

# SynPower Co., Ltd.

## Corporate Governance Best Practice Principles

Approved at the Board of Directors on held on February 17, 2025

### Chapter I General Provisions

#### Article 1 (Purpose of Legislation)

To establish a sound corporate governance system, the Company has adopted its own Corporate Governance Best Practice Principles in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies,” to establish an effective corporate governance framework, which shall be disclosed on the Market Observation Post System (MOPS).

#### Article 2 (Principles of Corporate Governance)

In establishing its corporate governance system, the Company shall comply with applicable laws and regulations, the Articles of Incorporation, contracts entered into with the Taiwan Stock Exchange or the Taipei Exchange, and other relevant regulations. In addition, the Company shall adhere to the following principles:

1. Protect shareholders’ rights.
2. Strengthen the functions of the Board of Directors.
3. Enhance the functions of the Supervisors.
4. Respecting the rights and interests of stakeholders.
5. Improve information transparency.

#### Article 3 (Establishment of Internal Control System)

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. The system shall be reviewed and updated from time to time to respond to changes in the internal and external environment and to ensure its continuous effectiveness in both design and execution.

In addition to properly carrying out self-assessments of the internal control system, the Board of Directors and management shall review the results of departmental self-assessments and quarterly audit reports prepared by the internal audit unit at least once a year. The Audit Committee shall also

oversee and monitor these matters. Directors and members of the Audit Committee shall regularly discuss identified internal control deficiencies with internal auditors, maintain records of such discussions, track improvements, and report to the Board of Directors. The Company is encouraged to establish clear communication channels and mechanisms between independent directors, the Audit Committee, and the chief internal auditor. The convener of the Audit Committee shall report the communication status between its members and the chief internal auditor at the shareholders' meeting.

The Company's management shall value the role of the internal audit unit and its personnel by granting them adequate authority to ensure thorough inspection and evaluation of internal control deficiencies and to assess operational efficiency, thereby ensuring the internal control system is effectively and continuously implemented. This also assists the Board of Directors and management in fulfilling their responsibilities and promotes the implementation of sound corporate governance.

The appointment, dismissal, performance evaluation, and remuneration of internal auditors should be submitted to the Board of Directors for approval or approved by the Chairman upon the recommendation of the chief internal auditor.

#### Article 3-1 (Personnel Responsible for Corporate Governance Affairs)

The Company shall, in consideration of its scale, business conditions, and management needs, appoint a suitable number of qualified personnel to handle corporate governance matters. In accordance with the requirements of the competent authority, the Taiwan Stock Exchange, or the Taipei Exchange, the Company shall designate one person as the Corporate Governance Officer, who shall be the most senior officer responsible for corporate governance affairs. The Corporate Governance Officer shall possess qualifications as an attorney or certified public accountant, or shall have served for at least three years in a managerial position in the legal, compliance, internal audit, finance, shareholder services, or corporate governance departments of a securities, financial, futures institution, or a public company.

The corporate governance affairs referred to in the preceding paragraph

shall include at least the following:

1. Handling matters related to meetings of the Board of Directors and shareholders in accordance with laws and regulations;
2. Preparing minutes of the Board of Directors and shareholders' meetings;
3. Assisting directors with onboarding and ongoing training;
4. Providing directors with the information necessary to perform their duties;
5. Assisting directors in complying with applicable laws and regulations;
6. Other matters as stipulated in the Company's Articles of Incorporation or contracts.

## Chapter II Protect Shareholders' Rights

### Section 1 Encouraging Shareholders' Participation in Corporate Governance

#### Article 4 (Protection of Shareholders' Rights)

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

The Company shall establish a corporate governance framework that ensures shareholders are fully informed of, able to participate in, and make decisions on material matters of the Company.

#### Article 5 (Convening Shareholders' Meetings and Establishing Complete Meeting Procedures for Listed Companies)

The Company shall convene shareholders' meetings in accordance with the Company Act and other relevant laws and regulations, and establish complete meeting procedures. Matters requiring resolution by the shareholders' meeting shall be duly executed in accordance with the meeting procedures.

The resolutions of the shareholders' meetings shall comply with applicable laws, regulations, and the Company's Articles of Incorporation.

#### Article 6 (Proper Arrangement of Shareholders' Meeting Agenda and Procedures by the Board of Directors of Listed Companies)

The Company's Board of Directors shall properly arrange the agenda and procedures for the shareholders' meeting, establish principles and operating procedures for shareholder nominations of directors and shareholder proposals, and appropriately handle proposals lawfully submitted by

shareholders. The shareholders' meeting should be held at a convenient location, preferably supplemented by video conferencing, allow sufficient time, and appoint suitable and competent personnel to manage the registration process. The documentation required for shareholders' attendance shall not arbitrarily include additional proof beyond what is legally necessary. Reasonable discussion time should be allocated for each agenda item, and shareholders should be given appropriate opportunities to speak.

For shareholders' meetings convened by the Board of Directors, the Chairman is advised to preside in person. The meeting is advised to have the attendance of a majority of the directors (including at least one independent director), the convener of the Audit Committee, and at least one representative from other functional committees. The attendance shall be recorded in the minutes of the shareholders' meeting.

**Article 7 (Encouragement of Shareholders' Participation in Corporate Governance by Listed Companies)**

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 the shareholders' meeting is convened legally, effectively, and securely. The Company shall utilize various methods and channels, fully adopting technological means for information disclosure, simultaneously uploading the Chinese and English versions of the annual report, annual financial statements, shareholders' meeting notices, meeting manuals, and supplementary meeting materials. Electronic voting shall also be implemented to increase the attendance rate of shareholders at the shareholders' meeting and to ensure that shareholders can lawfully exercise their rights at the meeting.

