

PILI International Multimedia Co., Ltd.

Corporate Governance Best Practice Principles

Chapter I – General Principles

Article 1

To establish a sound corporate governance system, the Company hereby adopts these Principles in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” jointly formulated by the Taiwan Stock Exchange Corporation (hereinafter referred to as “TWSE”) and the Taipei Exchange (hereinafter referred to as “TPEX”), for compliance.

The Company shall refer to the relevant provisions of these Principles to establish an effective corporate governance framework and disclose such information on the Market Observation Post System.

Article 2

In establishing its corporate governance system, the Company shall comply with applicable laws and regulations, its Articles of Incorporation, and the contracts and relevant rules entered into with TWSE or TPEX. In addition, the Company shall adhere to the following principles:

1. Protect shareholders’ rights and interests.
2. Strengthen the functions of the Board of Directors.
3. Enhance the effectiveness of the Audit Committee.
4. Respect the rights and interests of stakeholders.
5. Improve information transparency.

Article 3

The Company shall, in accordance with the “Regulations Governing Establishment of Internal Control Systems by Public Companies,” design and effectively implement an internal control system based on the overall operational activities of the Company and its subsidiaries. This system shall be reviewed regularly to respond to changes in the internal and external environment, ensuring its continued effectiveness in both design and execution.

In addition to conducting self-assessments of the internal control system, the Board of Directors and management shall review the results of departmental self-assessments at least annually, and quarterly audit reports prepared by the internal audit unit. The Audit Committee shall pay attention to and supervise these matters. Directors shall regularly meet with internal auditors to review deficiencies in the internal control system, keep records of such meetings, follow up on improvements, and report to the Board of Directors.

The Company is advised to establish communication channels and mechanisms between independent directors, the Audit Committee, and the head of internal audit. The convener of the Audit Committee shall report to the shareholders’ meeting on the communication between Audit Committee members and the head of internal audit.

The Company's management shall value the internal audit unit and personnel, grant them sufficient authority, and enable them to effectively inspect and evaluate deficiencies in the internal control system and assess operational efficiency. This ensures the system is continuously and effectively implemented and assists the Board of Directors and management in fulfilling their responsibilities, thereby realizing sound corporate governance.

The appointment, evaluation, and compensation of the Company's internal audit personnel

should preferably be submitted to the Board of Directors for approval, or approved by the Chairperson upon recommendation by the head of internal audit.

Article 3-1

The Company is advised to appoint an appropriate number of qualified corporate governance personnel based on its scale, business operations, and management needs. In accordance with the requirements of the competent authority, TWSE, or TPEX, the Company shall designate one corporate governance officer as the highest responsible person for corporate governance affairs.

This officer shall possess either a lawyer or CPA license, or have more than three years of experience in a managerial position in legal affairs, compliance, internal audit, finance, shareholder services, or corporate governance-related departments at securities, financial, futures institutions, or public companies.

The corporate governance affairs mentioned above shall at least include the following:

1. Handling matters related to Board of Directors and shareholders' meetings in accordance with the law.
2. Preparing minutes of Board of Directors and shareholders' meetings.
3. Assisting directors and supervisors with onboarding and continuing education.
4. Providing directors and supervisors with necessary information for performing their duties.
5. Assisting directors and supervisors in complying with laws and regulations.
6. Other matters stipulated in the Company's Articles of Incorporation or contracts.

Chapter II – Protection of Shareholders' Rights

Section 1 – Encouraging Shareholder Participation in Corporate Governance

Article 4

The Company's corporate governance system shall protect shareholders' rights and treat all shareholders fairly.

The Company shall establish a governance framework that ensures shareholders have full rights to be informed of, participate in, and make decisions on significant corporate matters.

Article 5

The Company shall convene shareholders' meetings in accordance with the Company Act and relevant laws and regulations, and shall establish comprehensive rules of procedure.

Matters requiring resolution by the shareholders' meeting shall be handled in strict accordance with these rules.

Resolutions passed at shareholders' meetings shall comply with applicable laws and the Company's Articles of Incorporation.

Article 6

The Board of Directors shall properly arrange the agenda and procedures for shareholders' meetings, establish principles and procedures for shareholders to nominate directors and submit proposals, and appropriately handle proposals submitted by shareholders in accordance with the law.

Shareholders' meetings shall be held at convenient locations and preferably supplemented with video conferencing. Adequate time shall be reserved, and suitable personnel shall be assigned to handle the registration process.

The Company shall not arbitrarily require shareholders to provide additional supporting documents beyond those necessary for attendance.

Each agenda item shall be allotted reasonable discussion time, and shareholders shall be given appropriate opportunities to speak.

