizational regulations shall include the number of committee members, their terms, scope of authority, rules of procedure, and resources provided by the Company in the exercise of committee duties.

Article 28

The Company has established an Audit Committee.

The Audit Committee shall be composed of all independent directors, with no fewer than three members. One member shall serve as the Convener and at least one must have expertise in accounting or finance.

The exercise of powers and related matters of the Audit Committee and its independent director members shall be handled in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and TWSE regulations.

Article 28-1

The Company has established a Compensation Committee, with over half of its members to be appointed by independent directors. The qualifications of the members, the exercise of their powers, the establishment of organizational regulations, and other related matters shall be handled in accordance with the provisions of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on TWSE/TPEx."

Article 28-2 (Whistleblowing system)

The Company shall establish and announce whistleblowing channels for both internal and external personnel, and create a whistleblower protection system. The receiving unit shall be independent and ensure the confidentiality of files provided by whistleblowers, with appropriate restrictions on access rights.

Article 29

To improve the financial reporting quality, the Company has appointed a proxy for the accounting manager.

The aforementioned proxy of the accounting manager shall undergo continuous annual training, similar to the accounting manager, to enhance their professional capabilities.

The Company shall select professional, responsible, and independent certified public accountants (CPAs) to regularly audit the Company's financial status and internal controls. The Company shall thoroughly review and improve upon any abnormalities or deficiencies timely discovered and disclosed by the CPAs during the audit process, as well as any specific recommendations for improvement or fraud prevention. The Company shall also establish communication channels or mechanisms between the Audit Committee and the CPAs.

The Company shall refer to the Audit Quality Indicators (AQIs) on a regular basis, at least once a year, to evaluate the independence and suitability of the appointed accountants. If the Company has not changed its accountant for seven consecutive years, or if the accountant has been subject to disciplinary action or has compromised independence, the Company shall assess the necessity of changing the accountant and report the assessment results to the Board of Directors.

Article 30

The Company may engage qualified lawyers as necessary to provide appropriate legal consultation services, or to assist the Board of Directors and management in enhancing their legal literacy. This shall help prevent the Company and relevant personnel from violating laws and regulations, and ensure that corporate governance operations function within the relevant legal framework and statutory procedures.

When directors or management personnel encounter litigation or disputes with shareholders in the course of their duties, the Company shall seek the assistance of lawyers as necessary.

The Audit Committee or its independent director members may, on behalf of the Company, appoint lawyers, accountants, or other professionals to conduct necessary audits or provide consultations on matters related to the exercise of its duties; the costs incurred shall be borne by the Company.

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

Article 31

The Board of Directors shall convene at least once every quarter and may hold additional meetings as necessary. A notice clearly stating the purpose of the meeting shall be given to all directors seven days in advance; it shall also include all necessary meeting materials. If the meeting materials are insufficient, directors have the right to request additional information or postpone the deliberation of such proposal by a resolution of the Board of Directors.

The Company has established the "Rules of Procedure for Board of Directors Meetings"; its primary content, which include the main agenda items, operational procedures, matters to be recorded in the minutes, public announcements, and other compliance requirements, shall be handled in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 32

Directors shall maintain a high level of self-discipline. If a director or a juristic person that the director represents is an interested party in relation to an agenda item, they must disclose the key details of the interest relationship at the board meeting. If the conflict could harm the Company's interests, the director shall abstain from discussing or voting on the item, and they may not exercise voting rights as proxy for another director.

Matters for which directors should recuse themselves shall be clearly stipulated in the Rules of Procedure for Board of Directors Meetings.

Article 33

For matters to be submitted to the Board of Directors in accordance with Article 14-3 of the Securities and Exchange Act, independent directors shall attend board meetings in person and shall not delegate non-independent directors to attend as proxy. If an independent director has any objections or reservations, they shall be recorded in the minutes of the board meeting. If the independent director is unable to attend the board meeting in person to express their objections or reservations, they shall, provide a written opinion in advance, unless there are valid reasons not to do so. These written opinions shall also be included in the board meeting minutes.

If any of the following circumstances occur in a Board of Directors' resolution, in addition to recording it in the meeting minutes, it should also be publicly announced and declared on the Market Observation Post System by two hours before the start of trading on the next business day following the board meeting:

I. If independent directors hold dissenting or reserved opinions, which are recorded or stated in writing.

II. Matters not approved by the Audit Committee shall be approved by at least two-thirds of all the Directors.

During board meetings, relevant departments may be notified based on the content of the agenda. Managers who are not board members may attend the meeting to report on the current business status of the Company and answer questions from the directors. When necessary, accountants, lawyers, or other professionals may be invited to attend meetings to assist the directors in understanding the current situation of the Company and making appropriate decisions, provided that they leave the meeting when deliberation or voting takes place.

Article 34

Recording personnel of the Company’s board meetings shall accurately record the meeting minutes and the summaries, methods, and results of the deliberations and resolutions of each proposal in accordance with relevant regulations.

