HSING TA CEMENT CO., LTD.

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A	3	All	Article 3 Article 3-1 Article 6 Article 7 Article 10 Article 10-1 Article 12 Article 15 Article 20 Article 40 Article 43 Article 49	1. Amended in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies (version dated March 8, 2022). 2. Page numbering adjusted accordingly.	Regulation Formulation Taskforce	Yang, Chih-Hsiung	Board of Directors	May 12, 2022

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Chapter I General Principles

Article 1 To establish a sound corporate governance system, the Company has adopted these Principles with reference to the *Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies* jointly issued by the Taiwan Stock Exchange Corporation (hereinafter referred to as the "TWSE") and the Taipei Exchange (TPEx). The Company shall establish an effective corporate governance framework in accordance with these Principles and disclose such information on the Market Observation Post System (MOPS).

Article 2 In addition to complying with applicable laws, the Articles of Incorporation, and the relevant rules and agreements entered into with the TWSE, the Company's corporate governance system shall be implemented in accordance with the following principles:

1. Protect shareholders' rights and interests.
2. Enhance the functions of the Board of Directors.
3. Strengthen the function of independent directors.
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 implement an internal control system based on the overall operational activities of the Company and its subsidiaries. The system shall be reviewed regularly in response to changes in internal and external environments to ensure its ongoing effectiveness in both design and execution.

In addition to conducting regular self-assessments of the internal control system, the Board of Directors and management shall review departmental self-evaluation results at least annually and examine audit reports prepared by the internal audit unit on a quarterly basis. The Audit Committee shall also monitor and supervise these reviews. Directors and members of the Audit Committee shall hold regular meetings with internal auditors to discuss identified deficiencies in the internal control system, prepare meeting records, and follow up on improvements, with progress reported to the Board of Directors. The Company is advised to establish communication channels and mechanisms among independent directors, the Audit Committee, and the chief internal auditor. The convener of the Audit Committee shall report to the shareholders' meeting on the communication between committee members and the chief internal auditor.

The Company's management shall attach great importance to the internal audit unit and personnel by granting them sufficient authority to examine and evaluate deficiencies in the internal control system and assess operational efficiency. This ensures the continuous and effective implementation of the system, assisting the Board of Directors and management in fulfilling their responsibilities and thereby achieving sound corporate governance.

The appointment, dismissal, evaluation, and remuneration of internal audit personnel shall be submitted to the Board of Directors for approval or, alternatively, reviewed and approved by the chairman of the Board upon recommendation by the chief internal auditor.

Article 3-1 The Company shall, based on its scale, business conditions, and management needs, assign an adequate number of competent personnel responsible for corporate governance matters, and, in accordance with the requirements of the competent authority and the Taiwan Stock Exchange (TWSE), appoint a chief corporate governance officer as the most senior executive responsible for corporate governance affairs.

The appointed officer shall have obtained a professional license as an attorney or certified public accountant, or have held a managerial position for at least three years in legal affairs, compliance, internal audit, finance, stock affairs, or corporate governance within a securities, financial, or futures institution, or a public company.

The corporate governance affairs referred to in the preceding paragraph shall at least include the following:

1. Handling matters relating to meetings of the Board of Directors and shareholders in accordance with the law.
2. Preparing minutes of the meetings of the Board of Directors and shareholders.
3. Assisting directors with onboarding and continuing education.
4. Providing directors with the information necessary for the execution of their duties.
5. Assisting directors in complying with relevant laws and regulations.
6. Reporting to the Board of Directors the results of the review on whether independent directors meet the relevant qualification requirements at the time of nomination, appointment, and during their term of office.
7. Handling matters related to changes in the composition of the Board of Directors.
8. Other matters as provided in the Company's Articles of Incorporation or relevant agreements.

Chapter II Protection of Shareholders' Rights and Interests

Section 1 Encouraging Shareholders' Participation in Corporate Governance

Article 4 The Company's corporate governance system shall protect shareholders' rights and interests and treat all shareholders equitably.

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 The Company shall convene shareholders' meetings in accordance with the Company Act and other relevant laws and regulations, and shall adopt comprehensive rules of procedure. Matters that are required to be resolved by the shareholders' meeting shall be conducted in strict compliance with such rules.

Resolutions adopted at the shareholders' meeting shall comply with applicable laws, regulations, and the Company's Articles of Incorporation.

Article 6 The Board of Directors shall properly arrange the agenda and procedures of shareholders' meetings, establish principles and procedures for shareholder proposals and the nomination of directors by shareholders, and handle shareholder proposals submitted in accordance with the law appropriately.
The venue for the shareholders' meeting shall be convenient and, where appropriate, supplemented by video conferencing. Sufficient time shall be reserved for registration procedures, with competent and adequate personnel assigned to assist. The Company shall not arbitrarily require additional proof of identity beyond what is necessary for shareholder attendance, and shall allocate reasonable time for discussion of each proposal and provide shareholders with appropriate opportunities to express their opinions.