For shareholders' meetings convened by the Board of Directors, the Chairperson should personally preside over the meeting.

A majority of the Board members (including at least one independent director) and the convener of the Audit Committee should attend in person.

At least one member from other functional committees should also attend as a representative.

Attendance shall be recorded in the minutes of the shareholders' meeting.

Article 7

The Company shall encourage shareholders to participate in corporate governance and is advised to appoint a professional shareholder services agency to handle shareholders' meeting affairs, ensuring that meetings are held legally, effectively, and securely.

The Company shall utilize various methods and channels, including technological means of information disclosure, to simultaneously upload both Chinese and English versions of the annual report, annual financial statements, shareholders' meeting notices, meeting handbooks, and supplementary materials.

Electronic voting shall be adopted to increase shareholder attendance rates and ensure shareholders can exercise their rights in accordance with the law.

The Company is advised to avoid proposing ad hoc motions or amendments to original proposals during shareholders' meetings.

Voting on each proposal should be conducted individually, and the results of votes in favor, against, and abstentions shall be entered into the Market Observation Post System on the same day as the shareholders' meeting.

Article 8

In accordance with the Company Act and relevant laws, the minutes of shareholders' meetings shall record the year, month, day, location, name of the chairperson, and method of resolution.

The minutes shall also include the key points of the proceedings and their outcomes.

For director elections, the voting method and the number of votes received by each elected director shall be specified.

The minutes of shareholders' meetings shall be properly preserved throughout the Company's existence.

If the Company has a website, the minutes should be fully disclosed there.

Article 9

The chairperson of the shareholders' meeting shall be fully familiar with and comply with the Company's rules of procedure and ensure the smooth progress of the meeting.

The chairperson shall not arbitrarily declare the meeting adjourned.

To protect the rights of the majority of shareholders, if the chairperson violates the rules of procedure and declares the meeting adjourned, other members of the Board of Directors shall promptly assist attending shareholders in continuing the meeting in accordance with legal procedures.

With the consent of shareholders representing a majority of the voting rights present, one person shall be elected to act as chairperson and continue the meeting.

Article 10

The Company shall value shareholders' right to be informed and strictly comply with information disclosure regulations.

Information regarding the Company's financials, operations, insider shareholdings, and corporate governance shall be provided to shareholders regularly and promptly via the Market Observation Post System or the Company's website.

To ensure equal treatment of shareholders, the above-mentioned information should be disclosed simultaneously in English.

To protect shareholders' rights and ensure equal treatment, the Company shall establish internal regulations prohibiting insiders from trading securities using undisclosed market information.

These regulations should include control measures for stock trading by insiders from the date they become aware of the Company's financial reports or related performance information.

Article 10-1

At the annual shareholders' meeting, the Company is advised to report directors' compensation, including the compensation policy, details and amounts of individual compensation, and its correlation with performance evaluation results.

Article 11

Shareholders shall have the right to share in 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 reports of the Audit Committee, and resolve on profit distribution or loss offsetting.

During such examination, shareholders may appoint inspectors to conduct the review.

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

The Company's Board of Directors, Audit Committee, and management shall fully cooperate with the inspectors and shall not evade, obstruct, or refuse the inspection.

Section 2 – Establishing Mechanisms for Shareholder Engagement

Article 12

The Company shall handle major financial and business activities such as acquisition or disposal of assets, lending of funds, and endorsements or guarantees in accordance with relevant laws and regulations.

The Company shall establish related operating procedures and submit them to the shareholders' meeting for approval to protect shareholders' rights and interests.

In the event of mergers or public tender offers, the Company shall not only comply with relevant laws and regulations but also ensure the fairness and reasonableness of the plans and transactions.

Disclosure of information and the soundness of the Company's post-transaction financial structure shall also be carefully considered.

Personnel handling the aforementioned matters shall be mindful of conflicts of interest and avoid situations requiring recusal.

Article 13

To safeguard shareholders' rights, the Company is advised to assign dedicated personnel to properly handle shareholder suggestions, inquiries, and disputes.

If resolutions of the shareholders' meeting or Board of Directors violate laws or the Company's Articles of Incorporation, or if directors or managers violate laws or the Articles in the course of performing their duties, resulting in harm to shareholders' rights, the Company shall appropriately handle any lawsuits filed by shareholders in accordance with the law.

The Company is advised to establish internal procedures to properly handle the above matters, retain written records for future reference, and incorporate them into the internal control system.

Article 13-1

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

Article 13-2

In addition to communicating with shareholders through the shareholders' meeting and encouraging their participation, the Board of Directors shall maintain efficient communication with shareholders.

