

CATCHER TECHNOLOGY CO., LTD.

Corporate Governance Best Practice Principles

Chapter 1 General Principles

Article 1 To establish a sound corporate governance system, Catcher Technology Co., Ltd. (hereinafter, "the Company") formulates its corporate governance principles with reference to Corporate Governance Best Practice Principles (hereinafter, the "Principle") jointly adopted by Taiwan Stock Exchange Corporation (TWSE) and Taipei Exchange (TPEX).

Article 2 In addition to complying with relevant laws, regulations, and contracts signed with the TWSE or TPEX as well as other relevant matters as prescribed, the Company shall establish its corporate governance system in pursuance of the following principles:

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

Article 3 The Company shall follow the Regulations Governing Establishment of Internal Control Systems by Public Companies and take into consideration the overall operating activities of itself and its subsidiaries to design and fully implement an internal control system. The Company shall also conduct reviews of the system at anytime, in order to ensure the consistent effectiveness of its design and implementation in response to changes in the internal and external environments.

The Company shall perform full self-assessments of its internal control system. Its board of directors and management shall also review the results of the self-assessment by each department at least annually and the reports of the internal audit department on a quarterly basis. The audit committee shall also attend to and supervise these matters.

Directors shall hold discussions periodically with internal auditors to review the deficiencies of the internal control system. The discussions shall be recorded and preserved, followed up with implementation and improvement, and presented in the board of directors.

The Company is advised to establish communication channels and mechanisms between its independent directors, the audit committee and

chief auditor.

The Company's management shall pay special attention to the internal audit department, empower its personnel with sufficient authorization, and urge them to effectively examine and evaluate the internal control system as well as the operating efficiency. This is to ensure that the system can operate effectively on an on-going basis while to assist the board of directors and the management to fulfill their duties to achieve corporate governance.

Appointment, dismissal, evaluation and review, and determination of salary and compensation of the Company's internal auditors shall be approved by either the board of directors or the chairperson, applied by the chief auditor.

Article 4 The Company is advised to have an adequate number of corporate governance personnel with appropriate qualifications based on the Company's scale and scope of business and pertinent needs, and appoint a Chief Corporate Governance Officer in charge of related relevant matters. The Chief Corporate Governance Officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years handling legal affairs, compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs in a securities, financial, or futures related institution or a public company.

It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:

1. Handling matters relating to board meetings and shareholders' meetings according to law
2. Producing minutes of board meetings and shareholders' meetings
3. Assisting in onboarding and continuous development of directors
4. Furnishing information required for business execution by directors
5. Assisting directors with legal compliance
6. Other matters set out in the articles of incorporation or contracts

Chapter 2 Protection of Shareholders' Rights and Interests

Section 1 Encouraging Shareholders to Participate in Corporate Governance

Article 5 The Company's corporate governance system shall be designed to protect shareholders' rights and interests and treat all shareholders equitably.

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

- Article 6 The Company shall convene shareholders' meetings in accordance with the Company Act and relevant laws and regulations and provide comprehensive rules for such meetings. The Company shall faithfully implement resolutions adopted by shareholders' meetings in accordance with rules of procedure. Resolutions adopted by shareholders' meetings of the Company shall comply with laws, regulations and articles of incorporation.
- Article 7 The Company's board of directors shall properly arrange the agendas and procedures for shareholders' meetings and formulate the principles and procedures for shareholders to nominate directors and submit proposals. The board shall also properly handle the proposals duly submitted by shareholders. The arrangements shall be made to hold shareholders' meetings conveniently, with sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.
- For a shareholders' meeting called by the board of directors, it is advisable that the Company's chairperson chair the meeting, that a majority of the directors (including at least one independent director) and convener of the audit committee (or at least one member of the audit committee), attend in person as a representative. Attendance details shall be recorded in the shareholders' meeting minutes.
- Article 8 The Company shall actively encourage its shareholders to participate in corporate governance. The Company shall engage a professional shareholder services agent to handle shareholders' meeting matters so that shareholders' meetings can proceed on a legal, effective and secure basis. The Company shall seek all ways and means, including fully exploiting technologies for information disclosure, to upload annual reports, annual financial statements, notices, agendas and supplementary information of shareholders' meetings in both Chinese and English concurrently, and shall adopt electronic voting, in order to enhance shareholders' attendance rates at shareholders' meetings and ensure their exercise of rights at such meetings in accordance with laws. The Company is advised to avoid raising extraordinary motions and amendments to original proposals at a shareholders' meeting.