The Company is advised to avoid proposing temporary motions and amendments to original proposals during the shareholders' meeting.

The Company is advised to arrange for shareholders to vote on each proposal individually at the shareholders' meeting, and on the day of the meeting, input the results of shareholders' consent, opposition, and abstention into the MOPS.

Article 8 (Minutes of Shareholders' Meeting)

The Company shall, in accordance with the Company Act and related laws and regulations, record in the minutes of shareholders' meeting the year, month, day, location, name of the chairperson, and method of resolution. The minutes shall also include the essentials of the meeting process and the results. For the election of directors, the minutes shall specify the voting method used and the number of votes received by the elected directors.

The minutes of shareholders' meeting shall be properly preserved permanently during the company's existence. If the Company has a website, the minutes is advised to be fully disclosed thereon.

Article 9 (Chair of the Shareholders' Meeting Shall Fully Understand and Comply with the Company's Rules of Procedure)

The chair of the shareholders' meeting shall fully understand and comply with the company's established rules of procedure and maintain the smooth progress of the agenda, and shall not arbitrarily declare the meeting adjourned.

To protect the rights of the majority of shareholders, if the chair unlawfully declares the meeting adjourned in violation of the rules of procedure, other members of the Board of Directors should promptly assist the attending shareholders to lawfully elect a new chair with the consent of shareholders holding more than half of the voting rights present, and continue the meeting.

Article 10 (Listed Companies Shall Respect Shareholders' Right to Know and Prevent Insider Trading)

The Company shall respect shareholders' right to know and strictly comply with the relevant regulations on information disclosure, regularly and promptly providing shareholders with information regarding the company's financial status, business operations, insider shareholdings, and corporate governance through the MOPS or the Company's own website.

To ensure equal treatment of shareholders, the disclosure of the aforementioned information is also advised to be made available simultaneously in English.

To safeguard shareholders' rights and ensure equal treatment, the Company shall establish internal regulations prohibiting insiders from trading securities based on material non-public information.

Such Principles are advised to include stock trading control measures for insiders from the date they become aware of the Company's financial reports or related performance information, including (but not limited to) prohibiting directors from trading the Company's shares during blackout periods of thirty days prior to the announcement of the annual financial report and fifteen days prior to the announcement of quarterly financial reports.

Article 10-1 (Reporting Directors' Remuneration at the Shareholders' Meeting of Shareholders)

The Company is advised to report at the Shareholders' the remuneration received by directors, including the remuneration policy, the details and amounts of individual remuneration, and the correlation with performance evaluation results.

Article 11 (Shareholders' Right to Share in Company Profits)

Shareholders shall have the right to share in the Company's profits. To protect shareholders' investment interests, the shareholders' meeting may, in accordance with Article 184 of the Company Act, audit the list prepared by the Board of Directors and the report of the Audit Committee, and resolve on the distribution of earnings or the appropriation of losses. When carrying out the aforementioned audit, the shareholders' meeting may appoint inspectors to conduct the audit.

Shareholders may apply to the court for the appointment of inspectors in accordance with Article 245 of the Company Act to examine the Company's business accounts, property status, specific matters, and specific transaction documents and records.

The Company's Board of Directors, Audit Committee, and management shall fully cooperate with the auditors appointed under the preceding two paragraphs and shall not evade, obstruct, or refuse such audits.

Article 12 (Major Financial Transactions to Be Approved by Shareholders' Meeting)

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

In the event of mergers, acquisitions, or tender offers, the Company shall comply with relevant laws and regulations, and pay attention to the fairness and reasonableness of the plans and transactions, as well as information disclosure and the soundness of the Company's subsequent financial structure.

Personnel handling the aforementioned matters shall be mindful of conflicts of interest and shall recuse themselves when appropriate.

Article 13 (Listed Companies Should Have Dedicated Personnel to Properly Handle Shareholder Proposals)

To ensure shareholders' rights, the Company should have dedicated personnel to properly handle shareholder proposals, inquiries, and disputes. If the resolutions of the shareholders' meeting or the Board of Directors violate laws or the Company's articles of incorporation, or if directors or managers violate laws or the articles of incorporation in the performance of their duties resulting in damage to shareholders' rights, the Company should properly handle situations where shareholders initiate legal action in accordance with the law.

The Company is advised to establish internal procedures to properly manage the aforementioned matters, keep written records for reference, and incorporate them into the internal control system for oversight.

Section 2 Establishing Mechanisms for Interaction with Shareholders

Article 13-1 (Responsibility of the Board of Directors to Establish a Mechanism for Interaction with Shareholders)

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

Article 13-2 (Efficient Communication and Engagement with Shareholders to Gain Support)

In addition to communicating with shareholders through the shareholders' meeting and encouraging their participation therein, the Company's Board of Directors shall maintain efficient communication with shareholders. Together with management and independent directors, the Board shall seek to understand shareholders' opinions and areas of concern, and clearly explain the Company's policies in order to gain

shareholders' support.

Article 13-3 The Company is advised to formulate and disclose its operational strategies and business plans, outlining concrete measures to enhance corporate value. These strategies and plans should be submitted to the Board of Directors and actively communicated with shareholders.