Together with managers and independent directors, the Board shall understand shareholders' opinions and concerns, clearly explain Company policies, and seek shareholder support.

Article 13-3

Listed companies shall formulate and disclose their operational strategies and business plans, clearly outlining specific measures to enhance corporate value.

These plans should be submitted to the Board of Directors and actively communicated with shareholders.

Section 3 – Corporate Governance Relationships Between the Company and Affiliated Enterprises**Article 14**

The Company shall clarify the management objectives and responsibilities regarding personnel, assets, and finances between itself and affiliated enterprises, and shall effectively conduct risk assessments and establish appropriate firewalls.

Article 15

Unless otherwise provided by law, the Company's managers shall not concurrently serve as managers of affiliated enterprises.

If a director engages in business activities within the scope of the Company's operations for themselves or others, they shall explain the significant details of such activities to the shareholders' meeting and obtain its approval.

Article 16

The Company shall establish sound financial, business, and accounting management objectives and systems in accordance with relevant laws and regulations.

It shall also conduct comprehensive risk assessments with affiliated enterprises regarding major correspondent banks, customers, and suppliers, and implement necessary control mechanisms to reduce credit risk.

Article 17

Where there are business transactions between the Company and its affiliated enterprises, written regulations shall be established based on principles of fairness and reasonableness for financial and business-related operations.

Contract terms shall clearly specify pricing conditions and payment methods, and irregular transactions shall be strictly prohibited.

Transactions or contracts between the Company and related parties or their shareholders shall also follow the above principles, and any transfer of benefits shall be strictly prohibited.

Article 18

A corporate shareholder with control over the Company shall comply with the following provisions:

1. It shall owe a duty of good faith to other shareholders and shall not directly or indirectly cause the Company to engage in operations that are inconsistent with normal business practices or detrimental to the Company.
2. Its representative shall follow the Company's regulations regarding the exercise of rights and participation in resolutions. When attending shareholders' meetings,

- the representative shall act in good faith and in the best interests of all shareholders, and faithfully fulfill the duties of a director.
3. Nominations of directors shall comply with relevant laws and the Company's Articles of Incorporation, and shall not exceed the authority of the shareholders' meeting or the Board of Directors.
 4. It shall not improperly interfere with the Company's decision-making or obstruct business operations.
 5. It shall not restrict or hinder the Company's production and operations through unfair competition practices such as monopolistic procurement or exclusive sales channels.
 6. Any corporate representative appointed as a director shall possess the professional qualifications required by the Company and shall not be replaced arbitrarily.

Article 19

The Company shall continuously monitor and maintain a list of major shareholders who hold a significant percentage of shares or have actual control over the Company, including their ultimate controllers.

The Company shall regularly disclose important matters related to shareholders holding more than 10% of shares, such as pledging, increasing or decreasing shareholdings, or other events that may result in changes in shareholding, to enable oversight by other shareholders.

The term "major shareholder" in the preceding paragraph refers to shareholders holding 5% or more of the Company's shares or ranking among the top ten shareholders by shareholding. However, the Company may set a lower threshold based on actual control circumstances.

Chapter III – Strengthening the Functions of the Board of Directors

Section 1 – Board Structure

Article 20

The Board of Directors of the Company shall guide corporate strategy, supervise management, and be accountable to the Company and its shareholders.

All operations and arrangements under the Company's corporate governance system shall ensure that the Board exercises its powers in accordance with laws, the Articles of Incorporation, and resolutions of the shareholders' meeting.

The structure of the Board shall be determined based on the Company's scale of operations and the shareholding status of major shareholders, with a minimum of five directors to meet practical operational needs.

The composition of the Board shall consider diversity.

Except for directors concurrently serving as managers of the Company, who shall not exceed one-third of the total number of directors, the Company shall formulate appropriate diversity policies based on its operations, business model, and development needs.

These policies may include, but are not limited to, the following two dimensions:

1. **Basic attributes and values:** gender, age, nationality, and culture. The proportion of female directors is advised to reach one-third of the total number of directors.
2. **Professional knowledge and skills:** professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Board members shall generally possess the knowledge, skills, and character necessary to perform their duties.

To achieve the ideal goals of corporate governance, the Board as a whole shall possess the following capabilities:

1. Operational judgment
2. Accounting and financial analysis
3. Business management
4. Crisis management
5. Industry knowledge
6. Global market perspective
7. Leadership
8. Decision-making ability

Article 21

To protect shareholders' rights and ensure fair treatment, the Company shall establish a fair, impartial, and transparent procedure for director nomination and election, encourage shareholder participation, and adopt the cumulative voting system in accordance with the Company Act to fully reflect shareholder opinions.