The Company is advised to, following the conclusion of the meeting, enter the voting results the same day, namely the numbers of votes cast for and against as well as the number of abstentions, on the Market Observation Post System (MOPS).

- Article 9 The Company, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders' meeting minutes the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of directors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected directors.
- The shareholders' meeting minutes shall be properly and perpetually kept by the Company during its legal existence, and shall be sufficiently disclosed on the Company's website.
- Article 10 The chairperson of the shareholders' meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders' meetings established by the Company. The chairperson shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at will. In order to protect the interests of most shareholders, if the chairperson declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders' meetings, it is advisable for the members of the board of directors other than the chairperson of the shareholders' meeting to promptly assist the attending shareholders at the shareholders' meeting in electing a new chairperson of the shareholders' meeting to continue the proceedings of the meeting, by a resolution adopted by more than half of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.
- Article 11 The Company shall place high importance on the shareholders' rights to know and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on the Company's financial conditions, operations, insider shareholdings, and corporate governance status through the MOPS or its website.
- To protect its shareholders' rights and interests and ensure their equal treatment, the Company shall adopt internal rules prohibiting its insiders from trading securities using information not disclosed to the market.

Article 12 The shareholders shall be entitled to profit distributions by the Company. In order to ensure the investment interests of shareholders, the shareholders' meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee, and may decide profit distributions or deficit off-setting plans by resolution. In order to proceed with the above examinations, the shareholders' meeting may appoint an inspector. Pursuant to Article 245 of the Company Act, the shareholders may apply with the court to select an inspector in examining the accounting records, assets, particulars, documents, and records of specific transactions of the Company. The Company's board of directors, audit committee, and managers shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any circumvention, obstruction, or rejection.

Article 13 In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders' meeting so as to protect the interests of the shareholders.

When the Company is involved in a merger, acquisition or public tender offer, in addition to proceeding in accordance with the applicable laws and/or regulations, it shall pay attention to not only the fairness, rationality and so forth of the plan and transaction of the merger, acquisition or public tender offer but also information disclosure and the soundness of the Company's financial structure post the transaction.

The relevant personnel of the Company handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflict of interest and the need for recusal.

Article 14 In order to protect the interests of the shareholders, it is advisable that the Company designate personnel exclusively dedicated to handling shareholders' proposals, inquiries, and disputes.

The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that the shareholders' rights and interests were damaged by a resolution adopted at a shareholders' meeting or a board of

directors meeting in violation of applicable laws, regulations, or the Company's articles of incorporation, or that a breach of applicable laws, regulations or the Company's articles of incorporation caused such damage by any directors or managers in performing their duties.

Section 2 Establishing a Mechanism for Interactions with Shareholders

Article 15 The Company's board of directors is responsible for establishing a mechanism for interactions with shareholders to enhance mutual understanding of the development of the Company's objectives.

Article 16 In addition to communicating with shareholders through shareholders' meetings and encouraging shareholders to participate in such meetings, the board of directors of the Company together with officers and independent directors shall engage with shareholders efficiently to ascertain shareholders' views and concerns and expound the Company's policies explicitly, in order to gain shareholders' support.

Section 3 Corporate Governance Relationships Between the Company and Its Affiliated Enterprises

Article 17 The Company shall clearly identify the objectives and the division of authority and responsibility between itself and its affiliated enterprises with respect to the management of personnel, assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.

Article 18 Unless otherwise provided by the laws and regulations, a manager of the Company may not serve as a manager of its affiliated enterprises.
A director who engages in any transaction for himself or on behalf of another person within the Company's scope of operations shall explain the major content of such actions to the shareholders' meeting and obtain its consent.

Article 19 The Company shall establish sound objectives and systems for management of finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with and customers and suppliers and implement the necessary control mechanisms to reduce credit risk.

Article 20 When the Company and its affiliated enterprises enter into inter-Company

business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fairness and reasonableness, and non-arm's length transactions shall be prohibited.

All transactions made by and between the Company and its related parties and shareholders shall follow the principles outlined in the preceding paragraph, and improper channeling of profits is strictly prohibited.