The minutes of board meetings must be signed or stamped by the Chairperson and the recorder, and be distributed to all directors within 20 days after the meeting. The attendance book of board meetings shall also be filed as important company records and appropriately preserved for the duration of the Company's existence.

The meeting minutes may produced, distributed, and retained in electronic form.

The Company shall document the entire meeting process of the Board of Directors by recording it in audio or video format. These recordings shall be archived for a minimum of five years and may be stored electronically.

If a lawsuit related to matters of the Board of Directors occurs before the expiration of the aforementioned retention period, relevant audio or video recordings shall continue to be retained, and the provisions of the preceding paragraph shall not apply.

For board meetings held via video conference, the audio and video recordings of the meeting shall be considered part of the meeting minutes and must be permanently preserved.

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 damage to the Company, dissenting directors whose dissent can be proven by minutes or written statements shall not be liable for the damages.

Article 35

The Company's Board of Directors shall discuss the following matters:

I. The Company's business plan.

II. Annual and semi-annual financial reports. However, this does not apply to semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).

III. Formulation or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act, and assessment of the effectiveness of the internal control system.

IV. Adoption or amendment, in accordance with Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.

V. Offering, issuance or private placement of any equity securities.

VI. Performance evaluation and compensation standards for managers.

VII. The structure and system of director's remuneration.

VIII. Appointment or discharge of a finance manager, accounting manager or head of internal audit.

IX. Donations to related parties or significant donations to unrelated parties. However, in the case of donations made for urgent disaster relief, which have a charitable nature, they may be submitted for retroactive approval at the next board meeting.

X. Other matters that require a resolution by the shareholders' meeting or the Board of Directors, or material matters specified by the competent authority, in accordance with Article 14-3 of the Securities and Exchange Act, or as stipulated by laws, regulations, or the Company's Articles of Incorporation.

In addition to the aforementioned matters that should be submitted for deliberation by the Board of Directors, during the recess of board meetings, if the Board authorizes others to exercise the power of the Board in accordance with laws, regulations, or the Company's Articles of Incorporation, the levels of delegation, content or matters of authorization shall be concrete and specific; the Board of Directors shall avoid general grants of authority.

Article 36

The Company shall clearly assign the matters resolved by the Board of Directors to the appropriate implementation units or personnel, requiring execution according to the planned schedule and objectives. Simultaneously, these matters shall be included in the tracking and management process to ensure a comprehensive evaluation of their execution.

The Board of Directors shall fully grasp the progress of implementation and report at the next meeting to ensure that its business decisions are effectively carried out.

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

Article 37 (Board members should faithfully perform their duties and exercise the duty of care of a good manager.)

Members of the Board of Directors shall faithfully execute their duties and exercise the duty of care of good administrators, wielding their authority with a high degree of self-discipline and prudence. In executing company operations, except for matters that must be resolved by the shareholders' meeting as stipulated by law or the Company's Articles of Incorporation, the Directors shall ensure strict adherence to the resolutions of the Board of Directors.

The Company shall establish regulations and procedures for evaluating the performance of the Board of Directors. In addition to conducting an annual self-evaluation of the Board as a whole and individual directors, the Company may also engage external professional institutions or employ other methods to carry out evaluations. The content of the Board performance evaluation shall include the following aspects, and appropriate indicators shall be established in consideration of the Company's needs:

I. Participation in the operation of the Company.

II. Improvement in the quality of the Board's decision-making.

III. Composition and structure of the Board.

IV. Election and continuing education of directors.

V. Internal control.

The performance evaluation of Board members shall include the following criteria and be adjusted appropriately based on the Company’s needs:

I. Understanding of the goals and missions of the Company.

II. Awareness of the duties of directors.

III. Participation in the operation of the Company.

IV. Management of internal relationship and communication.

V. Professionalism and continuing education of directors.

VI. Internal control.

The Company shall evaluate the performance of functional committees using the following criteria, which shall be adjusted appropriately to the Company’s needs:

I. Participation in the operation of the Company.

II. Awareness of the duties of functional committees.

III. Improvement in the quality of decision-making by functional committees

IV. Composition of functional committees, and election and appointment of committee members.

V. Internal control.

The Company shall report the results of the performance evaluation to the Board of Directors and utilize them as reference in considering the structure or composition of the Board.

Article 37-1

The Company is advised to establish a succession plan for management positions, with the development and implementation to be regularly evaluated by the Board of Directors to ensure sustainable operations.

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

The Board of Directors is advised to evaluate and monitor the management direction and performance of the Company's intellectual property, ensuring the establishment of an intellectual property management system in accordance with the Plan-Do-Check-Act cycle:

I. Develop regulatory policies, goals, and systems for intellectual property that align with operational strategies.

II. Establish, implement, and maintain management systems for the acquisition, protection, maintenance, and utilization of intellectual property according to scale and type.

III. Determine and allocate resources necessary for effective implementation and maintenance of the intellectual property management system.