### Section 3 Corporate Governance Relationships Between the Company and Its Affiliates

#### Article 14 (Establishment of Firewalls)

The responsibilities and authority regarding the management of personnel, assets, and finances between the Company and its affiliates shall be clearly defined. Risk assessments shall be properly conducted, and appropriate firewalls shall be established and effectively implemented.

#### Article 15 (Managers Shall Not Hold Concurrent Positions with Those of Affiliated Enterprises)

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

If any director conducts, either for themselves or on behalf of others, business that falls within the scope of the Company's operations, they shall explain the material details of such conduct to the shareholders' meeting and obtain its approval.

#### Article 16 (Establishment of Sound Financial, Business, and Accounting Management Systems)

The Company shall, in accordance with relevant laws and regulations, establish sound management objectives and systems for its financial, business, and accounting operations. The Company shall also conduct comprehensive risk assessments jointly with its affiliated enterprises regarding major correspondent banks, customers, and suppliers, and implement necessary control mechanisms to reduce credit risk.

#### Article 17 (Transactions Between Listed Companies and Their Affiliated Enterprises Shall Follow Fair and Reasonable Principles)

Where the Company engages in business transactions with its affiliated enterprises, such transactions shall be conducted based on the principles of fairness and reasonableness. Written guidelines shall be established for the financial and business-related operations between the parties. Contract terms shall clearly specify pricing conditions and payment methods, and



non-arm's-length transactions must be strictly avoided.

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

Article 18 (Obligations of Corporate Shareholders with Control over the Listed Company)

Corporate shareholders who have control over the Company shall comply with the following obligations:

1. They owe a duty of good faith to other shareholders and shall not directly or indirectly cause the Company to engage in operations that violate business norms or result in other detriments.
2. Their representatives shall comply with the Company's regulations regarding the exercise of rights and participation in resolutions. When attending shareholders' meetings, they shall exercise their voting rights based on principles of good faith and the best interests of all shareholders, and properly fulfill their fiduciary duties and duties of care as directors.
3. Nominations for the Company's directors and independent directors shall follow 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. They shall not improperly interfere with the Company's decision-making or hinder its business operations.
5. They shall not restrict or obstruct the Company's production and operations through unfair competition methods such as monopoly procurement or closing sales channels.
6. The corporate representatives appointed due to their election as directors shall possess the professional qualifications required by the Company and should not be arbitrarily replaced.

Article 19 (List of Major Shareholders and Their Ultimate Controllers)

The Company shall at all times keep updated records of major shareholders who hold a substantial proportion of shares and who can effectively control the Company, as well as the ultimate controllers of such major shareholders. The Company shall regularly disclose information regarding shareholders

holding more than 10% of shares about any pledges, increases or decreases in their holdings, or other important matters that may cause changes in shareholdings, to enable other shareholders to exercise supervision.

The "major shareholders" referred to in the first paragraph mean those shareholders holding 5% or more of the shares or the top ten shareholders by shareholding percentage. However, the Company may set a lower shareholding threshold based on the actual control situation of the Company.

### Chapter III Strengthen the Functions of the Board of Directors

#### Section 1 Board Structure

##### Article 20 (Overall Competence Required of the Board of Directors)

The Company's Board of Directors shall guide the company's strategy, supervise management, and be accountable to the company and its shareholders. The company governance system and arrangements shall ensure that the Board of Directors exercises its powers in accordance with laws, the Company's articles of incorporation, or shareholder resolutions.

The structure of the Company's Board of Directors shall consider the scale of the company's business development and the shareholding status of its major shareholders, weighing practical operational needs, and determine an appropriate number of directors, no fewer than five.

The composition of the Board of Directors should take diversity into account. Directors who concurrently serve as company managers should not exceed one-third of the Board of Directors seats. The Board of Directors should formulate an appropriate diversity policy based on its own operation, business model, and development needs, including but not limited to the following two key aspects:

1. Basic attributes and values: gender, age, nationality, culture, etc. The proportion of female directors should reach at least one-third of the Board of Directors seats.
2. Professional knowledge and skills: professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Board members should generally possess the knowledge, skills, and qualities necessary to perform their duties. To achieve the ideal goals of corporate governance, the overall competencies of the Board should include:

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

Article 21 (Listed Companies Shall Establish Fair, Just, and Open Procedures for Director Election)

The Company shall establish fair, just, and open procedures for the election of directors in accordance with the principles of protecting shareholder rights and treating shareholders fairly, encouraging shareholder participation. The Company shall adopt a cumulative voting system as prescribed by the Company Act to fully reflect shareholders' opinions.

Except when approved by the competent authority, more than half of the directors shall not have spousal or kinship relationships within the second degree of consanguinity.

If a director is dismissed for any reason resulting in fewer than five directors, the Company shall hold a by-election at the next shareholders' meeting. However, if the number of director vacancies reaches one-third of the total board seats as specified in the articles of incorporation, the Company shall convene an extraordinary shareholders' meeting to hold a by-election within sixty days from the date the vacancy occurs.

The aggregate shareholding percentage of all directors of the Company shall comply with relevant laws and regulations. Restrictions on the transfer, pledging, or release of directors' shares, as well as any changes thereto, shall be handled in accordance with relevant regulations, and all such information shall be fully disclosed.

Article 22 (Stating the Adoption of Candidate Nomination System for Director Elections in the Articles of Incorporation)

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 the candidate nomination system.

The Company shall carefully evaluate the qualifications of the nominees and whether any circumstances listed in Article 30 of the Company Act apply, and handle the election in accordance with Article 192-1 of the Company Act.