The shareholders' meetings convened by the Board of Directors should preferably be presided over personally by the chairman of the Board, with a majority of the directors (including at least one independent director) in attendance, together with the convener of the Audit Committee and at least one member representing other functional committees. The attendance of such participants shall be recorded in the minutes of the shareholders' meeting.

Article 7 The Company shall encourage shareholders to participate in corporate governance and may engage a professional stock affairs agency to handle matters relating to shareholders' meetings, ensuring that such meetings are conducted legally, efficiently, and securely.
The Company shall utilize various methods and technology-based means of information disclosure, including simultaneous uploading of Chinese and English versions of its annual reports, annual financial statements, meeting notices, agendas, and supplementary materials for the shareholders' meeting. Electronic voting shall be adopted to enhance shareholder participation and ensure that shareholders may exercise their rights in accordance with the law.

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

The Company shall arrange for shareholders to vote on each agenda item separately. On the day of the shareholders' meeting, the results of votes for, against, and abstaining shall be entered into the Market Observation Post System (MOPS).

Article 8 The Company shall, in accordance with the Company Act and other relevant laws and regulations, record in the minutes of the shareholders' meeting the date, venue, name of the chairman, method of resolution, and the essential proceedings and results of the meeting. In the election of directors, the voting method and the number of votes received by each elected director shall be clearly stated. The minutes of the shareholders' meetings shall be properly and permanently preserved throughout the duration of the Company's existence. Where the Company maintains a website, such minutes should be fully disclosed thereon.

Article 9 The chairman of the shareholders' meeting shall be thoroughly familiar with and comply with the rules of procedure established by the Company, ensuring that the meeting proceeds smoothly and that adjournment is not declared arbitrarily.

To safeguard the rights and interests of the majority of shareholders, if the chairman violates the rules of procedure and arbitrarily declares the meeting adjourned, the other members of the Board shall promptly assist the attending shareholders in electing, by a majority of votes present, one person to serve as chairman to continue the meeting in accordance with statutory procedures.

Article 10 The Company shall respect shareholders' right to know and strictly comply with all applicable information disclosure requirements. The Company's financial and business conditions, insider shareholdings, and corporate governance status shall be regularly and promptly disclosed to shareholders via the Market Observation Post System (MOPS) or the Company's official website.

To ensure equitable treatment of shareholders, all disclosures referred to in the preceding paragraph should, where appropriate, be made available simultaneously in English.

To protect shareholders' interests and ensure equal treatment, the Company shall establish internal regulations prohibiting insiders from trading securities using material non-public information.

The aforementioned internal regulations should include control measures on stock trading by insiders from the date they become aware of the Company's financial statements or operating results. Such measures shall include, but are not limited to, restrictions prohibiting directors from trading the Company's shares during blackout periods — specifically, within 30 days prior to the announcement of the annual financial report and within 15 days prior to the announcement of each quarterly financial report.

Article 10-1 Where appropriate, the Company shall report at the annual shareholders' meeting the remuneration received by directors, including the Company's remuneration policy, details and amounts of individual remuneration, and the correlation between remuneration and performance evaluation results.

Article 11 Shareholders shall have the right to share in the Company's profits. To protect shareholders' investment interests, the shareholders' meeting may, pursuant to Article 184 of the Company Act, examine the statements and reports prepared by the Board of Directors and the Audit Committee, and resolve on the distribution of earnings or the offsetting of losses. When conducting such examination, the shareholders' meeting may appoint an inspector to perform the review.

Shareholders may, in accordance with Article 245 of the Company Act, petition the court to appoint an inspector to examine the Company's accounts, assets, specific matters, or particular transaction documents and records.

The Board of Directors, Audit Committee, and managerial officers shall fully cooperate with the inspectors' examinations referred to in the preceding two paragraphs and shall not evade, obstruct, or refuse such examinations.

Article 12 The Company's material financial or business acts, including acquisitions or disposals of assets, loans to others, and endorsements or guarantees, shall be conducted in compliance with applicable laws and regulations. The Company shall establish corresponding operational procedures and submit them to the shareholders' meeting for approval to safeguard shareholders' rights and interests.

In the event of a merger or public tender offer, the Company shall, in addition to complying with relevant laws and regulations, ensure the fairness and reasonableness of the merger or acquisition plan and transaction, maintain transparency of information, and ensure the soundness of the Company's post-transaction financial structure.

