

Mega Financial Holding Company Ltd.

Corporate Governance Best Practice Principles

Chapter I General Provisions

- Article 1 In order to establish a good corporate governance system, the company hereby formulates these principles for compliance and discloses it on the MOPS. The company shall establish an effective corporate governance structure and urge its subsidiaries to comply with its Corporate Governance Best Practice Principles.
- Article 1-1 The responsible unit of this principles shall be the Administration Department.
- Article 2 The company shall establish a good corporate organization and culture, abide by laws and regulations, and establish an effective corporate governance system in accordance with the following principles:
- I. Comply with Laws and Improve the Internal Management.
 - II. Protect Shareholders' Rights and Interests.
 - III. Strengthen the Functions of the Board of Directors.
 - IV. Give Full Play to the Function of the Audit Committee.
 - V. Respect the Rights and Interests of Stakeholders.
 - VI. Enhance Information Transparency.
- Article 3 The company shall plan its own and its subsidiaries' overall business strategies, risk management policies and guidelines, so as to strengthen its operation and management. All subsidiaries shall draw up relevant business operation plans, risk management procedures and implementation guidelines, so as to follow them.
- Article 3-1 The company shall, in accordance with the company's size, business conditions and management needs, allocate a suitable number of company managers, and appoint a chief of corporate governance as the top chief in charge of matters related to corporate governance.
- The chief of corporate governance referred to in the preceding paragraph shall be a manager, whose appointment or removal shall be subject to the resolution of the Board of Directors, and shall have obtained the professional qualification of a lawyer or accountant, or have held a chief position in a security, financial, futures related institution or public company engaged in legal, financial, stock affairs or corporate governance related affairs for more than three years in total. The first corporate governance related affairs shall at least include the following contents:
- I. Process matters related to the meetings of the Board of Directors and shareholders in accordance with the law.
 - II. Prepare the minutes of the Board of Directors and shareholders meetings.
 - III. To assist directors in their appointment and continuing education.
 - IV. To provide information necessary for the directors to carry out their business.
 - V. Assist the directors to comply with the law.

VI. Report to the board of directors whether the qualifications of independent directors comply with relevant laws and regulations at the time of nomination, election and during their tenure.

VII. Handle matters related to the change of directors.

VIII. Other matters stipulated in the Articles of Association or contract.

Chapter II Comply with Laws and Improve the Internal Management

Article 4 The company shall establish a legal compliance system, appoint the Compliance Department to be responsible for the planning, management and implementation of the system, establish a system of consultation, coordination and communication, and give legal training to all units. In addition, the company shall appoint personnel to act as the chief legal compliance officer to be responsible for the implementation of legal compliance, so as to ensure the effective operation of the legal compliance system and strengthen the self-discipline function.

Article 5 The company shall establish an internal control and audit system, and ensure the continuous and effective implementation of the system, so as to improve the operation of the company.

The formulation or amendment of the internal control system shall be approved by more than half of the members of the Audit Committee and submitted to the Board of Directors for resolution.

Article 6 The company's internal control system shall cover the company's business activities, and formulate appropriate policies and operating procedures for organizational procedures, company rules, business norms and handling manuals. It shall be reviewed and revised regularly in line with the changes of laws and regulations, business items and operating procedures. When necessary, relevant units such as legal compliance, internal audit and risk management units shall participate.

Article 7 The internal audit system of the company shall evaluate whether the internal control system operates effectively, measure the operation efficiency, and provide timely improvement suggestions, so as to ensure the continuous and effective implementation of the internal control system and assist the Board of Directors and the management to fulfill their responsibilities.

The company shall set up an audit unit subordinate to the Board of Directors, establish a general audit system, manage the audit business in an independent and detached spirit, and report to the Board of Directors and the Audit Committee on a regular basis. The company shall also give personnel autonomy to the general audit unit.

The company's internal auditors shall have the qualifications required by laws and regulations, and shall participate in professional training to improve the audit quality and ability.

The company's directors shall review any weaknesses in the internal control system, hold regular discussions with internal auditors, keep records, track and implement improvement, and submit a report to the Board of Directors.

The company should establish a communication channel and system among the independent directors, the Audit Committee and the internal audit chief. The

- convener of the Audit Committee shall report to the shareholders meeting on the communication between the Audit Committee and the internal audit chief.
- Article 8 The management of the company shall attach importance to the internal audit units and personnel, and give them sufficient authority, and urge them to inspect and evaluate the weaknesses of internal control system and measure the efficiency of operation, so as to ensure the continuous and effective implementation of the system and further implement the corporate governance system.
- Article 9 The audit and legal compliance units established by the company shall, in addition to ensuring that the company has completed auditing and complied with relevant laws, supervise all subsidiaries to implement relevant regulations.
- Article 10 If suggestions on improvement of major internal control deficiencies or violations of laws and regulations from the company's internal auditors or legal compliance chief are not adopted by the management, which causes significant losses to the company (including subsidiaries), they shall immediately draft and submit a report, notify the independent directors and the Audit Committee, and notify the competent authority at the same time.
- Article 10-1 The senior management shall be under the guidance and supervision of the Board of Directors, and shall implement and manage the activities of the company in accordance with the business strategy, risk preference, remuneration and other policies adopted by the Board of Directors. The organization (including roles, authorities and responsibilities), procedures and decisions of senior management shall be unambiguous, clear and transparent.