Unless otherwise approved by the competent authority, more than half of the directors shall not have spousal or second-degree kinship relationships with one another.

If a director is dismissed and the number of directors falls below five, the Company shall hold a by-election at the next shareholders' meeting.

If the number of vacancies reaches one-third of the total number of directors as specified in the Articles of Incorporation, the Company shall convene a special shareholders' meeting within 60 days from the date of occurrence to hold a by-election.

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

Any restrictions on share transfers, pledges, releases, or changes in shareholding shall be handled in accordance with relevant regulations and fully disclosed.

Article 22

The Company shall, in accordance with the regulations of the competent authority, specify in its Articles of Incorporation that the election of directors shall adopt a candidate nomination system.

The qualifications of nominated candidates and any circumstances listed under Article 30 of the Company Act shall be carefully evaluated, and the procedures shall be handled in accordance with Article 192-1 of the Company Act.

Article 23

The responsibilities of the Chairperson and the General Manager of the Company shall be clearly defined.

It is not advisable for the same individual to concurrently serve as both Chairperson and

General Manager or an equivalent position.

If the Company establishes functional committees, their responsibilities shall be clearly assigned.

Section 2 – Independent Director System

Article 24

The Company shall appoint at least two independent directors in accordance with its Articles of Incorporation, and the number of independent directors shall not be less than one-third of the total number of directors.

The consecutive term of service for independent directors should not exceed three terms. Independent directors shall possess professional knowledge, and their shareholding shall be subject to restrictions.

In addition to complying with relevant laws and regulations, independent directors shall not concurrently serve as directors (including independent directors) or supervisors of more than five listed or OTC companies.

They shall maintain independence within the scope of their duties and shall not have any direct or indirect interest in the Company.

If the Company and its group enterprises or organizations mutually nominate directors or managers of another company or its group enterprises or organizations as candidates for independent directors, the Company shall disclose such information when accepting the nomination and explain the suitability of the candidate.

If elected, the number of votes received shall be disclosed.

The term “group enterprises or organizations” in the preceding paragraph includes subsidiaries of the Company, foundations directly or indirectly funded by more than 50% of the Company’s donations, and other entities or legal persons with substantial control. Independent directors and non-independent directors shall not change their status during their term of office.

Matters such as the professional qualifications, shareholding and concurrent position restrictions, independence criteria, nomination procedures, and other compliance requirements for 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 the rules of the TWSE or TPEX.

Article 25

In accordance with the Securities and Exchange Act, the Company shall submit the following matters to the Board of Directors for resolution.

If any independent director expresses an objection or reservation, it shall be recorded in the minutes of the Board meeting:

1. Establishment or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Establishment or amendment of procedures for major financial and business activities such as acquisition or disposal of assets, derivatives trading, lending of funds to others, and endorsements or guarantees, pursuant to Article 36-1 of the Securities and Exchange Act.
3. Matters involving directors’ personal interests.
4. Major asset or derivatives transactions.

5. Significant lending of funds, endorsements, or guarantees.
6. Issuance, offering, or private placement of equity-type securities.
7. Appointment, dismissal, or compensation of the certifying CPA.
8. Appointment or dismissal of financial, accounting, or internal audit officers.
9. Other significant matters as stipulated by the competent authority.

Article 26

The Company shall clearly define the scope of responsibilities of independent directors and provide them with the necessary human and material resources to exercise their powers.

The Company or other members of the Board shall not obstruct, restrict, or evade the execution of duties by independent directors.

The Company shall determine directors' compensation in accordance with relevant laws and regulations.

Compensation shall fully reflect individual performance and the Company's long-term operational results, and shall take into account business risks.

Independent directors may be granted reasonable compensation different from that of general directors.

Section 3 – Functional Committees

Article 27

To enhance supervisory and management functions, the Company's Board of Directors may, considering the Company's scale, business nature, and number of directors, establish various functional committees such as audit, compensation, nomination, risk management, or others.

Committees related to environmental protection, corporate social responsibility, or sustainability may also be established based on the Company's commitment to CSR and sustainable development, and should be specified in the Articles of Incorporation.

Functional committees shall be accountable to the Board of Directors and submit proposals for Board resolution.

However, the Audit Committee exercising the powers of supervisors pursuant to Article 14-4, Paragraph 4 of the Securities and Exchange Act is not subject to this limitation.

Each functional committee shall establish organizational rules, which must be approved by the Board of Directors.

These rules shall include the number of committee members, their term of office, scope of responsibilities, meeting procedures, and resources to be provided by the Company for the exercise of their powers.

Article 28

The Company shall establish an Audit Committee.