Where any member of the Company's management or major shareholders is involved in a merger or acquisition transaction, a review shall be conducted to ensure that the members of the Audit Committee responsible for the deliberation of such merger or acquisition comply with the requirements set forth in Article 3 of the *Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies*, and that they are not related parties to, or otherwise have any conflict of interest with, the counterparty to the merger or acquisition that could compromise their independence.
Furthermore, the design and implementation of relevant procedures and the sufficiency of information disclosure shall be verified by an independent legal professional who shall issue a legal opinion.

The lawyer referred to in the preceding paragraph shall meet the qualification requirements stipulated in Article 3 of the *Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies* and shall not be a related party to, or have any conflict of interest with, the counterparty to the merger or acquisition that may impair his or her independence.

Personnel involved in handling matters relating to mergers or public tender offers shall pay due attention to potential conflicts of interest and recusal situations.

Article 13 To ensure the protection of shareholders' rights and interests, the Company shall designate responsible personnel to properly handle shareholders' suggestions, inquiries, and disputes.

If any resolution adopted by the shareholders' meeting or the Board of Directors, or any act performed by a director or managerial officer in the course of business execution, violates laws, regulations, or the Company's Articles of Incorporation and thereby causes damage to shareholders' rights or interests, the Company shall appropriately handle any litigation brought by shareholders in accordance with the law.

Section 2 Establishment of Communication Channels with Shareholders

Article 13-1 The Board of Directors shall be responsible for establishing effective channels for communication and interaction with shareholders, so as to enhance mutual understanding of the Company's objectives and development direction.

Article 13-1 In addition to communicating with shareholders through shareholders' meetings and encouraging their participation therein, the Board of Directors shall maintain efficient communication with shareholders. Together with managerial officers and independent directors, the Board shall seek to understand shareholders' opinions and concerns, clearly explain the Company's policies, and secure shareholders' support.

Section 3 Corporate Governance Relationship between the Company and Its Affiliates

Article 14 The objectives, rights, and responsibilities regarding the management of personnel, assets, and finances between the Company and its affiliated enterprises shall be clearly defined. The Company shall conduct thorough risk assessments and establish appropriate firewalls to ensure sound management.

Article 15 Unless otherwise provided by laws or regulations, the managerial officers of the Company shall not concurrently serve as managerial officers of any affiliated enterprises.

Any director of the Company who engages in any business that falls within the scope of the Company's operations for himself/herself or on behalf of another person shall explain the material details of such activities to the shareholders' meeting and obtain its approval.

Article 16 The Company shall, in accordance with applicable laws and regulations, establish sound objectives and systems for financial, business, and accounting management. In coordination with its affiliated enterprises, the Company shall conduct comprehensive risk assessments of principal correspondent banks, clients, and suppliers, and implement necessary control mechanisms to mitigate credit risk.

Article 17 Where the Company engages in any financial or business dealings or transactions with related parties or shareholders, such dealings shall be conducted in accordance with the principles of fairness and reasonableness. Written procedures shall be established to govern such transactions, and all contract terms, including pricing conditions and payment methods, shall be explicitly stipulated to prevent irregular transactions and improper transfers of interests.

The written procedures referred to in the preceding paragraph shall include management processes for purchase and sales transactions, acquisition or disposal of assets, loans to others, and endorsements or guarantees. Material transactions shall be submitted to the Board of Directors for approval and, where required, to the shareholders' meeting for consent or reporting.

Article 18 A corporate shareholder having control over the Company shall observe the following principles:

1. It shall owe a duty of good faith to other shareholders and shall not directly or indirectly cause the Company to engage in business activities that are inconsistent with normal commercial practices or detrimental to the Company's interests.
2. Its representative shall follow the Company's relevant rules governing the exercise of rights and participation in resolutions, and when attending shareholders' meetings, shall act in good faith and in the best interest of all shareholders when exercising voting rights, and shall fulfill the fiduciary duty and duty of care of a director.
3. In nominating directors, it shall comply with applicable laws and regulations 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 its business operations.
5. It shall not restrict or hinder the Company's production and operation through unfair competition, such as monopolizing procurement or blocking sales channels.
6. The representative designated by such corporate shareholder to serve as a director shall possess the professional qualifications required by the Company, and such representative shall not be arbitrarily replaced.

Article 19 The Company shall at all times be informed of the list of major shareholders holding a relatively high percentage of shares and those having actual control over the Company, as well as the ultimate controllers of such major shareholders.

The Company shall periodically disclose information regarding any shareholder holding more than 10 percent of the Company's shares who pledges, increases, or decreases shareholdings, or engages in other significant matters that may result in changes in share ownership, so that other shareholders may exercise proper supervision.