- Article 21 A corporate shareholder having controlling power over the Company shall comply with the following provisions:
1. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the Company to conduct any business which is contrary to normal business practice or not profitable.
 2. Its representatives shall follow the rules implemented by its Company with respect to the exercise of rights and participation of resolution so that at a shareholders' meeting, the representative shall exercise their voting rights in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director.
 3. It shall comply with relevant laws, regulations and the articles of incorporation of the Company in nominating directors and shall not act beyond the authority granted by the shareholders' meeting or board of directors meeting.
 4. It shall not improperly intervene in corporate policy-making or obstruct corporate operating activities.
 5. It shall not restrict or impede the production or operations of the Company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.
 6. The representative designated when a corporate shareholder has been elected as a director shall meet the Company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.

- Article 22 The Company shall retain at all times a register of major shareholders who own a relatively high percentage of shares, who have controlling power over the Company, and who have ultimate control over major shareholders.
- The Company shall periodically disclose important information about its shareholders holding more than 10 percent of the Company's outstanding

shares relating to the pledge, increase or decrease of share ownership, or other matters that may trigger a change in the ownership of their shares.

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

Chapter 3 Enhancing the Functions of the Board of Directors

Section 1 Structure of the Board of Directors

Article 23 The Company's board of directors shall direct the Company's strategies, supervise the management, and be responsible to the Company and its shareholders. The various procedures and arrangements of the Company's corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders' meetings.

The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, considering its business scale, the shareholdings of its major shareholders, and practical operations.

The composition of the board of directors shall be determined in consideration of diversity. It is advisable that directors concurrently serving as the Company's managers not exceed one-third of the total number of the board members and that an appropriate policy on diversity based on the Company's business operations, operating dynamics and development be formulated and includes, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (for instance, law, accounting, industry, finance, marketing, technology), skills, and industry experience.

All board members shall have the knowledge, skills, and experience required to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

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

7. Ability to lead.
8. Ability to make policy decisions.

Article 24 The Company shall, according to the principles for the protection of shareholders' rights and interests and equitable treatment of shareholders, establish a fair, just, and open procedure for the election of directors, encourage shareholders' participation and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' opinions. Unless the competent authority otherwise approves, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.

When the number of directors falls below five due to the discharge of a director for any reason, the Company shall hold a by-election for the director at the following shareholders' meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the Company shall convene a special shareholders' meeting within 60 days of the occurrence of that fact for a by-election for director(s).

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

Article 25 The Company is advised to specify in its articles of incorporation that it adopts the candidate nomination system for elections of directors, carefully reviewing the qualifications of a nominated candidate and the existence of any other matters outlined in Article 30 of the Company Act and acting in accordance with Article 192-1 of the Company Act.

Article 26 Clear distinctions shall be drawn between the responsibilities and duties of the Company's chairperson and those of its general manager.

The Company with a functional committee shall clearly define the responsibilities and duties of the committee.

Section 2 Independent Director System

Article 27 The Company shall appoint independent directors in accordance with its articles of incorporation. They shall be not less than three in number and not less than one-fifth of the total number of directors.

Independent directors shall possess professional knowledge, and their shareholdings shall be restricted. Applicable laws and regulations shall be observed, and, in addition, an independent director shall not hold office concurrently as a director (including the independent director) or supervisor of more than five other TWSE/TPEX listed companies. Independent directors shall also maintain independence within the scope of their directorial duties and may not have any direct or indirect interest in the Company.

When the Company and its group enterprises and organizations, and another Company and its group enterprises and organizations nominate for each other any director, supervisor or managerial officer as a candidate for an independent director of the other, the Company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the candidate's suitability for an independent director. If the candidate is elected as an independent director, the Company shall disclose the number of votes cast in favor of the elected independent director.

The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the Company, any foundation to which the Company's cumulative direct or indirect donations exceed 50 percent of its funds, and other institutions or juridical persons that the Company effectively controls.

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

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination, and other requirements with regard to the independent directors shall be outlined in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and the TWSE or TPEX related rules and regulations.

- Article 28 The Company shall submit the following matters to the board of directors for approval by resolution as provided in the Securities and Exchange Act. When an independent director has a dissenting opinion or qualified opinion, the following shall be noted in the meeting minutes of the board of directors:
1. Adoption of or amendment to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
 2. Adoption of or amendment to, pursuant to Article 36-1 of the Securities and Exchange Act, the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets,

derivatives trading, and extension of monetary loans to or endorsements or guarantees for others.

3. A matter bearing on the personal interest of a director.
4. A material asset or derivatives transaction.
5. A material monetary loan, endorsement, or provision of a guarantee.
6. The offering, issuance, or private placement of any equity-type securities.
7. The hiring, discharge, or compensation of an attesting CPA.
8. The appointment or discharge of a financial, accounting, or internal auditing officer.
9. Any other material matter so required by the competent authority.