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

The exercise of powers and related matters of the Audit Committee and its independent director members shall be conducted in accordance with the Securities and Exchange Act,

the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules of the TWSE or TPEX.

Article 28-1

The Company shall establish a Compensation Committee, with a majority of its members preferably being independent directors.

The professional qualifications of its members, the exercise of powers, the establishment of organizational rules, and related matters shall be handled in accordance with the “Regulations Governing the Establishment and Exercise of Powers of Compensation Committees of Companies Listed on the Stock Exchange or Traded Over the Counter.”

Article 28-2

The Company is advised to establish a Nomination Committee and formulate organizational rules.

A majority of its members should be independent directors, and the chairperson should be an independent director.

Article 28-3

The Company is advised to establish and publicly disclose internal and external whistleblower channels, and implement a whistleblower protection system.

The unit responsible for handling whistleblower reports shall be independent, encrypt and protect submitted files, appropriately restrict access permissions, and establish internal procedures that are incorporated into the internal control system.

Article 29

To improve the quality of financial reporting, the Company shall appoint a deputy for the chief accounting officer.

The deputy shall undergo annual continuing education similar to that of the chief accounting officer to enhance professional competence.

Accounting personnel involved in preparing financial reports shall also complete more than six hours of professional training annually, either through internal training or courses offered by accounting professional institutions.

The Company shall select a professional, responsible, and independent certifying CPA to regularly audit its financial status and internal controls.

The Company shall thoroughly review and improve any irregularities or deficiencies identified by the CPA during the audit process, as well as any specific recommendations for improvement or fraud prevention.

The Company is advised to establish communication channels or mechanisms between independent directors, the Audit Committee, and the CPA, and incorporate related procedures into the internal control system.

The Company shall regularly (at least once a year) evaluate the independence and suitability of the appointed CPA.

If the CPA has not been changed for seven consecutive years, or has been subject to disciplinary action or has compromised independence, the Company shall assess whether a change is necessary and report the evaluation results to the Board of Directors.

Article 30

The Company is advised to appoint qualified and professional legal counsel to provide appropriate legal advisory services, assist the Board of Directors and management in enhancing legal awareness, prevent violations of laws and regulations by the Company and its personnel, and ensure that corporate governance operations are conducted within the legal framework and statutory procedures.

In the event that directors or management become involved in litigation or disputes with shareholders in the course of performing their duties, the Company shall, as appropriate, engage legal counsel for assistance.

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 consultation on matters related to the exercise of their powers. The associated costs shall be borne by the Company.

Section 4 – Rules of Procedure and Decision-Making for the Board of Directors

Article 31

The Company's Board of Directors shall convene at least once per quarter and may be convened at any time in case of emergencies.

The notice of the meeting shall specify the purpose of the meeting and be sent to all directors at least seven days in advance, along with sufficient meeting materials.

If the materials are insufficient, directors have the right to request additional information or postpone the discussion by resolution of the Board.

The Company shall establish rules of procedure for Board meetings.

The main agenda items, procedures, required content of meeting minutes, public disclosures, and other compliance matters shall be handled in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies."

Article 32

Directors shall uphold a high standard of self-discipline.

For any agenda item in which a director or the legal entity they represent has an interest, the director shall disclose the material details of the interest at the meeting.

If the interest may be detrimental to the Company, the director shall not participate in the discussion or voting and must recuse themselves.

They shall also not act as a proxy for other directors in voting.

Matters requiring recusal shall be clearly specified in the Board's rules of procedure.

Article 33

Independent directors shall personally attend Board meetings for matters required to be submitted under Article 14-3 of the Securities and Exchange Act and may not delegate attendance to non-independent directors.

If an independent director has objections or reservations, they shall be recorded in the meeting minutes.

If unable to attend in person, and unless there is a legitimate reason, the independent director shall submit a written opinion in advance, which shall be included in the meeting minutes.

If any of the following circumstances arise in Board resolutions, they shall be recorded in the minutes and disclosed on the Market Observation Post System before the start of trading hours on the next business day:

1. An independent director has objections or reservations that are recorded or submitted in writing.
2. For companies with an Audit Committee, matters not approved by the Audit Committee but passed by at least two-thirds of all directors.

During Board meetings, relevant departments may be notified to have non-director managers attend to report on current business operations and respond to directors' questions.

When necessary, accountants, lawyers, or other professionals may also be invited to attend to assist directors in understanding the Company's situation and making informed decisions.

However, they shall leave the meeting during discussion and voting.

Article 34

The personnel responsible for recording the proceedings of the Company's Board of Directors shall accurately document the meeting reports, summaries of discussions on each agenda item, methods of resolution, and results in accordance with relevant regulations.