Chapter III Protection of Shareholders' Rights and Interests

- Article 11 The company shall establish a corporate governance system that can ensure that shareholders have full knowledge, participation and decision-making rights on major issues of the company, so as to protect the rights and interests of shareholders and treat all shareholders fairly.
- Article 12 The company shall call the shareholders meeting in accordance with the Company Act and relevant laws and regulations, and formulate complete rules for the proceedings. Matters that shall be resolved by the shareholders meeting shall be implemented in accordance with the rules for the proceedings. The contents of the resolutions of the shareholders meeting shall comply with the provisions of laws and regulations and the Articles of Association.
- Article 13 The Board of Directors shall properly arrange the topics and procedures of the shareholders meeting, formulate the principles and procedures for shareholders to nominate directors and the proposals of the shareholders meeting, and properly handle the proposals proposed by shareholders in accordance with the law. The shareholders meeting shall be held at a convenient place and can be supplemented by video, sufficient time shall be reserved for the meeting, and appropriate and competent personnel shall be assigned to process the registration procedures. The supporting documents on which the shareholders attend the meeting shall not be arbitrarily increased. In addition, reasonable discussion time shall be allowed for each topic, and shareholders shall be given an appropriate opportunity to speak.

The Chairman of the Board of Directors should preside over the shareholders meeting convened by the Board of Directors in person, and more than half of the directors of the Board of Directors (including at least one independent director) and the convener of the Audit Committee shall attend in person, and at least one representative of other functional committee members shall attend, and the attendance shall be recorded in the minutes of the shareholders meeting.

Article 14 The company shall encourage the shareholders to participate in the corporate governance, and should appoint a professional agency for stock affairs to process the matters of the shareholders meeting, so that the shareholders meeting can be held under the conditions of legality, effectiveness and security. The company shall make full use of scientific and technological information disclosure through various ways and means. It shall simultaneously upload the annual report, annual financial statements, notice of shareholders meeting, discussion manual and supplementary information. It shall also adopt electronic voting, so as to increase the proportion of shareholders attending the shareholders meeting and ensure that shareholders can exercise their shareholders' rights at the shareholders meeting in accordance with the law.

At the shareholders meeting, the company should avoid any extempore motion and any amendment of the original motion proposed.

The company shall arrange for the shareholders to vote on the proposals one by one, and input the results of the shareholders' endorsement, objection and abstention on to the MOPS on the day after the shareholders meeting.

Article 15 The company shall, in accordance with the Company Act and relevant laws and regulations, record in the minutes of the shareholders meeting the year, month, day, place of the meeting, the name of the Chairman and the method of resolution, as well as the essentials and results (including statistical weights) of the discussion. For the election of directors, the voting method and the number of votes for each candidate shall be specified.

The minutes of the shareholders meeting shall be kept permanently and properly during the existence of the company and fully disclosed on the external website. If the shareholders' meeting is convened by video conference, in addition to the matters that shall be recorded in accordance with the provisions of paragraph 1, the minutes shall also record the start and end time of the shareholders' meeting, the method of holding the meeting, the name of both the chairman and the person of record, and how to deal with barriers to video conference platforms or participation in the form of video due to natural disasters, accidents or other force majeure events.

To hold a video conference, in addition to following the provisions of the preceding paragraph, the Company shall also record the alternative measures for shareholders who have difficulties with the video conference in the minutes.

Article 16 The Chairman of the shareholders meeting shall fully understand and abide by the rules for the proceedings formulated by the company, stick to the agenda, and shall not arbitrarily announce the closure of the meeting.

In order to protect the rights and interests of the majority shareholders, in case the Chairman breaks the rules for the proceedings and announces the end of the

meeting, other directors should promptly assist the shareholders attending the meeting to, in accordance with the law, elect a Chairman to continue the meeting by a majority of the shareholders present.

Article 17 The company shall attach importance to the shareholders' right to know and comply with the relevant provisions on information disclosure. It shall provide information to shareholders on the company's finance, business, insider shareholding and corporate governance through the MOPS or the company's website.

In order to treat shareholders equally, all kinds of information mentioned in the preceding paragraph should be disclosed simultaneously in English.

In order to protect the rights and interests of shareholders and implement the equal treatment of shareholders, the company shall formulate internal regulations to prohibit insiders from trading securities by using the information not publicized to the market.

The paragraph mentioned above should include the company's insiders' stock trading control measures from the date of learning the company's financial report or related performance content, including (but not limited to) directors should not trade their shares 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report.

Article 17-1 The company should report the remuneration received by directors at the Shareholder's Meeting, including the remuneration policy, the content and amount of individual remuneration and its relationship with the performance evaluation results.

Article 18 The company shall formulate relevant internal norms for donations, submit them to the Board of Directors for resolution, and publicly disclose the donations made by political parties, stakeholders and public welfare organizations.

Article 19 Shareholders shall have the right to share the company's surplus. In order to ensure the investment rights and interests of shareholders, the shareholders meeting may, in accordance with Article 184 of the Company Act, examine the statements and records made by the Board of Directors and the reports of the Audit Committee, and decide on the distribution of earnings or the allowance for losses. When the shareholders meeting conducts the pre-disclosure audit, it may appoint an inspector.

Shareholders may, in accordance with Article 245 of the Company Act, request the court to appoint inspectors to inspect the company's business accounts, property conditions, specific matters, specific transaction documents and records. The Board of Directors, the Audit Committee and the manager shall fully cooperate with the inspector in his/her audit work, and shall not evade, hinder or refuse.

Article 20 The company's major financial business activities such as acquisition or disposal of assets shall be processed in accordance with relevant laws and regulations, and relevant operating procedures shall be formulated and submitted to the shareholders meeting for approval, so as to safeguard the shareholders' rights and interests.

In case of mergers and acquisitions (M&A) or public acquisitions, the company shall, in addition to complying with relevant laws and regulations, pay attention to the fairness and rationality of merger and acquisition plans and transactions, and pay attention to the disclosure of information and the soundness of the subsequent financial structure of the company.