Article 23 (Clear Division of Authority and Responsibilities of the Board of Directors over Functional Committees, Chairman, and General Manager of Listed Companies)

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

The Chairman and the General Manager, or equivalent positions, are not advised to be held by the same person.

If functional committees are established, their responsibilities should be clearly assigned.

#### Section 2 Independent Director System

Article 24 (Requirement for Listed Companies to Establish Independent Directors in accordance with the Articles of Incorporation)

The Company shall establish at least two independent directors in accordance with the provisions of the Articles of Incorporation, and the number of independent directors should not be less than one-third of the total number of directors. The consecutive term of independent directors should generally not exceed three terms.

Independent directors shall possess professional knowledge, and their shareholdings shall be restricted. In addition to complying with relevant laws and regulations, they should not concurrently serve as directors (including independent directors) or supervisors of more than five listed companies. They must maintain independence within their scope of duties and shall not have direct or indirect conflicts of interest with the Company. If the Company and its group enterprises or organizations mutually nominate directors or managers of the other party as candidates for independent directors, the Company shall disclose this information when accepting nominations for independent director candidates, explaining the suitability of the candidate. If elected as an independent director, the number of votes obtained shall be disclosed.

The term “group enterprises and organizations” in the preceding paragraph

applies to the subsidiaries of listed companies, foundations directly or indirectly funded over 50%, and other institutions or corporations with substantive control.

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

The professional qualifications, shareholding and concurrent position restrictions, independence determination, nomination procedures, and other compliance matters for independent directors shall be handled in accordance with the Securities and Exchange Act, the Regulations Governing the Appointment and Compliance of Independent Directors of Public Companies, and relevant regulations of the Taiwan Securities Exchange or the Taipei Exchange.

Article 25 (Matters to be Resolved by the Board of Directors)

The Company shall submit the following matters to the Board of Directors for resolution in accordance with the Securities and Exchange Act; if independent directors have dissenting or reserved opinions, such opinions shall be recorded in the minutes of the Board of Directors:

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 handling significant financial transactions such as acquisition or disposal of assets, derivative transactions, loans to others, endorsements, or guarantees for others pursuant to Article 36-1 of the Securities and Exchange Act.
3. Matters involving conflicts of interest of directors themselves.
4. Significant asset transactions or derivative transactions.
5. Significant loans, endorsements, or guarantees.
6. Public offering, issuance, or private placement of equity-type securities.
7. Appointment, dismissal, or remuneration of certified public accountants.
8. Appointment or removal of financial, accounting, or internal audit supervisors.
9. Other significant matters as prescribed by the competent authority.

Article 26 (Scope of Duties of Independent Directors for Listed Companies)

The Company shall clearly define the scope of duties of independent

directors and allocate the necessary human and material resources for them to exercise their powers. Neither the Company nor other members of the Board of Directors shall obstruct, refuse, or evade the independent directors from performing their duties.

The Company shall specify directors' remuneration in accordance with relevant laws and regulations. Directors' remuneration should fully reflect individual performance and the company's long-term operating results, and comprehensively consider the company's operational risks. Reasonable remuneration different from that of general directors may be determined for independent directors.

### Section 3 Functional Committee

#### Article 27 (Establishment of Functional Committees)

To enhance supervisory functions and strengthen management capabilities, the Company's Board of Directors may, considering the company's scale, nature of business, and number of directors, establish functional committees such as the Audit Committee, Remuneration Committee, Nomination Committee, Risk Management Committee, or other committees. The Company may also establish committees related to corporate social responsibility and sustainable development, such as Environmental or CSR Committees, which should be clearly stated in the Articles of Incorporation. Functional committees are accountable to the Board of Directors and shall submit their proposals for Board resolution. However, this does not apply to the Audit Committee when exercising the supervisory duties of the Supervisors in accordance with Article 14-4, Paragraph 4 of the Securities and Exchange Act.

Functional committees shall establish its charter, which must be approved by the Board of Directors. The organizational charter should include the number of committee members, their terms of office, scope of authority, meeting procedures, and the resources the Company shall provide when exercising their duties.

#### Article 28 (Listed Companies Shall Establish Either an Audit Committee or Supervisors)

The Audit Committee shall be composed entirely of independent directors and shall consist of no fewer than three members. One member shall serve

as the convener, and at least one member shall possess accounting or financial expertise.

The exercise of powers by the Audit Committee and its independent director members, as well as related matters, 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 applicable rules of the Taiwan Stock Exchange or the Taipei Exchange.

Article 28-1 (Establishment of a Remuneration Committee by Listed Companies)

The Company shall establish a Remuneration Committee, with a majority of its members preferably being independent directors. The professional qualifications of the members, the exercise of their powers, the establishment of its charter, and other related matters shall be handled in accordance with 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 Taipei Exchange.

Article 28-2 (Establishment of a Nomination Committee by Listed Companies)

The Company is advised to establish a Nomination Committee and adopt its organizational rules. A majority of the committee members should preferably be independent directors, and the chairperson should be an independent director.

Article 28-3 (Whistleblowing System)

The Company shall establish and announce whistleblowing channels for both internal and external personnel, and set up a whistleblower protection system; the unit responsible for handling whistleblowing shall maintain independence, encrypt and protect the files provided by whistleblowers, appropriately restrict access permissions, establish internal operating procedures, and incorporate such procedures into the internal control system for management.

Article 29 (Strengthening and Enhancing the Quality of Financial Reporting)

To enhance the quality of financial reporting, the Company shall appoint a deputy for the accounting supervisor.