The minutes of Board meetings must be signed or sealed by the chairperson and the recorder and distributed to all directors within 20 days after the meeting.

The attendance register shall be considered part of the meeting minutes and must be included in the Company's important records, to be properly preserved throughout the Company's existence.

The preparation, distribution, and preservation of meeting minutes may be conducted electronically.

The entire process of Board meetings shall be recorded or videotaped for documentation and retained for at least five years.

Electronic storage is permitted.

If litigation arises concerning matters resolved at the Board meeting before the expiration of the retention period, the relevant audio or video records shall continue to be preserved and are not subject to the five-year limit.

For Board meetings held via video conferencing, the audio and video recordings shall be considered part of the meeting minutes and must be permanently retained.

If a Board resolution violates laws, the Articles of Incorporation, or shareholders' meeting resolutions and causes damage to the Company, directors who expressed objections and have recorded or written statements may be exempt from liability for compensation.

Article 35

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

1. The Company's business plan.
2. Annual and semi-annual financial reports. However, semi-annual reports not required by law to be audited by a CPA are exempt.

3. Establishment or amendment of the internal control system and assessment of its effectiveness, pursuant to Article 14-1 of the Securities and Exchange Act.
4. Establishment or amendment of procedures for major financial and business activities such as acquisition or disposal of assets, derivatives trading, lending of funds to others, and endorsements or guarantees, pursuant to Article 36-1 of the Securities and Exchange Act.
5. Issuance, offering, or private placement of equity-type securities.
6. Performance evaluation and compensation standards for managers.
7. Structure and system of directors' compensation.
8. Appointment or dismissal of financial, accounting, or internal audit officers.
9. Donations to related parties or significant donations to unrelated parties.
However, donations for emergency relief due to major natural disasters may be ratified at the next Board meeting.
10. Matters required by Article 14-3 of the Securities and Exchange Act, other matters that must be resolved by the shareholders' meeting or the Board of Directors according to law or the Articles of Incorporation, or other significant matters stipulated by the competent authority.

In addition to the above matters, if the Board of Directors delegates its powers during recess in accordance with laws or the Articles of Incorporation, the scope, content, and level of such delegation must be specific and clearly defined. Blanket authorization is not permitted.

Article 36

The Company shall clearly assign the implementation of Board resolutions to appropriate departments or personnel, requiring execution according to the planned schedule and objectives.

These tasks shall be included in tracking and management systems, and their execution shall be properly evaluated.

The Board shall maintain full awareness of the progress of implementation and receive reports at the next meeting to ensure that its decisions are effectively carried out.

Section 5 – Duties of Loyalty, Care, and Responsibility of Directors

Article 37

Members of the Board of Directors shall faithfully perform their duties and exercise the duty of care as prudent managers.

They shall act with a high degree of self-discipline and prudence in exercising their powers.

Except for matters that must be resolved by the shareholders' meeting in accordance with laws or the Articles of Incorporation, the execution of Company business shall be carried out in accordance with Board resolutions.

The Company is advised to establish performance evaluation methods and procedures for the Board of Directors.

In addition to conducting regular annual evaluations of the Board and individual directors through self-assessment or peer review, external professional institutions may be engaged or other appropriate methods adopted.

The evaluation of Board performance should include the following dimensions, with suitable indicators determined based on the Company's needs:

1. Participation in Company operations
2. Enhancement of decision-making quality
3. Composition and structure of the Board
4. Director selection and continuing education
5. Internal control

The evaluation of individual directors (via self or peer assessment) should include the following dimensions, with adjustments made as needed:

1. Understanding of Company goals and missions
2. Awareness of director responsibilities
3. Participation in Company operations
4. Internal relationship management and communication
5. Professionalism and continuing education
6. Internal control

The Company is advised to conduct performance evaluations of functional committees, which may include the following dimensions:

1. Participation in Company operations
2. Understanding of committee responsibilities
3. Enhancement of decision-making quality
4. Committee composition and member selection
5. Internal control

The Board is advised to report the results of performance evaluations to the Board of Directors and use them as a reference for determining individual directors' compensation and nomination for reappointment.

Article 37-1

The Company is advised to establish a succession plan for management and have the Board of Directors regularly evaluate its development and implementation to ensure sustainable operations.