For the company's management or major shareholders participating in the M&A, a legal opinion should be issued by an independent lawyer for whether the members of the Audit Committee reviewing the M&A mentioned in the preceding paragraph comply with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and the counterparty of the M&A transaction must not be a related party or have an interested relationship that is sufficient to affect independence; whether the design, the implementation of relevant procedures, and the disclosed information is in accordance with relevant laws and regulations.

The qualifications of lawyers referred to in the preceding paragraph shall comply with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and shall not be related to the counterparty of the M&A transaction, or have an interested relationship that is sufficient to affect independence.

When handling M&A or public acquisitions, company personnel shall pay attention to conflicts of interest and avoidance.

Article 21 In order to ensure the rights and interests of shareholders, the company should have special personnel to properly handle the suggestions, doubts and disputes of shareholders.

If a resolution of the shareholders meeting or the Board of Directors of the company violates laws and regulations or the Articles of Association of the company, or if a director or manager violates laws and regulations or the Articles of Association of the company when performing his/her duties, thus causing damage to the shareholders' rights and interests, the company shall objectively and appropriately handle the lawsuit brought by the shareholders in accordance with the law.

The company shall formulate internal operation procedures to properly handle the first two matters, keep written records for future reference, and incorporate them into the internal control system.

Article 21-1 The Board of Directors of the company has the responsibility to establish a system for interaction with shareholders, so as to enhance mutual understanding of the company's development goals.

Article 21-2 In addition to communicating with the shareholders through the shareholders meeting and encouraging the shareholders to participate in the shareholders meeting, the Board of Directors of the company communicates with the shareholders in an efficient way, understands the opinions and concerns of the shareholders together with the managers and independent directors, and clearly explains the company's policies, so as to obtain the support of the shareholders.

Article 22 A corporate shareholder who has control over the company shall comply with the following contents:

- I. It shall bear the obligation of good faith to other shareholders and shall not directly or indirectly cause the company to operate in violation of business practices or other illegal interests.
- II. Their representatives shall abide by the company's norms for exercising their rights and participating in resolutions, exercise their voting rights in good faith and in the best interests of all shareholders when attending shareholder meetings, and perform their duties of loyalty and care.
- III. The nomination of directors of the company shall be conducted in accordance with relevant laws and regulations and the Articles of Association, and shall not go beyond the scope of authority of the board of shareholders and the Board of Directors.
- IV. It may not intervene illegitimately in the company's decision-making or hinder business activities.
- V. It is not allowed to restrict or hinder the operation of the company by means of unfair competition such as monopolizing procurement or closing sales channels.
- VI. The legal representative appointed from the elected directors shall meet the professional qualifications required by the company and should not be arbitrarily re-appointed.

The shareholders who have control over the company shall pay attention to the following principles while communicating with the company in order to comply with the regulations of the preceding paragraph:

- I. The communication should be done through the representative appointed by the shareholders who are elected as the director of the company as usual. The director representatives may invite managers to accompany them to communicate with the shareholders if necessary, and shall record the communication.
- II. If the shareholders who have control over the company have suggestions on the proposals of the Board of Directors or the company's business decisions, their director representatives should put them forward on the Board of Directors or functional committees for discussions. They are not allowed to call meetings or interfere inappropriately with the company's decisions.
- III. The shareholders who have control over the company are obliged to keep the company's information confidential before it is publicly disclosed, and are not allowed to use the information for insider trading.

Article 23 The rights and responsibilities of personnel, assets and financial management between the company and its subsidiaries or other related enterprises shall be clarified, and risk assessment shall be conducted and appropriate firewalls shall be established.

The company shall be responsible for its subsidiaries in accordance with the Financial Holding Company Act.

Article 24 In order to avoid the damage to the company's or shareholders' rights and interests caused by improper transfer of interests, when the company deals with the major shareholders, the invested enterprises, or the persons in charge

or employees of the company, or the interested parties of the persons in charge of the company in a real estate transaction, it shall be based on the principles of fairness, impartiality and objectivity and conform to the business practices. And it shall comply with the relevant provisions of the Financial Holding Company Act and the competent authorities.

Article 25 If the responsible person of the company concurrently serves in a subsidiary or in other position, it shall be processed in accordance with the provisions of “Regulations Governing Qualification Requirements for the Founder or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company” and relevant laws and regulations.

When the responsible person of the company concurrently holds a post in accordance with the provisions of the preceding paragraph, he/she shall ensure the effective implementation of his/her own post and concurrent post, and shall not have any conflict of interest or violate the internal control, supervision and balance system of the financial holding company, its reinvestment enterprises and subsidiaries, so as to ensure the shareholders’ rights and interests.

Article 26 If a director of this company acts for himself or for others within the business scope of this company, he/she shall explain the important contents of his/her action to the shareholders meeting and obtain its permission.

Article 27 The company and its subsidiaries shall establish sound financial, business and accounting management objectives and systems in accordance with relevant laws and regulations.

Article 28 The company has financial business contacts or transactions with its subsidiaries and other related parties shall comply with the provisions of laws and regulations and be based on the principle of fairness and reasonableness. Written norms shall be formulated for the financial and business-related operations between the company and its subsidiaries. The price, terms and payment method of the contract shall be clearly defined, unconventional transactions shall be eliminated, and the transfer of interests shall be strictly prohibited. When it is required by law to obtain a report on reasonableness in the judgment of a securities underwriter, valuation company or accountant, the transaction may not be conducted until the report is obtained first. The written specification in the preceding paragraph shall include transaction management procedures, and relevant major transactions shall be submitted to the board of directors for resolution and approval, and to the shareholders’ meeting for approval or report.