Chapter III Strengthening the Function of the Board of Directors
Section 1 Structure of the Board of Directors

Article 20 The Board of Directors shall direct the Company's strategies, supervise the management, and be accountable to the Company and its shareholders. The Company's corporate governance practices and arrangements shall ensure that the Board of Directors exercises its powers in accordance with laws, the Articles of Incorporation, and resolutions of the shareholders' meeting.

The composition of the Board of Directors shall be determined in consideration of the Company's scale of business development, the shareholding of major shareholders, and practical operational needs, and shall consist of no fewer than five directors.

concurrently serving as managerial officers of the Company shall not exceed one-third of the total number of directors. The Board shall establish an appropriate policy on diversity based on its own operation model, business nature, and development needs. Such diversity policy should include, but not be limited to, the following two major aspects:

1. Basic attributes and values: gender, age, nationality, and cultural background, among which the ratio of female directors is recommended to reach one-third of the total number of directors.
2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional expertise, and industry experience.

Members of the Board of Directors shall, in general, possess the knowledge, skills, and character necessary to perform their duties. To achieve sound corporate governance, the Board as a whole shall possess the following abilities:

1. Ability to make sound operational judgments.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Industry knowledge.
6. Understanding of international markets.
7. Leadership ability.
8. 八、Decision-making ability.

Article 21 The Company shall, in accordance with the principles of protecting shareholders' rights and ensuring equitable treatment of shareholders, establish fair, impartial, and transparent procedures for the election of directors, encourage shareholder participation, and adopt the cumulative voting mechanism as required under the *Company Act* to fully reflect shareholders' opinions.

Unless otherwise approved by the competent authority, more than half of the Company's directors shall not have any spousal relationship or family relationship within the second degree of kinship with one another.

If a director is dismissed for any reason resulting in fewer than five directors remaining in office, a by-election shall be held at the next shareholders' meeting. However, where the number of vacancies reaches one-third of the total number of directors prescribed in the Articles of Incorporation, an extraordinary shareholders' meeting shall be convened within sixty (60) days from the date the event occurs to hold a by-election.

The total shareholding ratio of all directors of the Board shall comply with applicable legal requirements. Restrictions on the transfer of directors' shares, the creation or release of pledges, and any changes in shareholding shall be handled in accordance with relevant regulations, and all related information shall be fully disclosed.

Article 22 In accordance with the regulations of the competent authority, the Company shall specify in its Articles of Incorporation that the election of directors shall adopt the candidate nomination system. The qualifications and suitability of each nominee, as well as any circumstances listed under Article 30 of the *Company Act*, shall be prudently evaluated, and the election process shall be carried out in accordance with Article 192-1 of the *Company Act*.

第二十三條 The responsibilities of the Chairperson of the Board and the President (General Manager) shall be clearly delineated.

In principle, the positions of Chairperson and President (or equivalent) should not be held by the same individual.

Where the Company establishes functional committees, their duties and powers shall be clearly defined.

Section 2 Independent Director System

Article 24 In accordance with the Company's Articles of Incorporation, the Company shall appoint no fewer than three (3) independent directors, and such number shall not be less than one-fifth of the total number of directors.

Independent directors shall possess professional expertise, and their shareholdings shall be subject to restrictions in accordance with relevant laws and regulations. In principle, they shall not concurrently serve as a director (including independent director) or supervisor of more than five TWSE/TPEx-listed companies, and shall maintain independence within the scope of their duties without having any direct or indirect interest with the Company.

If the Company or any of its group enterprises and organizations mutually nominate each other's directors, supervisors, or managerial officers as candidates for independent directors, the Company shall disclose such information when accepting nominations of independent director candidates and shall explain the suitability of each candidate. In the event that such candidate is elected as an independent director, the number of votes obtained shall also be disclosed.

The term "group enterprises and organizations" referred to in the preceding paragraph shall include the Company's subsidiaries, any foundation in which the Company directly or indirectly contributes more than 50% of the total funds, and any institution or legal entity over which the Company has substantial control.

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

Matters relating to the professional qualifications of independent directors, restrictions on shareholding and concurrent positions, determination of independence, nomination procedures, and other compliance requirements 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 relevant rules of the Taiwan Stock Exchange.

Article 25 Pursuant to the *Securities and Exchange Act*, the following matters shall be submitted to the Board of Directors for approval. If any independent director has an objection or reservation, it shall be explicitly recorded in the minutes of the board meeting:

1. Adoption or amendment of the internal control system pursuant to Article 14-1 of the *Securities and Exchange Act*.
2. Adoption or amendment of the procedures for handling major financial or business activities such as acquisition or disposal of assets, derivative transactions, loans to others, and endorsements or guarantees for others pursuant to Article 36-1 of the *Securities and Exchange Act*.
3. Matters involving a director's own interests.
4. Significant asset transactions or derivative trading.
5. Significant loans of funds, endorsements, or provision of guarantees.
6. The offering, issuance, or private placement of equity-type securities.
7. The appointment, dismissal, or remuneration of a certified public accountant for attestation.
8. The appointment or dismissal of financial, accounting, or internal audit officers.
9. Other material matters as prescribed by the competent authority.