Article 37-2

The Board of Directors shall evaluate and supervise the Company's intellectual property strategy and performance based on the following dimensions to ensure the establishment of an IP management system through the "Plan-Do-Check-Act" cycle:

1. Formulate IP management policies, objectives, and systems aligned with business strategies
2. Establish, implement, maintain, and utilize systems for acquiring, protecting, maintaining, and applying intellectual property, based on the Company's scale and business model
3. Determine and provide sufficient resources for effective implementation and maintenance of the IP management system
4. Monitor internal and external risks or opportunities related to IP management and take appropriate actions
5. Plan and implement continuous improvement mechanisms to ensure the IP management system operates effectively and meets the Company's expectations

Article 38

If a resolution of the Board of Directors violates laws or the Company's Articles of Incorporation, and a shareholder who has held shares continuously for over one year or an independent director requests the Board to cease execution of the resolution, the Board members shall promptly and appropriately handle the matter or suspend the execution of the resolution.

If any Board member discovers that the Company is at risk of suffering significant damage, they shall act in accordance with the preceding paragraph and immediately report to the Audit Committee or its independent director members.

Article 39

During the term of office of directors, the Company shall purchase directors' liability insurance to cover compensation responsibilities arising from the scope of their duties under the law.

This is to reduce and spread the risk of significant damage to the Company and shareholders caused by directors' errors or negligence.

After purchasing or renewing directors' liability insurance, the Company is advised to report key details such as coverage amount, scope, and premium rates at the next Board meeting.

Article 40

Board members are advised to participate in continuing education courses related to corporate governance topics—such as finance, risk management, business, commerce, accounting, law, or corporate social responsibility—offered by institutions designated under the Guidelines for Continuing Education of Directors of TWSE/TPEX Listed Companies, either upon appointment or during their term.

The Company shall also encourage employees at all levels to strengthen their professional and legal knowledge.

Chapter IV – Enhancing the Function of the Audit Committee**Section 1 – Functions of the Audit Committee****Article 41**

The Company shall determine the minimum number of Audit Committee members based on overall operational needs and in accordance with the regulations of the TWSE or TPEX.

The total shareholding ratio of all Audit Committee members shall comply with legal requirements.

Any restrictions on share transfers, pledges, releases, or changes in shareholding shall be handled in accordance with relevant regulations, and all related information shall be fully disclosed.

Article 42 (Deleted)

Article 43

Unless otherwise approved by the competent authority, at least one member of the Audit Committee and one member between the Audit Committee and the Board of Directors shall not have a spousal or second-degree kinship relationship.

The Company is advised to refer to the independence requirements set forth in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” when selecting suitable Audit Committee members, in order to strengthen risk management and control over financial and operational matters.

Audit Committee members are advised to reside in Taiwan to effectively perform their supervisory functions in a timely manner.

Section 2 – Powers and Duties of Audit Committee Members**Article 44**

Audit Committee members shall be familiar with relevant legal provisions and understand the rights, obligations, and responsibilities of directors, as well as the division of duties and operations of each department.

They shall attend Board meetings to supervise operations and express opinions when appropriate, in order to identify or prevent irregularities at an early stage.

The Company shall specify the compensation of Audit Committee members in its Articles of Incorporation or by resolution of the shareholders’ meeting.

Article 45

Audit Committee members shall supervise the execution of Company business and the diligence of directors and managers, and monitor the implementation of the internal control system to reduce financial crises and operational risks.

When a director engages in a transaction with the Company—such as sale, loan, or other legal acts—for themselves or others, an independent director member of the Audit Committee shall act as the Company’s representative.

Article 46

Audit Committee members may investigate the Company’s business and financial status at any time.

Relevant departments shall cooperate by providing the necessary books and documents for inspection, copying, or duplication.

When auditing the Company’s finances or operations, Audit Committee members may, on behalf of the Company, engage lawyers or accountants for assistance.

The Company shall inform relevant personnel of their confidentiality obligations.

The Board of Directors or management shall submit reports upon request by the Audit Committee and shall not evade, obstruct, or refuse such inspections for any reason.

While performing their duties, the Company shall provide necessary assistance to Audit Committee members, and any reasonable expenses incurred shall be borne by the Company.

Article 47

To help Audit Committee members promptly identify potential misconduct, the Company

shall establish communication channels between employees, shareholders, stakeholders, and the Audit Committee.

If misconduct is discovered, Audit Committee members shall take appropriate measures to prevent escalation and, if necessary, report to the relevant authorities or agencies.

If an independent director, general manager, or head of finance, accounting, R&D, internal audit, or the certifying CPA resigns or is replaced, the Audit Committee shall investigate the reasons thoroughly.

If an Audit Committee member neglects their duties and causes damage to the Company, they shall be liable for compensation.

Article 48

When individual Audit Committee members exercise their supervisory powers, they may convene meetings to exchange opinions if deemed necessary for the overall interests of the Company and its shareholders.

However, such meetings shall not interfere with the independent exercise of authority by each member.