Article 29 The company should have a list of the major shareholders who hold a large proportion of shares and can actually control the company as well as the ultimate controllers of the major shareholders.

The company shall regularly disclose pledges, increases or decreases of the company’s shares by shareholders who hold more than 10% of the shares, or other important matters that may cause changes in the shares.

The term “major shareholders” as mentioned in the first paragraph refers to the shareholders with more than 5% equity or the top 10 shareholders by equity.

Chapter IV Strengthen the Functions of the Board of Directors

Article 30 The Board of Directors of the company shall guide the company’s strategy, supervise the management, and be accountable to the company and its shareholders. The operation and arrangement of the company’s governance system shall ensure that the Board of Directors exercises its functions and powers in accordance with the provisions of laws and regulations, the Articles of Association or the resolutions of the shareholders meeting.

Article 31 The structure of the Board of Directors of the company shall determine the appropriate number of directors, which shall be more than seven members, according to the scale of operation and development of the company and the shareholding of major shareholders by considering the needs of practical operation.

In addition to the fact that the number of directors concurrently serving as the company’s managers should not exceed one third of the total number of directors, the composition of the Board of Directors shall consider the company’s operation, mode of operation and development needs in a diversified way, including but not limited to the following two aspects of diversification criteria:

- I. Basic conditions: Gender, age, nationality, culture, etc. Among them, the ratio of female directors should reach one third of the total number of directors.
- II. Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing, FinTech or technology), professional skills and industrial experience, etc.

Directors shall have the necessary knowledge, skills and quality to perform their duties. In order to achieve the ideal goal of corporate governance, the Board of Directors as a whole shall have the following capabilities: I. Operational judgment.

- I. Accounting and financial analysis.
- II. Operation and management (including operation and management of subsidiaries).
- III. Crisis management.
- IV. Industrial knowledge.
- V. International market outlook.
- VI. Leadership.
- VII. Decision making ability.
- VIII. Risk management knowledge and ability.
- IX. ESG sustainable development management ability.

Article 31-1 The Company shall establish a governance structure to promote sustainable development, set up full-time (part-time) units to promote sustainable development, conduct risk assessments on environmental, social or corporate governance issues related to company operations, and formulate relevant risk

management policies or strategies. The Board of Directors should oversee the promotion of sustainable development, including quarterly monitoring of the GHG inventory disclosure schedule.

Article 32 The Board of Directors shall recognize the operation risks faced by the company, confirm the effectiveness of risk management, and bear the ultimate responsibility for risk management.

The company's risk management policies and operating procedures shall be approved by the Board of Directors and reviewed and revised from time to time.

The company shall set up a dedicated risk control unit independent of the business unit, and regularly submit risk control reports to the Board of Directors. If major risk events are found to endanger the financial or business conditions, the company shall immediately take appropriate measures and report to the Board of Directors in accordance with the company's internal regulations.

The company shall conduct comprehensive risk assessment for its subsidiaries and implement necessary control system to effectively utilize resources and reduce various risks.

Article 33 The company shall, in accordance with the principles of protecting shareholders' rights and interests and treating shareholders fairly, formulate a fair, just and open procedure for the selection of directors, encourage shareholders to participate, and adopt a cumulative voting system in accordance with the Company Act to fully reflect shareholders' opinions.

The company shall, in accordance with the provisions of the Company Act, specify in its Articles of Association that the system of nomination of candidates shall be adopted for the election of directors. The shareholders shall elect directors from the list of candidates. Independent directors and non-independent directors shall be elected together in accordance with Article 198 of the "Company Law", and the number of elected persons shall be calculated separately.

The Board of Directors shall carefully assess the qualifications of the nominees and whether there are any circumstances listed in Article 30 of the Company Act and Article 3 of the "Regulations Governing Qualification Requirements for the Founder or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company", and process the matter in accordance with Article 192-1 of the Company Act.

The company should set up a nomination committee and formulate organizational regulations. More than half of the members should be independent directors, and the independent director should serve as the Chairman.

When the vacancy of directors reaches one-third of the seats specified in the Articles of Association, a by election shall be held at the interim meeting of shareholders within 60 days from the date of the fact.

Except for those approved by the competent authority, more than half of the directors of the company shall have seats, and shall not have spouse or second-degree relatives.

The qualifications of the directors of the company shall meet the requirements of “Regulations Governing Qualification Requirements for the Founder or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company”.

Article 34 The Board of Directors of the company shall, in respect of the business types of its main subsidiaries, allocate to each subsidiary at least one director with a relevant professional discipline. It is ideal to have directors of different genders or field of work.

Article 35 The responsibilities of the Chairman of the board and the General Manager of the company shall be clearly separate. The Chairman of the board and the General Manager or other persons of equivalent rank (the top manager) should not be held by the same person or spouses of each other. If the Chairman of the board and the General Manager or other persons of equivalent rank (the top manager) are the same person or spouses or first-degree relatives of each other, the number of independent directors should be increased, and more than half of the directors shall be neither employees nor managers.

The functional committee of the company shall have clear responsibilities.

Article 36 The company shall designate more than five independent directors in accordance with the Articles of Association, and they shall not be less than one third of the total number of directors.

Independent directors shall have professional knowledge and their shareholding shall be limited. They should not act as directors (including independent directors) or supervisors of more than four TWSE/TPEX listed companies at the same time except in accordance with relevant laws and regulations. They shall maintain their independence in the scope of business and shall not hold direct or indirect stakes in the company.

The number of independent directors concurrently serving as an independent director of another public company shall not exceed three. However, if the public company that the independent directors is concurrently serving is a wholly owned subsidiary of the company, it shall be regarded as one company and the director shall not be included in the calculation of the number of independent directors holding concurrent posts. However, the foregoing is limited to one company.