IV. Monitor and address internal and external risks or opportunities associated with intellectual property management.

V. Plan and implement continuous improvement mechanisms to ensure the proper functioning and performance of the intellectual property management system.

Article 38

If a resolution of the Board of Directors violates laws or the Company's Articles of Incorporation, and shareholders holding shares for more than one year or independent directors request or notify the Board to cease the execution of such resolution, the Board members shall promptly address or cease the execution of the relevant resolution.

If a member of the Board of Directors discovers that the Company is at risk of significant harm, they shall act in accordance with the preceding provisions and immediately report

to the Audit Committee or its independent directors.

Article 39

During the term of a director, the Company shall obtain liability insurance to cover the compensation responsibilities arising from their business execution as required by law. This is to mitigate and distribute the risk of significant harm to the Company and its shareholders caused by errors or negligent actions of the directors.

After obtaining or renewing liability insurance for directors, the Company shall report the insurance amount, coverage, premium rates and other major contents to the next board meeting.

Article 40

At the time of their appointment or during their term, Board members shall participate in training courses

organized by designated institutions on corporate governance topics such as finance, risk management, business,

commerce, accounting, law, or corporate social responsibility, and ensure that employees at all levels enhance

their professional and legal knowledge.

Chapter 4 Respecting Stakeholders' Rights

Article 41 (A TWSE/TPEx listed company shall maintain communication with stakeholders and safeguard their rights and interests)

The Company is advised to maintain open communication channels with banks, other creditors, employees, consumers, suppliers, communities, and other stakeholders, respecting and safeguarding their legitimate rights and interests, and to establish a stakeholder section on the Company's website.

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

Article 42

Sufficient information shall be provided to banks and other creditors to enable them to make informed judgments and decisions

regarding the Company's operations and financial status. When the Company's legitimate rights and interests are violated, it shall take a proactive approach in

responding and taking responsibility, as well as ensuring creditors have appropriate means for compensation.

Article 43

The Company shall establish communication channels for employees, encourage direct communication with management or the Board of Directors, and appropriately reflect employees' opinions on the Company's operations, financial status, or major decisions affecting their interests.

Article 44

While maintaining normal business development and maximizing shareholder interests, the Company shall also focus on consumer rights, community environmental protection, and public welfare, and emphasize corporate social responsibility.

Chapter 5 Improving Information Transparency

Section 1 Enhancing Information Disclosure

Article 45

Information disclosure is a key responsibility of the Company. The Company shall faithfully fulfill its obligations in accordance with relevant laws and regulations, as well as the requirements of TWSE and TPEx.

The Company shall announce and declare the annual financial statements within two months after the end of the fiscal year, and shall announce and declare the financial statements for the first, second, and third quarter, as well as monthly operating results, before the specified deadlines.

The Company will set up an online reporting system, assign personnel for information disclosure, and implement a spokesperson system to ensure timely and appropriate information disclosure for shareholders and stakeholders, supporting their decision-making.

Article 46

To enhance the accuracy and timeliness of major information disclosures, the Company shall appoint a spokesperson and acting spokesperson(s) who thoroughly understand the Company's finances and operations, can coordinate information from various departments, and can represent the Company independently.

The Company shall appoint at least one acting spokesperson. If the primary spokesperson is unable to perform their duties, any acting spokesperson should also be able to represent the Company independently. However, the order of deputies should be clearly established to avoid confusion.

In order to implement the spokesperson system, the Company is advised to establish a unified speaking procedure and require management and employees to keep financial and business information confidential, prohibiting unauthorized dissemination of information.

In the event of any changes to the spokesperson or acting spokesperson, information should be promptly disclosed.

Article 47

The Company has set up a website to provide financial, business, and corporate governance information for shareholders and stakeholders. Moreover, English versions of financial, corporate governance, and other relevant information have also been made available.

The aforementioned website shall be maintained by dedicated personnel, and listed information shall be accurate and promptly updated to avoid

any potential misguidance.

Article 48

The Company shall hold corporate briefings in accordance with TWSE regulations and shall retain their records in the form of audio or video recordings. Financial and business information from corporate briefings shall be entered into the Market Observation Post System in accordance with TWSE regulations and made available for inquiry through the Company's website or other appropriate channels.

Section 2 Corporate Governance Information Disclosure

Article 49 (Disclosure of corporate governance information)

The Company's website features a regularly updated corporate governance section disclosing information regarding:

I. Board of Directors: Profiles of Board members, their powers and responsibilities, as well as the board diversity policy and its implementation.

II. Functional committees: Committee members' profiles, powers, and responsibilities.

III. Company governance regulations: The Company's Articles of Incorporation, Rules of Procedure for Board of Directors Meetings, and the organizational rules of functional committees.

IV. Important corporate governance information regarding: Such as the appointment of a corporate governance officer, etc.

Chapter 7 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

These principles hereof come into force after being ratified in board meetings, and the same shall apply to any revisions.

Article 52

These principles were enacted on May 11, 2023.