Article 29 The Company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their duties. The Company or other board members shall not obstruct, reject or circumvent the performance of duties by the independent directors. The Company shall stipulate the directors' remuneration according to applicable laws and regulations. The directors' remuneration shall fully reflect the personal performance and the long-term management performance of the Company and shall also take the overall operational risks of the Company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.

Section 3 Functional Committees

Article 30 To develop supervisory functions and strengthen management mechanisms, the board of directors of the Company, in consideration of the Company's scale and type of operations and the number of its board members, may set up functional committees for auditing, remuneration, nomination, risk management or any other functions, and based on concepts of corporate social responsibilities and sustainable operations, may set up environmental protection, corporate social responsibility or other committees, and expressly provide for them in the articles of incorporation.

Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval, provided that the audit committee's performance of supervisors' duties pursuant to Article 14-4, paragraph 4 of the Securities and Exchange Act shall be excluded.

Functional committees shall adopt an organizational charter approved by the board of directors. The organizational charter shall contain the number, terms

of office and duties of committee members, as well as the meeting rules and resources to be provided by the Company for the exercise of duties by the committees.

Article 31 The Company's audit committee shall be composed of all independent directors. The committee members shall not be fewer than three persons in number; one of them shall be convener and at least one of them shall have accounting or financial expertise.

The exercise of duties by the audit committee and its independent director members together with related matters shall be set forth according to the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the Taiwan Stock Exchange or Taipei Exchange.

Article 32 The Company shall establish a remuneration committee; more than half of the committee members shall be independent directors. The professional qualifications for the committee members, the exercise of their duties, the adoption of the organizational charter and related matters shall be handled pursuant to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.

Article 33 The Company is advised to establish and announce internal and external whistleblowers channels and implement whistleblower protection mechanisms. The unit that handles whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate them into the Company's internal control system.

Article 34 Accounting officers handling the preparation of financial reports shall attend relevant professional courses for 6 hours or more each year. Those courses may be the Company's internal trainings or professional courses offered by external institutions for accounting officers.

The Company shall select as its external auditor a professional, responsible and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control of the Company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review and concrete measures for improvement or prevention suggested by

the auditor, the Company shall faithfully implement improvement actions. The Company shall establish channels and mechanisms of communications between the independent directors, the audit committee, and the attesting CPA, while incorporating the internal operating procedures into its internal control system for management purposes.

The Company shall evaluate the independence and suitability of the attesting CPA engaged by the Company regularly and no less frequently than once annually. In the event that the Company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.

Article 35 The Company shall engage a professional and competent legal counsel to provide adequate legal consultation services, or to assist the board of directors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the Company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.

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

The audit committee or an independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the Company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their duties, at the expense of the Company.

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

Article 36 The board of directors of the Company shall meet at least once every quarter or convene at any time in case of emergency. To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director no later than 7 days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the board of directors.

The Company shall adopt rules of procedure for board meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings

of Public Companies with regard to the content of deliberations, operating procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.

Article 37 The Company's directors shall exercise a high degree of self-discipline. Under the circumstances where a director or a juridical person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on the proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on the matter.

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

Article 38 When a board meeting is convened to consider any matter submitted to it pursuant to Article 14-3 of the Securities and Exchange Act, an independent director of the Company shall attend the board meeting in person and may not be represented by a non-independent director via proxy. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the board of directors meeting. If the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she shall provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the board of directors meeting.

In any of the following circumstances, decisions made by the board of directors shall be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS two hours before the beginning of trading hours on the first business day after the date of the board meeting:

1. An independent director has a dissenting or qualified opinion on record or stated in a written statement.
2. The matter was not approved by the audit committee (if the Company has established an audit committee) but approved by more than two-thirds of all directors.

During a board of directors meeting, managers from relevant departments who are not directors may, in view of the meeting agenda, sit in at the meeting to report current business conditions of the Company and respond to inquiries

raised by the directors. Where necessary, a CPA, legal counsel, or other professionals may be invited to sit in at the meetings to assist the directors in understanding the conditions of the Company to adopt an appropriate resolution, provided that they shall leave the meeting when deliberation or voting takes place.