The term of office of an independent director should not exceed three consecutive terms.

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

The professional qualifications, shareholding and concurrent position restrictions, identification of independence, nomination methods, and other matters to be observed of independent directors shall be handled in accordance with the Securities and Exchange Act, Regulations Governing

Appointment of Independent Directors and Compliance Matters for Public Companies, and the rules of the stock exchange.

Article 37 The company shall specify the scope of responsibilities of the independent directors and give them the relevant human and material resources to exercise their functions and powers. The independent directors may, if necessary, employ a third-party professional to assist in the evaluation of major cases or cases with doubts, or require the internal audit to conduct a special audit or post-audit follow-up. The company or other directors shall not obstruct, refuse or evade the independent directors who are carrying out their business. The company shall specify the remuneration of directors in the Articles of Association or in accordance with the resolution of the shareholders meeting. For independent directors, the company may determine a reasonable remuneration different from that of ordinary directors.

Article 38 In order to achieve the goal of corporate governance, the main tasks of the Board of Directors of the company are as follows:

- I. Establish an effective and appropriate internal control system.
- II. Select and supervise managers.
- III. Review the company's management decisions and operation plans, and supervise their implementation.
- IV. Review the company's financial objectives and monitor their achievement.
- V. Supervise the operation results of the company.
- VI. Examine and approve the performance appraisal standards and remuneration standards of managers, and the remuneration structure and system of directors.
- VII. Supervise the company to establish an effective risk management system.
- VIII. Supervise the company to comply with relevant laws and regulations.
- IX. Plan the future development direction of the company. X. Maintain the company image.
- XI. Select accountants and other experts.

The Board of Directors of the company should evaluate and supervise the management direction and performance of intellectual property in the following aspects, so as to ensure that the company establishes an intellectual property management system with a management cycle of "Planning, Execution, Inspection and Action (PDCA)":

- I. Formulate intellectual property management policies, objectives and systems related to business strategies.
- II. Establish, implement, and maintain management systems for intellectual property acquisition, protection, maintenance, and use based on the scale and type.
- III. Determine and provide adequate resources to implement and maintain the intellectual property management system effectively.
- IV. Observe internal and external risks or opportunities related to intellectual property management and take corresponding measures.

- V. Plan and implement a continuous improvement mechanism to ensure that the operation and effectiveness of the intellectual property management system meet the company's expectations.

Article 39 The company shall refer the following matters to the Board of Directors for discussion:

- I. Business plan of the company.
- II. Annual financial statements and semiannual financial statements.
- III. Formulate or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act, and assess the effectiveness of the internal control system.
- IV. Formulate or amend the procedures for acquiring or disposing of assets and engaging in derivatives trading in accordance with Article 36-1 of the Securities and Exchange Act.
- V. Offer, issue or conduct private placement of equity-nature securities.
- VI. Appoint and remove financial, accounting, risk management, legal compliance, and internal audit chiefs.
- VII. Donations to related parties or major donations to non-related parties. However, donations of a public nature for emergency relief due to major natural disasters may be submitted to the next Board of Directors for approval.
- VIII. The performance appraisal standard and remuneration standard of managers, and the remuneration structure and system of directors.
- IX. In accordance with Article 14-3 of the Securities and Exchange Act, other major issues that shall be resolved by the shareholders meeting, referred to the Board of Directors for resolution or prescribed by the competent authority in accordance with laws and regulations or the Articles of Association.

In addition to the matters to be discussed by the Board of Directors mentioned in the preceding paragraph, during the recess of the Board of Directors, if the Board of Directors authorizes somebody to exercise the functions and powers of the Board of Directors in accordance with the law or the Articles of Association, the authorization level, contents or matters should be specific and clear, and no general authorization should be allowed.

When the company convenes a Board of Directors meeting, at least one independent director shall attend the Board of Directors meeting in person. As for the first item that shall be referred to the resolution of the Board of Directors, all the independent directors shall attend the Board of Directors meeting. If an independent director is unable to attend in person, he/she shall be represented by other independent directors. If an independent director has any objection or reservation, it shall be recorded in the minutes of the board meeting. If an independent director is unable to attend the Board of Directors meeting in person to express his objection or reservation, he/she shall give his/her written opinion in advance, which shall be recorded in the minutes of the meeting of the Board of Directors, unless there are justifiable reasons.

Article 40 If the improvement opinions of the independent directors on the major weaknesses or violations of the company's operation and management are not adopted by the management, and there is a risk of causing major losses to the company, they shall immediately notify the competent authority.

Article 41 The directors and supervisors of a subsidiary wholly owned by the company shall be appointed by the company in accordance with the following principles:

- I. Assign appropriate seats according to the size of each subsidiary.
- II. The qualifications shall be in accordance with the rules of the relevant authorities. If there is no rule, at least one half of the directors shall have the business expertise of the subsidiary, except for complying with the provisions of Article 30 of the Company Act.
- III. For a publicly issued subsidiary, it is advisable to appoint independent directors. The qualifications of independent directors, restrictions on holding shares and taking concurrent positions, determination of independence, and the minimum number or proportion of seats shall be processed in accordance with the provisions of the Securities and Exchange Act and the competent authority.

During the term of office, an independent director referred to in Subparagraph 3 of the preceding paragraph may not be reassigned without justifiable reasons.

Article 42 In order to strengthen the management function, the company may set up various functional committees in consideration of the size of the company, the nature of its business and the number of directors, which shall be specified in the Articles of Association.

The functional committees shall be accountable to the Board of Directors and submit the proposal to the Board of Directors for resolution. However, this restriction shall not apply if the Audit Committee exercises the functions and powers of a supervisor in accordance with Paragraph 4 of Article 14-4 of the Securities and Exchange Act. Unless otherwise specified in these principles, a functional committee shall consist of more than three directors.