The deputy of the accounting supervisor shall undergo continuing education annually, comparable to that of the accounting supervisor, to strengthen the

deputy's professional competence.

Accounting personnel involved in preparing financial reports shall also complete no less than six hours of professional-related continuing education each year. Such continuing education may be fulfilled through internal company training or professional courses organized by accounting supervisory education institutions.

The Company shall select professional, responsible, and independent certified public accountants to conduct regular audits of the Company's financial status and internal controls. The Company shall thoroughly review and improve upon any abnormalities or deficiencies timely discovered and disclosed by the accountants during the audit process, as well as any concrete recommendations for improvement or fraud prevention. It is advisable to establish communication channels or mechanisms between the independent directors or audit committee and the certified public accountants, and to establish internal operating procedures that are incorporated into the internal control system for management.

The Company shall periodically (at least once a year) assess the independence and competence of the appointed certified public accountants. If the Company has not replaced its accountants for seven consecutive years, or if the accountants have been subject to disciplinary actions or events affecting their independence, the Company shall evaluate the necessity of replacing the accountants and report the evaluation results to the Board of Directors.

#### Article 30 (Provision of Appropriate Legal Services to the Company)

The Company should appoint professional and qualified lawyers to provide appropriate legal consultation services to the Company, or assist the Board of Directors and management in enhancing their legal literacy, in order to prevent the Company and related personnel from violating laws and regulations, and to ensure that corporate governance operates within the relevant legal framework and statutory procedures.

If a director or member of management is involved in litigation or disputes with shareholders while performing duties according to law, the Company shall engage lawyers to provide assistance as appropriate.

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 related to the exercise of their duties, with the costs borne by the Company.

#### Section 4 Rules of Procedure and Decision-Making Process of the Board of Directors

##### Article 31 (Convening of the Board of Directors)

The Company's Board of Directors shall meet at least once every quarter and may be convened at any time in case of emergencies. The notice for convening the Board meeting shall specify the agenda and be sent to each director at least 7 days in advance, along with sufficient meeting materials. If the meeting materials are insufficient, directors have the right to request additional information or, upon resolution by the Board, postpone the review. The Company shall establish rules of procedure for the Board of Directors; the rules shall include the main agenda items, operating procedures, the required contents of meeting minutes, disclosure, and other compliance matters, which shall be handled in accordance with the Rules of Procedure for the Board of Directors of Public Companies.

##### Article 32 (Directors Shall Uphold a High Degree of Self-Discipline)

Directors shall uphold a high degree of self-discipline. For any proposal listed on the agenda of the Board of Directors in which the director or the legal entity they represent has a conflict of interest, the director shall disclose the important details of such conflict during that Board meeting. If there is a risk of harming the Company's interests, the director shall not participate in the discussion or voting, must recuse themselves during the discussion and voting, and shall not act as a proxy to exercise the voting rights of other directors.

Matters for which directors must recuse themselves shall be clearly stipulated in the Procedures for the Board of Directors.

##### Article 33 (Independent Directors and the Board of Directors)

Independent directors of the Company shall personally attend the Board of Directors regarding matters that, according to Article 14-3 of the Securities and Exchange Act, must be submitted to the Board of Directors, and shall not delegate their attendance to non-independent directors. If an independent director has dissenting or reserved opinions, such opinions shall be recorded in the minutes of the Board of Directors. If an independent

director cannot personally attend the Board of Directors to express dissenting or reserved opinions, they shall, except for justifiable reasons, submit a written opinion in advance, which shall be included in the minutes of the Board of Directors.

If any of the following situations occur regarding Board of Directors resolutions, in addition to being recorded in the minutes, the Company shall announce and file the information on the MOPS starting from two hours before the trading hours on the next business day following the date of the Board of Directors:

1. Independent directors have dissenting or reserved opinions that are recorded or submitted in writing.
2. For companies with an Audit Committee, matters not approved by the Audit Committee but agreed upon by at least two-thirds of all directors.

During the Board of Directors, depending on the content of the agenda, relevant departments' managerial personnel who are not directors may be notified to attend to report on the current business status and answer 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 appropriate decisions; however, they must leave the meeting during discussion and voting.

#### Article 34 (Minutes of the Board of Directors)

The personnel responsible for the Board of Directors shall accurately and thoroughly record the meeting reports, summaries of each agenda item, the methods of resolution, and the outcomes in accordance with relevant regulations.

The minutes of the Board of Directors shall be signed or stamped by the meeting chairperson and the recorder, and distributed to each director within twenty days after the meeting. The attendance register of the Board of Directors shall be part of the minutes, and the minutes shall be included in the Company's important documents and properly preserved permanently during the Company's existence.

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

The Company shall make a full audio or video recording of the Board of

Directors' meetings and preserve such recordings for at least five years, and such preservation may be electronic.

If litigation arises related to the resolutions of the Board of Directors before the expiration of the preservation period, the relevant audio or video evidence shall continue to be preserved and shall not be subject to the preceding provision.

For Board of Directors meetings held via video conference, the audio and video recordings shall be part of the minutes and shall be preserved permanently.

If a resolution of the Board of Directors violates laws, the Articles of Incorporation, or shareholders' meeting resolutions and causes damage to the Company, directors who express dissenting opinions with records or written statements shall be exempt from liability for compensation.