Article 26 The Company shall clearly define the scope of duties of independent directors and provide them with the necessary human and material resources required for the exercise of their powers. The Company and other members of the Board of Directors shall not obstruct, refuse, or evade the performance of duties by independent directors.

The Company shall determine directors' remuneration in accordance with relevant laws and regulations. Such remuneration shall fully reflect individual performance and the Company's long-term operating results, taking into comprehensive consideration the Company's operational risks. Reasonable remuneration for independent directors may differ from that of other directors.

Section 3 Functional Committees

Article 27 To strengthen the supervisory and management functions of the Board of Directors, the Company may, considering its scale, business nature, and the number of directors, establish functional committees such as an Audit Committee, Remuneration Committee, Nomination Committee, Risk Management Committee, or other committees as necessary. The Company may also, based on its commitment to corporate social responsibility and sustainable operation, establish environmental protection, corporate social responsibility, or other similar committees, which shall be explicitly set forth in the Articles of Incorporation.

Each functional committee shall be accountable to the Board of Directors and shall submit its proposals to the Board for resolution. However, this requirement shall not apply where the Audit Committee exercises the powers of supervisors pursuant to Article 14-4, paragraph 4 of the *Securities and Exchange Act*.

Each functional committee shall establish its organizational charter, which shall be approved by resolution of the Board of Directors. The charter shall specify matters such as the number of members, their term of office, duties and powers, meeting procedures, and the resources to be provided by the Company when the committee exercises its functions.

Article 28 The Company's Audit Committee shall be composed of all independent directors and shall consist of no fewer than three (3) members. One member shall act 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 handled in accordance with the *Securities and Exchange Act*, the *Regulations Governing the Exercise of Powers by Audit Committees of Public Companies*, and the relevant rules of the Taiwan Stock Exchange.

Article 28-1 The Company shall establish a Remuneration Committee, the majority of whose members should be independent directors. The professional qualifications of the members, the exercise of their powers, the adoption of the organizational charter, and other related matters shall be governed by the *Regulations Governing the Establishment and Exercise of Powers of Remuneration Committees of Companies Whose Shares Are Listed on the Taiwan Stock Exchange or Traded Over the Counter by Securities Firms*.

Article 28-2 The Company shall, when appropriate, establish a Nomination Committee and adopt its organizational charter. The majority of its members should be independent directors, and the chairperson shall be an independent director.

Article 28-3 The Company shall establish and publicly disclose both internal and external reporting channels and set up a whistleblower protection system. The unit responsible for handling such reports shall maintain independence, encrypt and properly secure the files provided by whistleblowers, appropriately restrict access rights, and establish internal procedures to incorporate such controls into the internal control system.

Article 29 To enhance the quality of financial reporting, the Company shall appoint a deputy for the Chief Accounting Officer.

The deputy for the Chief Accounting Officer shall, in the same manner as the Chief Accounting Officer, undertake annual continuing education to strengthen his or her professional competence.

Personnel involved in the preparation of financial reports shall also complete at least six (6) hours of professional training courses annually. Such training may include internal corporate training programs or professional courses offered by accounting supervisory institutions.

The Company shall engage professional, responsible, and independent certified public accountants (CPAs) to regularly audit its financial condition and internal control system. The Company shall thoroughly review and improve upon any irregularities, deficiencies, or recommendations for improvement or fraud prevention identified by the CPA during the audit process. It is advisable to establish communication channels or mechanisms between the independent directors (or the Audit Committee) and the CPA, and to formalize such arrangements as part of the Company’s internal procedures and internal control system.

The Company shall periodically, at least once a year, refer to Audit Quality Indicators (AQIs) in evaluating the independence and suitability of its appointed CPA. If the CPA has not been changed for seven consecutive years, or has been subject to disciplinary action or any circumstance impairing independence, the Company shall assess the necessity of replacing the CPA and report the evaluation results to the Board of Directors.

Article 30 The Company shall retain qualified and professional legal counsel to provide appropriate legal advisory services to the Company, or to assist the Board of Directors and management in enhancing their legal literacy. This ensures that the Company and its personnel do not violate any laws and that corporate governance operates within the relevant legal framework and statutory procedures.

If any director or member of management becomes involved in litigation or a dispute with shareholders as a result of the performance of their duties in accordance with the law, the Company shall, as circumstances require, engage legal counsel to provide assistance.