Functional committees shall formulate their organizational rules, which shall be approved by the resolution of the Board of Directors. The contents of the organizational rules shall include the number of members of the committee, term of office, matters of authority, rules for the proceedings, resources to be provided by the company when exercising its authority, etc.

Article 43 The Audit Committee of the company shall be composed of all independent directors. The number of independent directors shall not be less than three, one of whom shall be the convener, and at least one shall have accounting or financial expertise.

The exercise of the functions and powers of the Audit Committee and its independent directors and related matters shall be processed in accordance with the Securities and Exchange Act, Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules of the stock exchange.

Article 44 The company shall set up a Remuneration Committee, and more than half of the members shall be independent directors. The professional qualifications of its members, the exercise of its functions and powers, the formulation of its organizational rules, and related matters shall be processed 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 the Taipei Exchange.

Article 45 The company shall set up and announce the whistleblowing channels for internal and external personnel, and establish the whistleblower protection system. The acceptance unit shall be independent and encrypt the files provided by the whistleblower, properly restrict the access authority, and formulate internal operation procedures and incorporate them into the internal control system.

The contents of the preceding paragraph shall at least cover the following matters:

- I. Establish and announce the company's internal whistleblowing mailbox and special line, or entrust other external independent organizations to provide a whistleblowing mailbox and special line for the use of the company's internal and external personnel.
- II. Assign the person or special unit to accept the whistleblowing.
- III. Record and keep the acceptance, processing, results and related documents of the whistleblowing cases.
- IV. Confidentiality of the whistleblower's identity and whistleblowing contents.
- V. Measures to protect the rights and interests of the whistleblowing and prevent improper disposal due to the whistleblowing.

The company may refuse to handle a whistleblowing case without a real name or address or without specific contents.

Subparagraph 5 of Paragraph 2 shall not apply to a whistleblowing case that is found to be untrue and involves malicious interrogation of the company or its personnel.

Article 46 The company should appoint professional and competent lawyers to provide appropriate legal advisory services for the company, or assist the Board of Directors, functional committee and management to improve their legal literacy, so as to prevent the company and relevant personnel from violating laws and regulations, and promote the operation of corporate governance under the relevant legal framework and legal procedures.

If a director or management is involved in litigation or is involved in a dispute with a shareholder in carrying out business according to law, the company shall appoint a lawyer to assist according to the situation.

The Audit Committee or its independent directors may, on behalf of the company, appoint lawyers, accountants or other professionals to conduct necessary audit or consultation on matters related to the exercise of their functions and powers at the company's expense.

Article 47 In order to improve the quality of financial reporting, the company shall designate the duty agent of the accounting chief.

The agent of the accounting chief mentioned in the preceding paragraph shall continue to study annually with reference to the accounting chief, so as to strengthen the professional ability of the duty agent of the accounting chief. Accounting personnel related to the preparation of financial statements shall also take more than six hours of professional courses every year. The method of continuing study is to participate in the company's internal education and training or professional courses organized by the accounting chief training institution.

The Board of Directors of the company shall select a professional, responsible and independent certified public accountant to regularly audit the financial status and internal control of the company. In view of the abnormal or missing items discovered and disclosed by accountants in the audit process, and the specific improvement or anti-fraud opinions, the company shall review the improvement, establish a communication channel or system between independent directors, Audit Committee and certified accountants, and formulate internal operation procedures and incorporate them into the internal control system.

The company shall regularly (at least once a year) refer to the audit quality indicators (AQIs) to evaluate the independence and competency of the employed accountants. If the company has not changed its accountant for seven consecutive years, or if it has been punished, or if its independence is impaired, the company shall assess whether it is necessary to change its accountant, and report the result to the Board of Directors.

Article 48 The company shall formulate rules of procedure for board meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.

The Board of Directors shall appoint a deliberation unit and hold a meeting at least once a quarter, which shall be specified in the rules of procedure.

To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director and supervisor no later than 7 days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. However, in case of emergency, it may be called at any time.

If a director thinks that the meeting materials are insufficient, the director may ask the deliberation unit to provide more information. If a director thinks that the motion materials are insufficient, the director may request a postponement of the meeting with the consent of the Board of Directors.

Article 48-1 The Chairman is the chairman of the shareholder meeting and the Board of Directors internally, and represents the company externally. The Chairman shall faithfully perform his obligation and fulfill his/her duty of care as a good

manager, and exercise his/her powers with a high degree of self-discipline and prudence.

If the Chairman perform his/her obligation by domestic or abroad remote office mode such as working from distributed office, home office or video conferencing in a long period of time, he/she shall comply with the provisions of the preceding paragraph to ensure the effective performance of his/her duty.

Article 48-2 When the Chairman asks for leave or is unable to perform his/her duties for some reason, the Chairman shall designate a director to act as his/her duty agent. If the Chairman does not designate an agent, the directors shall recommend one of them to act on behalf of the Chairman.

When appointing or recommending a duty agent of the Chairman in accordance with the preceding paragraph, the company shall comply with the "Regulations Governing Qualification Requirements for the Founder or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company" for the principle of separation between banking and commerce.

The duty agent of the Chairman referred in Paragraph 1 shall not exceed the authority of the Chairman during the period of agency, and if there are restrictions, it shall be specified in advance.

The directors shall attend the board meeting in person. If a director is unable to attend the board meeting for any reason, he/she may entrust another director to attend on his/her behalf. It is necessary to prepare an authorization letter, and enumerate the authorized scope of the convening reasons. The directors attending the meeting can only be entrusted once.

Article 49 Company directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter.