Article 49

During their term of office, the Company shall purchase liability insurance for Audit Committee members to cover compensation responsibilities arising from their duties under the law.

This is to reduce and spread the risk of significant damage to the Company and shareholders caused by errors or negligence.

After purchasing or renewing directors' liability insurance, the Company is advised to report key details such as coverage amount, scope, and premium rates at the next Board meeting.

Article 50

Audit Committee members are advised to participate in continuing education courses related to corporate governance topics—such as finance, risk management, business, commerce, accounting, law, or corporate social responsibility—offered by institutions designated under the Guidelines for Continuing Education of Directors of TWSE/TPEx Listed Companies, either upon appointment or during their term.

Chapter V – Respecting Stakeholders' Rights

Article 51

The Company shall maintain open communication channels with banks, other creditors, employees, consumers, suppliers, the community, and other stakeholders, and shall respect and protect their legitimate rights and interests.

A dedicated stakeholder section shall be established on the Company's website.

If a stakeholder's legitimate rights are infringed, the Company shall handle the matter appropriately and in good faith.

Article 52

The Company shall provide sufficient information to banks and other creditors to enable them to assess the Company's operations and financial status and make informed

decisions.

If their legitimate rights are infringed, the Company shall respond positively and responsibly, ensuring that creditors have appropriate means to seek compensation.

Article 53

The Company shall establish communication channels for employees and encourage direct communication between employees and management or directors.

This allows employees to appropriately express their opinions regarding the Company's operations, financial status, or major decisions affecting employee interests.

Article 54

While maintaining normal business development and maximizing shareholder interests, the Company shall also pay attention to consumer rights, environmental protection in the community, and public welfare issues, and shall value its corporate social responsibility.

Chapter VI – Enhancing Information Transparency

Section 1 – Strengthening Information Disclosure

Article 55

Information disclosure is a key responsibility of the Company.

The Company shall faithfully fulfill its obligations in accordance with relevant laws and the regulations of the TWSE or TPEX.

The Company is advised to announce and file its annual financial report within two months after the end of the fiscal year, and to announce and file its first, second, and third quarter financial reports and monthly operating results ahead of the statutory deadlines.

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

Article 56

To improve the accuracy and timeliness of material information disclosure, the Company shall appoint a spokesperson and deputy spokesperson who are well-informed about the Company's financial and business matters, capable of coordinating with departments to provide relevant information, and authorized to speak on behalf of the Company.

The Company shall appoint at least one deputy spokesperson.

If the spokesperson is unable to perform their duties, the deputy spokesperson shall be able to speak on behalf of the Company independently.

The order of delegation shall be clearly defined to avoid confusion.

To implement the spokesperson system, the Company shall establish unified speaking procedures and require management and employees to maintain confidentiality regarding financial and business matters, and refrain from unauthorized information dissemination.

Any changes to the spokesperson or deputy spokesperson shall be disclosed immediately.

Article 57

The Company shall utilize the convenience of the internet to establish a website that

provides financial, business, and corporate governance information for reference by shareholders and stakeholders.

It is advised to also provide English versions of financial, governance, or other relevant information.

The website shall be maintained by designated personnel, and the information posted shall be accurate, complete, and updated in a timely manner to avoid misleading users.

Article 58

When the Company holds investor conferences, it shall comply with the regulations of the TWSE or TPEx and retain audio or video recordings of the event.

Financial and business information disclosed during the conference shall be uploaded to the Market Observation Post System in accordance with TWSE or TPEx regulations and made available through the Company's website or other appropriate channels for public access.

Section 2 – Disclosure of Corporate Governance Information

Article 59

The Company shall establish a dedicated section on its website to disclose the following corporate governance information and keep it continuously updated:

1. **Board of Directors:** including resumes of Board members, their responsibilities, and the Board diversity policy and its implementation.
2. **Functional Committees:** including resumes of committee members and their responsibilities.
3. **Corporate Governance Regulations:** including the Articles of Incorporation, Board meeting procedures, and organizational rules of functional committees.
4. **Other Important Governance Information:** such as details regarding the appointment of corporate governance officers.

Chapter VII – Supplementary Provisions

Article 60

The Company shall continuously monitor developments in domestic and international corporate governance systems and use such insights to review and improve its own governance framework, thereby enhancing governance effectiveness.

Article 61

These Principles shall take effect upon approval by the Board of Directors.

Any amendments shall follow the same procedure.

- Originally adopted on March 4, 2016 (ROC Year 105)
- Amended on November 1, 2016
- Amended on May 13, 2019
- Amended on March 23, 2020
- Amended on February 25, 2022
- Amended on November 10, 2022
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