- Article 39 Staff personnel of the Company attending the board of directors meetings shall collect and correctly record the meeting minutes in details, as well as a summary, the method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations. The minutes of the board of directors meetings shall be signed by the chairperson and recording staff of the meetings and sent to each director within 20 days after the meetings. The directors' attendance records shall be made as part of the meeting minutes, treated as important corporate records, and kept safe permanently during the life of the Company. Meeting minutes may be produced, distributed, and preserved by electronic means.
- The Company shall record the entire proceedings of a board of directors meeting with audio or videotape and preserve the recordings for at least 5 years, in electronic form or otherwise.
- Before the end of the preservation period referred to in the preceding paragraph, a lawsuit arises with respect to a board of directors meeting resolution, the relevant audio or video recordings shall be preserved for a further period, in which case the preceding paragraph does not apply.
- In the case where a board of directors meeting is held via teleconference or video conference, the audio or video recordings of the meeting form a part of the meeting minutes and shall be preserved permanently.
- When a resolution of the board of directors violates laws, regulations, the articles of incorporation, or resolutions adopted in the shareholders' meetings, and thus causes loss or damage to the Company, dissenting directors whose dissent can be proven by meeting minutes or written statements will not be liable for damages.

- Article 40 The Company shall submit the following matters to its board of directors for discussion:
1. Corporate business plans.
 2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need

not be CPA audited and attested.

3. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and evaluation of the effectiveness of an internal control system.
4. In pursuant to Article 36-1 of the Securities and Exchange Act, adoption or amendment to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, an extension of monetary loans to and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. The performance assessment and the standards of remuneration for managerial officers.
7. The structure and system of director's remuneration.
8. The appointment or discharge of financial, accounting, or internal audit officers.
9. A donation to a related party or a major donation to a non-related party provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.
10. Any matter required by Article 14-3 of the Securities and Exchange Act or any other laws, regulations, or bylaw to be approved by resolution at a shareholders' meeting or to be approved by resolution at a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.

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

Article 41 The Company shall ask the appropriate corporate departments or personnel to execute matters pursuant to the board of directors' resolutions in a manner consistent with the planned timeframe and objectives. It shall also follow up on those matters and faithfully review the progress of implementation. The board of directors shall remain well informed of the implementation progress and make a report in subsequent meetings to ensure that the boards'

management decisions be executed.

Section 5 Care and Loyal Duties and Responsibilities for Directors

Article 42 Directors shall faithfully conduct corporate affairs and perform the duty of care as a good administrator. In conducting the affairs of the Company, they shall exercise their duties with a high level of self-discipline and prudence. Unless matters are otherwise reserved by laws or the articles of incorporation for approval in shareholders' meetings, the directors shall ensure that all matters are handled in accordance with the board of directors' resolutions.

The Company shall formulate rules and procedures to assess the performance of the board of directors. In addition to regularly assessing both the board of directors and individual directors through self evaluation and peer-to-peer assessment, the Company may appoint external professionals, or in any other appropriate manners, to conduct the performance assessment. It is advisable that the performance assessment of the board of directors include the following aspects and that appropriate assessment indicators be developed in consideration of the Company's needs:

1. The degree of participation in the Company's operations.
2. Improvement in the quality of decision-making by the board of directors.
3. The composition and structure of the board of directors.
4. The election of directors and their constant training activities.
5. Internal control.

Performance assessment of the board members (through self evaluation or peer-to-peer assessment) shall include the following aspects, with appropriate adjustments made in consideration of the Company's needs:

1. Comprehension of the Company's goals and missions.
2. Recognition of directors' duties.
3. The degree of participation in the Company's operations.
4. Management of internal relationships and communications.
5. The professionalism of directors and their constant training activities.
6. Internal control.

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

Article 43 If a resolution of the board of directors violates laws, regulations or the

Company's articles of incorporation, at the request of shareholders holding shares continuously for a year or independent directors to discontinue the implementation of the resolution, members of the board of directors shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.

Upon discovering a likelihood that the Company would suffer material loss or damage, members of the board of directors shall immediately report to the audit committee or an independent director member of the audit committee in accordance with the preceding paragraph.

Article 44 The Company shall take out directors' liability insurance with respect to liabilities resulting from exercising duties during their terms of office so as to reduce and diversify the risk of material loss or damage to the Company and shareholders arising from the wrongdoings or negligence of a director.

At the next board meeting, the Company shall report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for directors.