The Audit Committee or its independent director members may, on behalf of the Company, engage lawyers, certified public accountants, or other professionals to conduct necessary audits or provide consultations in connection with the exercise of their powers, with all related expenses to be borne by the Company.

Section 4 Rules of Procedure and Decision-Making of 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 the event of an emergency. The notice of the Board meeting shall specify the meeting agenda and be sent to all directors at least seven (7) days in advance, together with sufficient meeting materials. If the meeting materials are incomplete, directors are entitled to request additional information or, upon a board resolution, to postpone deliberation.

The Company shall establish *Board of Directors Meeting Rules*. The principal agenda items, operational procedures, matters to be recorded in the minutes, public disclosure requirements, and other compliance matters shall be governed in accordance with the *Regulations Governing Procedure for Board of Directors Meetings of Public Companies*.

Article 32 Directors shall maintain a high degree of self-discipline. For any agenda item in which a director or the legal entity represented by the director has an interest, the director shall explain the material aspects of such interest at the current board meeting. If such interest may be detrimental to the interests of the Company, the director shall not participate in the discussion or voting on that matter and shall recuse themselves during both discussion and voting. The director shall also refrain from acting as a proxy for other directors in exercising their voting rights.

Matters requiring a director's voluntary recusal shall be explicitly specified in the *Board of Directors Meeting Rules*.

Article 33 Independent directors of the Company shall attend in person any board meeting concerning matters required by Article 14-3 of the *Securities and Exchange Act* to be submitted to the Board of Directors. Independent directors shall not appoint non-independent directors as their proxies. If an independent director has an objection or reservation, it shall be recorded in the minutes of the board meeting. If an independent director is unable to attend the board meeting in person to express such objection or reservation, the director shall, unless there is a legitimate reason otherwise, issue a written opinion in advance, which shall be recorded in the minutes.

In any of the following circumstances involving board resolutions, the matter shall not only be recorded in the meeting minutes but also publicly announced and filed on the Market Observation Post System (MOPS) no later than two hours before the commencement of trading hours on the business day immediately following the date of the board meeting:

一、Where an independent director has an objection or reservation that is supported by record or written statement.

二、Where a matter not approved by the Audit Committee is approved by at least two-thirds of all directors.

During the board meeting, depending on the agenda, managerial officers who are not directors may be invited to attend and report on the current business status of the Company or answer questions from directors. When necessary, the Company may also invite certified public accountants, legal counsel, or other professionals to attend and provide explanations to help directors understand the Company’s current condition and make informed resolutions. However, such participants shall leave during discussion and voting.

Article 34 The staff responsible for the proceedings of the Board of Directors shall faithfully record the reports and the discussions, methods of resolution, and results of each agenda item in accordance with the relevant regulations.

The minutes of board meetings shall be signed or sealed by the meeting chairperson and the recorder, distributed to all directors within twenty (20) days after the meeting, and properly preserved as an important company record for the duration of the Company’s existence. The attendance book shall form part of the meeting minutes.

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

The entire proceedings of board meetings shall be audio- or video-recorded as evidence and retained for at least five (5) years, which may be done in electronic form.

If litigation involving matters resolved by the Board of Directors arises before the expiry of the retention period set forth in the preceding paragraph, the relevant audio or video records shall be preserved until the conclusion of the litigation, notwithstanding the preceding provision.

Where a board meeting is held via video conference, the audiovisual records shall form part of the meeting minutes and be permanently retained.

If a resolution of the Board of Directors violates laws, the Articles of Incorporation, or resolutions of the shareholders’ meeting, thereby causing damage to the Company, any director who has expressed an objection and such objection is supported by records or written statements shall be exempt from liability for damages.

Article 35 The following matters shall be submitted to the Board of Directors of the Company for discussion:

1. The Company's business plan.
2. Annual financial reports and semi-annual financial reports; provided, however, that this shall not apply where the semi-annual financial reports are not required by law or regulation to be audited and attested by a certified public accountant (CPA).
3. Adoption or amendment of the internal control system and assessment of the effectiveness of such system pursuant to Article 14-1 of the *Securities and Exchange Act*.
4. Adoption or amendment of the procedures for handling major financial or business activities such as acquisition or disposal of assets, derivative transactions, loans of funds to others, and endorsements or guarantees for others pursuant to Article 36-1 of the *Securities and Exchange Act*.
5. The offering, issuance, or private placement of equity-type securities.
6. Performance evaluation and remuneration standards of managerial officers.
7. Structure and system of directors' remuneration.
8. Appointment or dismissal of financial, accounting, or internal audit officers.
9. Donations to related parties or significant donations to non-related parties; however, donations for emergency relief in response to major natural disasters made for charitable purposes may be submitted to the next board meeting for ratification.
10. Matters under Article 14-3 of the *Securities and Exchange Act*, other matters required by law, the Articles of Incorporation, or the competent authority to be submitted to the Board of Directors or resolved by the shareholders' meeting.