**Article 35 (Matters to Be Submitted to the Board of Directors for Discussion)**

The Company shall submit the following matters to the Board of Directors for discussion:

1. The Company's business operation plans.
2. Annual financial reports and semi-annual financial reports; however, semi-annual financial reports that are not required by law to be audited or reviewed by certified public accountants are exempted.
3. The establishment or amendment of internal control systems pursuant to Article 14-1 of the Securities and Exchange Act, and the assessment of the effectiveness of internal control systems.
4. The establishment or amendment of procedures for handling major financial and business transactions, such as acquisition or disposal of assets, derivative transactions, lending of funds to others, endorsing for others, or providing guarantees, pursuant to Article 36-1 of the Securities and Exchange Act.
5. The public offering, issuance, or private placement of equity-type securities.
6. Performance evaluations and remuneration standards for managers.
7. The structure and system of directors' remuneration.
8. The appointment and dismissal of financial, accounting, or internal audit supervisors.

9. Donations to related parties or major donations to non-related parties; however, donations of a public welfare nature made as urgent relief for major natural disasters may be ratified at the next Board of Directors meeting.
10. Major matters prescribed in Article 14-3 of the Securities and Exchange Act, other matters required by laws, regulations, or the Articles of Incorporation to be resolved by the shareholders' meeting or the Board of Directors, or those required by competent authorities.

In addition to the matters that must be submitted to the Board of Directors for discussion as listed above, during the recess of the Board of Directors, if the Board authorizes the exercise of its powers according to laws, regulations, or the Company's Articles of Incorporation, the scope, content, or matters of such authorization shall be specific and definite and shall not be broadly delegated.

Article 36 (Clear Delegation of Matters Resolved by the Board of Directors to Appropriate Executing Units or Personnel)

The Company shall clearly delegate the matters resolved by the Board of Directors to appropriate executing units or personnel, requiring execution according to the planned schedule and objectives. These matters shall also be included in tracking management to properly assess their implementation. The Board of Directors shall fully grasp the progress of execution and receive reports at the next Board of Directors meeting to ensure that the Board of Directors' management decisions are effectively implemented.

Section 5 Duties of Loyalty and Care of Directors

Article 37 (Board of Directors Members Shall Faithfully Perform Duties and Exercise the Duty of Care of a Good Administrator)

Members of the Board of Directors shall faithfully perform their duties and exercise the duty of care of a good administrator, acting with a high degree of self-discipline and prudence in exercising their powers. Regarding the execution of the Company's business, except for matters that must be resolved by the shareholders' meeting according to laws or the Articles of Incorporation, execution shall strictly follow resolutions of the Board of Directors.

The Company is advised to establish methods and procedures for evaluating

the performance of the Board of Directors. Besides conducting annual regular self- or peer-evaluations of the Board and individual directors, the Company may also commission external professional institutions or adopt other appropriate methods for performance evaluation. The evaluation content of the Board's performance should include the following aspects and establish suitable evaluation indicators based on the Company's needs:

1. Level of participation in the Company's operations.
2. Improvement of the quality of the Board of Directors' decisions.
3. Composition and structure of the Board of Directors.
4. Selection and continuing education of directors.
5. Internal controls.

The performance evaluation content for individual directors (self- or peer-evaluation) should include the following aspects and be appropriately adjusted according to the Company's needs:

1. Understanding of the Company's goals and missions.
2. Awareness of directors' duties.
3. Level of participation in the Company's operations.
4. Management of internal relationships and communication.
5. Directors' professionalism and continuing education.
6. Internal controls.

The Company should also conduct performance evaluations of functional committees, with evaluation content including the following aspects and adjusted as appropriate based on the Company's needs:

1. Level of participation in the Company's operations.
2. Awareness of the functional committees' duties.
3. Improvement of the quality of functional committees' decisions.
4. Composition of functional committees and selection of members.
5. Internal controls.

The Company is advised to report the results of the performance evaluations to the Board of Directors and use them as references for individual directors' remuneration and nomination for reappointment.

#### Article 37-1 (Establishment of Succession Plan for Management)

The Company is advised to establish a succession plan for its management and have the Board of Directors regularly evaluate the

development and implementation of the plan to ensure sustainable operation.

Article 37-2 (Establishment of Intellectual Property Management System)

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

The Board of Directors is advised to evaluate and supervise the Company's direction and performance regarding intellectual property management based on the following aspects, to ensure the Company establishes an intellectual property management system following the management cycle of "Plan, Do, Check, Act":

1. Formulating intellectual property management policies, objectives, and systems related to operational strategies.
2. Establishing, implementing, and maintaining intellectual property acquisition, protection, maintenance, and utilization management systems according to the Company's scale and type.
3. Determining and providing sufficient resources necessary to effectively implement and maintain the intellectual property management system.
4. Monitoring internal and external risks or opportunities related to intellectual property management and taking corresponding measures.
5. Planning and implementing continuous improvement mechanisms to ensure the operation and effectiveness of the intellectual property management system meet the Company's expectations.

Article 38 (Request by Shareholders or Independent Directors or Notification by the Audit Committee to the Board of Directors to Suspend Execution of Resolutions)

If a resolution of the Board of Directors violates laws or the Company's Articles of Incorporation, and shareholders who have continuously held shares for more than one year or independent directors request, or the Audit Committee notifies the Board of Directors to suspend the execution of such resolution, the members of the Board of Directors shall promptly and

properly handle the matter or suspend the execution of the relevant resolution.

When members of the Board of Directors discover that the Company is at risk of significant damage, they shall handle the matter in accordance with the preceding paragraph and immediately report to the Audit Committee or the independent directors who are members of the Audit Committee.