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

Article 50 When a board meeting is convened to discuss any matter submitted to it pursuant to Article 14-3 of the Securities and Exchange Act, an independent director of the company shall attend the board meeting in person, and may not be represented by a non-independent director via proxy. If an independent director has any objection or reservation, it shall be recorded in the minutes of the board meeting. If an independent director is unable to attend the Board of Directors meeting in person to express his objection or reservation, he/she shall give his/her written opinion in advance, which shall be recorded in the minutes of the meeting of the Board of Directors, unless there are justifiable reasons.

In case of any of the following circumstances, a decision of the Board of Directors shall be announced and reported in accordance with the relevant regulations of the stock exchange, in addition to being stated in the minutes:

- I. Independent directors have objections or reservations and have records or written statements.
- II. The matter was not approved by the Audit Committee (if the company has set up an Audit Committee), but had the consent of more than two-thirds of all directors.

When the company convenes a board meeting, it may, depending on the contents of the motion, notify the relevant department managers who are not directors to attend the meeting as nonvoting delegates, report the current business situation of the company and answer the questions raised by the directors. If necessary, accountants, lawyers or other professionals may also be invited to attend the meeting as nonvoting delegates to assist the directors to understand the current situation of the company and make appropriate resolutions. However, they shall leave the meeting during the discussion and voting stage.

Article 51 The deliberation personnel of the company's Board of Directors shall collect and correctly record the meeting minutes in detail, as well as a summary, the method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations.

The minutes of the board meeting shall be signed or sealed by the Chairman of the meeting and the recorder, and shall be distributed to all directors within 20 days after the meeting. The attendance book of the Board of Directors shall be a part of the minutes, and shall be included in the important files of the company, and kept permanently and properly during the existence of the company.

The production, distribution and preservation of the minutes can be done electronically.

The company shall record or videotape the whole process of the meeting of the Board of Directors and keep it for at least five years. The keeping may be done electronically.

Before the expiration of the retention period referred to in the preceding paragraph, in the event of litigation concerning the matters discussed by the Board of Directors, the relevant audio or video recording materials shall be kept continuously, and the provisions of the preceding paragraph shall not apply.

If the Board of Directors is convened by video conference, the audio and video recording of the meeting shall be a part of the minutes and shall be kept permanently.

If a resolution of the Board of Directors violates the laws, Articles of Association or resolution of the shareholders meeting and causes damage to the company, the director who has dissented shall be exempted from the liability for compensation if he has a record or written statement to prove it.

- Article 52 The company may, consider the size and needs of the Board of Directors, designate standing directors in accordance with the relevant provisions of the Company Act.
- Article 53 The company shall clearly deliver the resolution processing matters of the Board of Directors to the appropriate execution unit or personnel, require them to be implemented in accordance with the schedule and objectives, and include them in the follow-up management, so as to truly assess their implementation. The Board of Directors shall fully grasp the progress of the implementation and make a report at the next meeting so that the business decisions of the Board of Directors can be implemented.
- Article 54 The directors of the company shall faithfully carry out their business and perform the duty of care of good managers, and exercise their powers with a high degree of self-discipline and prudence. The implementation of the business of the company shall be in accordance with the resolutions of the Board of Directors, except for matters that shall be decided by the shareholders meeting in accordance with the law or the Articles of Association. The company shall formulate performance evaluation methods and procedures for the Board of Directors, and conduct performance evaluation for the Board of Directors, functional committees and individual directors by self-evaluation, peer evaluation, appointment of external professional bodies or other appropriate means on a regular basis every year. The performance evaluation of the Board of Directors should include the following aspects, and consider the needs of the company to formulate appropriate evaluation indicators:
- I. Participation in the operation of the company.
 - II. Improve the decision-making quality of the Board of Directors.
 - III. The composition and structure of the Board of Directors.
 - IV. Director selection and continuing education. V. Internal control.
- The performance evaluation of directors (self-evaluation or peer evaluation) should include the following aspects and be adjusted according to the needs of the company:
- I. Understanding of the company's objectives and tasks.
 - II. Recognition of directors' responsibilities.
 - III. Participation in the operation of the company.
 - IV. Internal relationship management and communication.
 - V. Professional and continuing education of directors.
 - VI. Internal control.
- The performance evaluation of the functional committees should include the following aspects and be adjusted according to the needs of the company:
- I. Participation in the operation of the company.
 - II. Recognition of functional committee's responsibilities.
 - III. Improve the decision-making quality of functional committees.
 - IV. Composition and selection of members of functional committees.
 - V. Internal control.

The company shall report the results of the performance evaluation to the Board of Directors as reference for individual directors' remuneration and nomination for term extension.

Article 55 If a resolution of the Board of Directors violates laws and regulations or the Articles of Association, and the shareholders or independent directors who have held shares for more than one year request the Board of Directors to stop the implementation of the resolution, the directors shall deal with or stop the implementation of the relevant resolution as soon as possible.

When a director discovers that the company is in danger of material damage, he/she shall act in accordance with the provisions of the preceding paragraph, immediately notify the Audit Committee or the independent director of the Audit Committee and report to the Board of Directors, and shall supervise the company to report to the competent authority.

Article 56 The total shareholding ratio of all the directors of the Board of Directors shall comply with the provisions of laws. The restrictions on the transfer of shares of each director, the creation or cancellation of the pledge, and their changes shall be processed in accordance with the relevant rules, and all information shall be fully disclosed.

Article 57 During the term of office of a director, the company shall take out liability insurance for the director in respect of the compensation liability that he shall bear according to law within the scope of his business.

After the company has taken out or renewed the liability insurance for the directors, it shall submit the latest report to the Board of Directors on the insured amount, coverage and premium rate of the liability insurance.