Except for the matters referred to in the preceding paragraph, when the Board of Directors delegates its powers in accordance with laws, regulations, or the Articles of Incorporation during the recess period, the scope, level, and content of the delegation shall be specific and definite; general authorization shall not be permitted.

Article 36 The Company shall clearly assign matters resolved by the Board of Directors to the appropriate departments or personnel for implementation in accordance with the planned schedule and objectives, include such matters in follow-up management, and ensure the implementation status is properly evaluated.

The Board of Directors shall maintain full awareness of the progress of implementation and receive reports at the subsequent board meeting to ensure that its management decisions are effectively executed.

Section 5 Duty of Loyalty, Duty of Care, and Responsibilities of Directors

Article 37 Members of the Board of Directors shall faithfully perform their duties and exercise the duty of care of a good administrator. They shall exercise their powers with a high degree of self-discipline and prudence and ensure that the Company's business operations, except for those matters required by law or the Articles of Incorporation to be resolved by the shareholders' meeting, are carried out in accordance with resolutions adopted by the Board of Directors.

The Company shall establish procedures and methods for evaluating the performance of the Board of Directors. In addition to conducting self-evaluations or peer evaluations of the Board as a whole and of individual directors on a regular annual basis, the Company may also engage external professional institutions or adopt other appropriate means to perform performance evaluations. The performance evaluation of the Board of Directors shall cover the following aspects, with suitable evaluation indicators established according to the Company's needs:

1. The degree of participation in the Company's operations.
2. Enhancement of the quality of the Board's decision-making.
3. Composition and structure of the Board of Directors.
4. Election and ongoing training of directors.
5. Internal control.

The performance evaluation of individual directors (through self-evaluation or peer evaluation) shall include the following aspects, and appropriate adjustments may be made in consideration of the Company's needs:

1. Understanding of the Company's objectives and missions.
2. Awareness of directors' duties and responsibilities.
3. Degree of participation in the Company's operations.
4. Management of internal relationships and communication.
5. Professional competence and continuing education of directors.
6. Internal control.

The Company shall, as appropriate, conduct performance evaluations of its functional committees. The evaluations shall cover the following aspects, with adjustments made as necessary to align with the Company's operational needs:

1. Degree of participation in the Company's operations.
2. Understanding of the duties and responsibilities of the functional committee.
3. Enhancement of the quality of the functional committee's decision-making.
4. Composition of the functional committee and selection of its members.
5. Internal control.

The results of the performance evaluations shall be submitted to the Board of Directors in a timely manner and used as a reference for determining the remuneration and re-nomination of individual directors.

Article 37-1 The Company shall establish a succession plan for its management team. The Board of Directors shall periodically evaluate the development and implementation of such a plan to ensure the Company's sustainable operations.

Article 37-2 The Board of Directors shall, as appropriate, assess and supervise the direction and performance of the Company's intellectual property (IP) management in the following aspects, ensuring the establishment of an IP management system based on the "Plan–Do–Check–Act (PDCA)" management cycle:

1. Formulating IP management policies, objectives, and systems aligned with the Company's business strategies.
2. Establishing, implementing, maintaining, and utilizing IP management systems according to the Company's scale and operational nature.
3. Determining and providing sufficient resources for the effective implementation and maintenance of the IP management system.
4. Monitoring internal and external risks or opportunities related to IP management and taking appropriate responsive actions.
5. Planning and implementing continuous improvement mechanisms to ensure that the operation and effectiveness of the IP management system meet the Company's expectations.

Article 38 If a resolution of the Board of Directors violates laws or the Articles of Incorporation, and shareholders holding shares continuously for one year or more or any independent director requests that the Board of Directors be notified to cease implementation of such resolution, the members of the Board shall promptly and appropriately address the matter or discontinue the execution of the said resolution.

When members of the Board of Directors discover any likelihood of the Company suffering significant damage, they shall proceed in accordance with the preceding paragraph and immediately report to the Audit Committee or the independent directors.

Article 39 During their term of office, the Company shall purchase liability insurance for directors to cover the scope of compensation liabilities that they may bear under law in the performance of their duties, thereby reducing and dispersing the risk of significant losses to the Company and its shareholders arising from director misconduct or negligence.

After taking out or renewing the liability insurance for directors, the Company shall report to the most recent meeting of the Board of Directors the key terms of such insurance, including the insured amount, coverage, and premium rates.