Article 45 Upon becoming directors or throughout their terms of office, members of the board of directors are advised to participate in training courses which cover subjects relating to corporate governance, including finance, risk management, business, commerce, accounting, law or corporate social responsibility, offered by institutions designated in accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies. The directors shall also ensure that the Company's employees at all levels will enhance their professionalism and knowledge of the law.

Chapter 4 Respecting Stakeholders' Rights

Article 46 The Company shall maintain smooth communications with its banks and other creditors, as well as employees, consumers, suppliers, communities and its other stakeholders, while respecting and safeguarding their legal rights and interests. The Company shall also designate a stakeholders section on its website.

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

Article 47 The Company shall provide sufficient information to banks and its other

creditors to facilitate their evaluation and decision-making on the operational and financial conditions of the Company. When any of their legal rights or interests is harmed, the Company shall respond positively and assist the creditors in obtaining compensation through appropriate means.

Article 48 The Company shall establish communication channels for employees, who are encouraged to communicate directly with the management or directors to provide opinions about the Company's operations, financial status, and material decisions relating to employees' welfare.

Article 49 In addition to maintaining normal business operations and maximizing shareholders' interests, the Company shall pay attention to issues relating to consumers' rights, environmental protection and public interests, and shall give serious regards to its social responsibility.

Chapter 5 Improving Information Transparency

Section 1 Enhancing Information Disclosure

Article 50 The Company shall perform its obligations faithfully in accordance with the relevant regulations and TWSE and TPEX related rules. The Company shall establish an Internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing information related to the Company, and establish a spokesperson system, with these efforts to ensure proper and timely disclosure of information about decisions and policies that might affect its shareholders and stakeholders.

Article 51 In order to enhance the accuracy and timeliness of the material information disclosed, the Company shall appoint a spokesperson and acting spokesperson(s) who understand the Company's financial and business conditions thoroughly, and who are capable of coordinating among departments for gathering relevant information and representing the Company in making statements independently.

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

In order to implement the spokesperson system, the Company shall unify the procedure of making external statements and require that the management and employees maintain the Company's financial and operational confidentiality,

with disclosure of any such information at will prohibited.

The Company shall disclose the relevant information immediately whenever there is a change of the spokesperson or acting spokesperson.

Article 52 In order to keep shareholders and stakeholders fully informed, the Company shall establish a website containing the information about its finance, operations, and corporate governance.

To avoid misleading, the aforementioned website shall be maintained by designated personnel and provides accurate, detailed and timely updated information.

Article 53 The Company shall hold an investor conference in compliance with the TWSE and TPEx related rules, and record the conference with audio or video. The financial and business information disclosed in the investor conference shall be disclosed on the MOPS and provided for inquiry through the Company's website or other channels, in accordance with the TWSE or TPEx related rules.

Section 2 Disclosure of Information About Corporate Governance

Article 54 The Company shall disclose the following information regarding corporate governance on a fiscal year basis in accordance with laws, regulations and TWSE or TPEx related rules:

1. Corporate governance framework and rules.
2. Ownership structure and the rights of shareholders (including specific and explicit dividend policies).
3. Structure of the board of directors, professionalism and independence of the board members.
4. Responsibilities of the board of directors and managerial officers.
5. Composition, duties and independence of the audit committee.
6. Composition, duties and operations of the remuneration committee and other functional committees.
7. The remuneration paid to directors, general manager and vice presidents in the last two fiscal years, the analysis of the percentage of total remuneration to the Company's net profit after tax on a standalone or consolidated basis, the policies, standards and packages of remuneration payment, the procedure for determination of remuneration, and its connection with operational performance and future risk. Under special circumstances, the remuneration of individual directors shall be disclosed.

8. The training progress of directors.
9. The rights, relationships, complaint channels, concerned issues, and appropriate response mechanisms for stakeholders.
10. Details of the events subject to information disclosure required by laws and regulations.
11. The enforcement of corporate governance, differences between the corporate governance principles implemented by the Company and other TWSE/TPEX listed companies, and the reasons for the differences.
12. Other information regarding corporate governance.

The Company is advised, in view of the actual performance of its corporate governance, to disclose the plans and measures to improve its corporate governance system through appropriate mechanisms.

Chapter 6 Supplementary Provisions

- Article 55 The Company shall at all times monitor the development in corporate governance both domestically and globally as a basis for reviewing and improving the effectiveness of its corporate governance system.
- Article 56 The Principle shall be implemented with the resolution of the board of directors; the same manner applies when it is amended.
- Article 57 The Principle was established on August 6, 2021.