#### Article 39 (Directors' Liability Insurance)

The Company shall purchase liability insurance for its directors during their terms of office to cover the indemnity liabilities they are legally responsible for within the scope of their duties, in order to reduce and diversify the risk of significant damages to the Company and its shareholders caused by directors' errors or negligence.

After purchasing or renewing directors' liability insurance, the Company shall report the important details of the insurance, including the insured amount, coverage, and premium rates, to the most recent Board of Directors.

#### Article 40 (Participation of Board of Directors Members in Continuing Education)

Members of the Board of Directors are encouraged to participate in continuing education courses, either upon their initial appointment or during their term of office. Such courses should be held by institutions designated under the Guidelines for the Continuing Education of Directors and Supervisors of TWSE/TPEX-Listed Companies and should cover topics related to corporate governance, including finance, risk management, business, commerce, accounting, law, or corporate social responsibility. The Company shall also instruct 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 (TWSE/TPEX-Listed Companies Shall Establish a Fair, Impartial, and Transparent Selection Process for the Audit Committee)

The Company shall establish a fair, impartial, and transparent selection process for the Audit Committee and shall adopt the cumulative voting system in accordance with the Company Act to fully reflect shareholders' opinions.

The Company shall consider overall operational needs and, in accordance

with the regulations of the Taiwan Stock Exchange or the Taipei Exchange, set the minimum number of seats required for the Audit Committee.

Article 42 (Adoption of the Candidate Nomination System for Election of Directors as Specified in the Articles of Incorporation)

The Company shall, in accordance with the laws and regulations of the competent authority, specify in its Articles of Incorporation that the election of directors shall adopt the candidate nomination system. The qualifications and conditions of the nominees, as well as whether any circumstances listed under Article 30 of the Company Act apply, shall be carefully evaluated. The election shall be conducted in accordance with Article 192-1 of the Company Act.

Article 43 (Relationship Restrictions and Qualifications of Audit Committee Members)

Unless otherwise approved by the competent authority, there shall be at least one seat on the Audit Committee where the member does not have a spousal relationship or a relationship within the second degree of kinship with any other Audit Committee member or director.

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

Members of the Audit Committee are advised to have a domicile within the territory to ensure timely performance of their supervisory functions.

Section 2 Duties and Responsibilities of Audit Committee Members

Article 44 (Audit Committee Members Shall Be Familiar with Relevant Laws and Understand the Rights, Obligations, and Responsibilities of Directors)

Members of the Audit Committee shall be familiar with relevant legal provisions and understand the rights, obligations, and responsibilities of the Company’s directors, as well as the functions, responsibilities, and operational procedures of each department. They shall attend meetings of the Board of Directors to supervise its operations and express opinions in a timely manner in order to identify or detect any irregularities at an early stage.

Article 45 (Audit Committee Members Shall Supervise the Execution of Company



Operations and the Performance of Duties by Directors and Managers)

Members of the Audit Committee shall supervise the execution of the Company's operations and the diligence of directors and managers, while also monitoring the implementation of the Company's internal control system, in order to reduce financial crises and operational risks.

When a director engages in any sale, loan, or other legal transaction with the Company on their own behalf or on behalf of another party, an independent director who is a member of the Audit Committee shall act as the representative of the Company.

Article 46 (Audit Committee Members May Investigate the Company's Operations and Financial Status at Any Time)

Members of the Audit Committee may investigate the Company's operations and financial status at any time. Relevant departments of the Company shall cooperate by providing access to, and allowing inspection, transcription, or duplication of, necessary books and documents.

When auditing the Company's financial or business matters, members of the Audit Committee may, on behalf of the Company, appoint lawyers or accountants to conduct the audit; however, the Company shall inform relevant personnel of their confidentiality obligations.

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

When Audit Committee members perform their duties, the Company shall provide necessary assistance as required, and any reasonable expenses incurred shall be borne by the Company.

Article 47 (TWSE/TPEX-Listed Companies Shall Establish Communication Channels Between Employees, Shareholders, Stakeholders, and the Audit Committee)

To enable the Audit Committee to identify potential misconduct in a timely manner, the Company shall establish communication channels for employees, shareholders, and stakeholders to communicate with the Audit Committee.

When the Audit Committee discovers any misconduct, it shall promptly take appropriate measures to prevent the issue from escalating and, if necessary, report the matter to the relevant competent authorities or agencies.

In the event of resignation or replacement of any independent director, the general manager, or the heads of the finance, accounting, R&D, or internal audit departments, or the certifying CPA of a TWSE/TPEX-listed company, the Audit Committee shall thoroughly understand the reasons for such changes.

If the Audit Committee neglects its duties and causes damage to the Company, it shall be liable for compensation to the Company.

Article 48 (Audit Committee Members Shall Exercise Supervisory Powers Individually)

When members of the Audit Committee exercise their supervisory powers individually, they may, based on the overall interests of the Company and its shareholders, convene meetings to exchange opinions if deemed necessary. However, such meetings shall not impair the independence of each Audit Committee member in exercising their duties.

Article 49 (Liability Insurance for Audit Committee Members)

During the term of office of the Audit Committee members, the Company shall purchase liability insurance on their behalf to cover the compensation liabilities they are legally responsible for within the scope of their duties, in order to reduce and diversify the risk of significant damage to the Company and its shareholders caused by the errors or negligence of supervisors.