Article 40 Members of the Board of Directors shall, upon assuming office and throughout their term, continue to attend training courses on corporate governance topics—such as finance, risk management, business operations, commerce, accounting, law, or corporate social responsibility—offered by institutions designated under the *Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEx-Listed Companies*. The Board shall also ensure that employees at all levels strengthen their professional expertise and legal knowledge.

Chapter 4 Respect for the Rights and Interests of Stakeholders

Article 41 The Company shall maintain open and effective channels of communication with its banks and other creditors, employees, consumers, suppliers, local communities, and other stakeholders, and shall respect and safeguard their legitimate rights and interests. The Company is advised to establish a “Stakeholders Section” on its official website for this purpose.

When the legitimate rights or interests of stakeholders are infringed, the Company shall handle the matter appropriately in accordance with the principles of integrity and fairness.

Article 42 The Company shall provide sufficient information to its banks and other creditors to enable them to make sound judgments and decisions regarding the Company’s business and financial condition.
If the legitimate rights or interests of the creditors are infringed, the Company shall respond proactively and take responsibility to ensure that the creditors have an appropriate means of obtaining compensation.

Article 43 The Company shall establish communication channels for employees and encourage them to communicate directly with management and directors, thereby appropriately reflecting employees’ opinions regarding the Company’s operations, financial condition, or material decisions affecting their interests.

Article 44 While maintaining stable business operations and maximizing shareholder value, the Company shall also pay due attention to issues concerning consumer rights, community development, environmental protection, and public welfare, and shall attach importance to its corporate social responsibility.

Chapter 5 Enhancing Information Transparency

Section 1 Strengthening Information Disclosure

Article 45 Information disclosure is a fundamental responsibility of the Company. The Company shall faithfully fulfill such obligations in accordance with applicable laws, regulations, and the rules of the Taiwan Stock Exchange.

Where appropriate, the Company is encouraged to announce and file its annual financial reports within two months after the end of each fiscal year and to publish and file its first-, second-, and third-quarter financial reports, as well as monthly operating results, ahead of the statutory deadlines.

The Company shall establish an online information disclosure system, designate responsible personnel to collect and disclose corporate information, and implement a spokesperson system to ensure that information potentially affecting shareholders’ and stakeholders’ decisions is disclosed promptly and accurately.

Article 45 To enhance the accuracy and timeliness of material information disclosure, the Company shall designate as its spokesperson and deputy spokesperson(s) persons who possess a comprehensive understanding of the Company's financial and business matters, are able to coordinate among departments for relevant information, and are authorized to speak externally on behalf of the Company.

The Company shall appoint at least one deputy spokesperson. In the event the spokesperson is unable to perform his or her duties, any designated deputy spokesperson shall be able to speak independently on behalf of the Company, and the order of delegation shall be clearly defined to avoid confusion.

To ensure the effective implementation of the spokesperson system, the Company shall establish standardized speaking procedures and require all management and employees to maintain confidentiality regarding financial and business information, and not to disclose any information without authorization.

Any change in the spokesperson or deputy spokesperson shall be immediately disclosed in accordance with information disclosure regulations.

Article 47 The Company shall make effective use of the Internet by establishing an official website containing information on its financial and business operations, as well as on its corporate governance practices, for reference by shareholders and stakeholders. The Company is also advised to provide English versions of its financial, corporate governance, or other relevant information as appropriate. The website shall be maintained by dedicated personnel, and all information posted shall be accurate, complete, and updated in a timely manner to prevent any risk of misleading the public.

Article 48 When holding investor conferences, the Company shall comply with the relevant regulations of the Taiwan Stock Exchange (TWSE), and the proceedings shall be recorded or videotaped.
The financial and business information presented at such conferences shall be uploaded to the **Market Observation Post System (MOPS)** in accordance with TWSE requirements and made available for public access through the Company's website or other appropriate channels.

Section 2 Disclosure of Corporate Governance Information

Article 49 The Company shall establish a dedicated section on its official website for the disclosure of corporate governance information, which shall be kept up to date and include the following items:

1. Board of Directors: Profiles of Board members, their respective duties and authorities, and the Company's Board diversity policy and its implementation status.
2. Functional Committees: Profiles of committee members and their respective powers and responsibilities.
3. Incorporation, Rules of Procedure for Board of Directors Meetings, and organizational charters of functional committees
4. Other Corporate Governance Information: Such as details regarding the appointment of the Corporate Governance Officer and other relevant information.

Chapter 6 Supplementary Provisions

Article 50 The Company shall keep abreast of developments in domestic and international corporate governance systems and, where appropriate, review and improve its corporate governance framework to enhance the effectiveness of its governance practices.

Article 51 These Guidelines shall be implemented upon approval by the Board of Directors, and the same shall apply to any amendments hereto.