After purchasing or renewing the liability insurance for Audit Committee members, the Company should report key details such as the insured amount, coverage, and premium rates to the most recent meeting of the Board of Directors.

Article 50 (Participation of Audit Committee Members in Continuing Education Courses)

Audit Committee members are encouraged to participate in continuing education courses upon their initial appointment or during their term of office. These courses should be conducted by institutions designated under the Guidelines for Continuing Education of Directors and Supervisors of TWSE/TPEX-listed Companies and cover topics related to corporate governance, including finance, risk management, business, commerce, accounting, law, or corporate social responsibility.

Chapter V Respecting the Rights and Interests of Stakeholders

Article 51 (TWSE/TPEX-Listed Companies Shall Maintain Communication with

#### Stakeholders and Safeguard Their Rights and Interests)

The Company shall maintain open communication channels with its banks and other creditors, employees, consumers, suppliers, the community, and other stakeholders, and respect and protect their legitimate rights and interests. The Company shall also establish a dedicated stakeholder section on its corporate website.

When the legitimate rights and interests of stakeholders are infringed upon, the Company shall properly handle the matter in good faith.

#### Article 52 (Providing Adequate Information to Banks and Other Creditors)

The Company shall provide sufficient information to banks and other creditors to enable them to make informed judgments and decisions regarding the Company's operations and financial condition. When their legitimate rights and interests are infringed upon, the Company shall respond proactively and responsibly, ensuring that creditors have appropriate channels to seek compensation.

#### Article 53 (TWSE/TPEX-Listed Companies Shall Establish Communication Channels for Employees)

The Company shall establish communication channels for employees and encourage them to communicate directly with management, the Board of Directors, or the Audit Committee, allowing employees to appropriately express their opinions regarding the Company's operations, financial condition, or major decisions affecting employee interests.

#### Article 54 (Corporate Social Responsibility)

While maintaining normal business operations and maximizing shareholder interests, the Company shall also pay attention to consumer rights, community environmental protection, public welfare, and other related issues, and place importance on its corporate social responsibility.

### Chapter VI Enhancing Information Transparency

#### Section 1 Strengthening Information Disclosure

#### Article 55 (Information Disclosure and Online Reporting System)

While maintaining normal business operations and maximizing shareholder interests, the Company shall also pay attention to consumer rights, community environmental protection, public welfare, and other related issues, and place importance on its corporate social responsibility.

Information disclosure is an important responsibility of TWSE/TPEX-listed companies. The Company shall faithfully perform its obligations in accordance with relevant laws, regulations, and the rules of the Taiwan Stock Exchange or Taipei Exchange.

The Company is advised to announce and submit its annual financial report within two months after the end of the fiscal year, and shall also announce and submit quarterly financial reports and monthly operational conditions ahead of the prescribed deadlines.

The Company shall establish an online reporting system for public information disclosure, designate responsible personnel for the collection and disclosure of company information, and set up a spokesperson system to ensure that information which may affect the decisions of shareholders and stakeholders is disclosed timely and appropriately.

#### Article 56 (TWSE/TPEX-Listed Companies Shall Appoint Spokespersons)

To enhance the accuracy and timeliness of material information disclosure, the Company shall appoint a spokesperson who fully understands the Company's financial and business matters or can coordinate with various departments to provide relevant information, and who can independently represent the Company in external communications.

The Company shall appoint at least one deputy spokesperson. When the spokesperson is unable to perform their duties, any deputy spokesperson shall be able to independently act on behalf of the spokesperson in external communications. The order of deputies shall be confirmed to avoid confusion.

To implement the spokesperson system effectively, the Company shall establish standardized procedures for communication and require management and employees to maintain confidentiality of financial and business information, prohibiting unauthorized dissemination of information.

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

#### Article 57 (Establishment of a Corporate Governance Website)

The Company shall utilize the convenience of the Internet to establish a website containing information related to the Company's financial and

business affairs as well as corporate governance, to facilitate reference by shareholders and stakeholders. An English version of the financial, corporate governance, or other related information is also recommended.

The website shall be maintained by designated personnel, and the information provided shall be accurate, detailed, and updated in a timely manner to avoid any risk of misinformation.

#### Article 58 (Methods for Holding Institutional Investor Conferences)

The Company shall hold institutional investor conferences in accordance with the regulations of the Taiwan Stock Exchange or Taipei Exchange and shall preserve the conferences by audio or video recording. Financial and business information disclosed during the conferences shall be submitted to the MOPS as required by the Taiwan Stock Exchange or Taipei Exchange and made available for inquiry through the Company's website or other appropriate channels.

#### Section 2 Disclosure of Corporate Governance Information

#### Article 59 (Disclosure of Corporate Governance Information)

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

1. Board of Directors: including members' resumes, their powers and responsibilities, and the board's diversity policy and its implementation status.
2. Functional Committees: including members' resumes and their powers and responsibilities of each functional committee.
3. Corporate Governance-Related Regulations: such as the Articles of Incorporation, Rules of Procedure for the Board of Directors, organizational rules of functional committees, and other related regulations.
4. Important Information Related to Corporate Governance: such as information about the corporate governance officer.

#### Chapter VII Supplementary Provisions

#### Article 60 (Attention to Domestic and International Developments)

The Company shall continuously monitor the developments of corporate governance systems both domestically and internationally, and accordingly

review and improve its own corporate governance system to enhance its effectiveness.

Article 61 (Implementation)

The Principles shall be implemented after approval by the Board of Directors, and the same procedure shall apply to any amendments.