Article 58 The directors of the company should, in accordance with the rules of the stock exchange, continuously participate the refresher courses on finance, risk management, business, accounting, legal affairs, prevention of money laundering and combating terrorism financing or corporate social responsibility held by the institutions designated by the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies. They shall instruct all levels of staff to strengthen their professional and legal knowledge.

Chapter V Give Full Play to the Function of the Audit Committee

Article 59 The independent directors of the company shall have rich professional knowledge, work experience, integrity, steadfast and fair judgment, and shall have sufficient time and effort to work as independent directors.

Article 60 The independent directors of the company shall be familiar with the relevant laws and regulations, understand the rights, obligations and responsibilities of the directors of the company, as well as the division of responsibilities and work contents of each department, attend the Board of Directors meetings, participate in its operation and timely state their opinions, so as to grasp or discover unusual situations in advance.

Article 61 When a director of the company conducts business, loaning or other legal acts with the company for himself or others, an independent director of the Audit Committee shall be the representative of the company.

Article 62 The members of the Audit Committee of the company may investigate the business and financial situation of the company at any time, and the relevant departments of the company shall cooperate in providing the books and documents required for the audit, copying or duplication.

Members of the Audit Committee may, on behalf of the company, entrust lawyers or accountants to audit the company's finance and business, but shall inform relevant personnel of their obligation of confidentiality.

The Board of Directors or the manager shall submit the report at the request of the members of the Audit Committee, and shall not evade, hinder or refuse the inspection of the members of the Audit Committee for any reason.

When the members of the Audit Committee perform their duties, the company shall provide necessary assistance, and the reasonable expenses required shall be borne by the company.

Article 63 In order to facilitate the Audit Committee to discover the possible corrupt practices of the company in time, the company shall establish communication channels between the employees, shareholders and stakeholders and the Audit Committee.

When the Audit Committee finds out the corrupt practice, it shall take appropriate measures in time to prevent the corrupt practice from expanding, and report to the relevant competent authorities or units when necessary.

If an independent director, General Manager, chief of finance or accounting, certified public accountant or head of Internal Audit Department of the company resigns or changes, the Audit Committee shall thoroughly find out the reasons.

Chapter VI Respect the Rights and Interests of Stakeholders

Article 64 The company shall maintain a smooth channel of communication with banks and other creditors, employees, consumers, suppliers, communities or other stakeholders, respect and safeguard their legitimate rights and interests, and shall set up a special area for stakeholders on the company's website.

When the legitimate rights and interests of the stakeholders are infringed, the company shall handle them properly in accordance with the principle of good faith.

Article 65 The company should urge its subsidiaries to formulate consumer protection policies, including the system for handling consumer complaints and disputes.

Article 66 The company shall establish employee communication channels, encourage employees to communicate directly with the management and directors, and appropriately reflect employees' opinions on the company's operation and financial status or major decisions involving employees' interests.

When the company allocates employees' remuneration by shares, in addition to the employees of the company itself, it shall also consider the employee benefits of its subsidiaries, and integrate the contribution of the employees of the company and its subsidiaries.

While maintaining normal business development and maximizing shareholders' interests, the company shall pay attention to consumer rights, community

environmental protection and public welfare activities, and attach importance to social responsibility.

Chapter VII Enhance Information Transparency

Article 67 Information disclosure is an important responsibility of the company. The company shall faithfully perform its obligations in accordance with relevant laws and regulations, the Articles of Association and the rules of the stock exchange.

Article 68 The company shall establish an online reporting system for public information, appoint special personnel to collect and disclose information, and establish a spokesman system to ensure timely and appropriate disclosure of information that may affect the decision-making of shareholders and stakeholders.

Article 69 In order to improve the accuracy and timeliness of major information disclosure, the company shall appoint a spokesperson or acting spokesperson who has a comprehensive understanding of various financial and business affairs, or who can coordinate with various departments to provide relevant information, and who can independently represent the company as an external speaker.

The company shall have more than one acting spokesperson, and any acting spokesperson shall be able to speak on behalf of the spokesperson when he/she cannot perform his/her duties. However, the order of speaking shall be confirmed to avoid confusion.

In order to implement the spokesperson system, the company shall specify a unified speaking procedure and require the management and employees to keep financial and business secrets and not to spread information without authorization. In case of any change of spokesperson or deputy spokesperson, information disclosure shall be conducted immediately.

Article 70 The company should make use of the convenience of the Internet to set up a website to provide financial business-related information and corporate governance information for the reference of shareholders and stakeholders, and shall provide English version of financial, corporate governance or other related information according to the needs of foreign investors.

The website mentioned in the preceding paragraph shall be maintained by a specially assigned person, and the information listed shall be accurate, detailed and updated immediately to avoid the risk of misleading.

Article 71 The company's holding of investor conferences shall be conducted in accordance with the rules of the stock exchange, and shall be kept in the form of audio or video recording. The financial and business information of investor conferences shall be entered into the MOPS in accordance with the rules of the stock exchange, and queried through the website of the company or other appropriate channels.

Article 72 The company's website shall set up a specific area to disclose the following information related to corporate governance, and keep it updated:

I. Board of Directors:

1. The structure of the Board of Directors.
2. The responsibilities and independence of the board members.
3. The training situation of the board members.

4. The implementation of the Diversity Policy on the board members.
5. Others.

II. Functional Committee:

1. The composition, responsibilities and independence of the Audit Committee.
2. The composition, responsibilities and operation of the Remuneration Committee.
3. The composition, responsibilities and operation of the Ethical Management Committee.
4. The composition, responsibilities and operation of the other functional committee.

III. Rules of corporate governance:

1. Articles of Incorporation.
2. Rules of procedure for the Board of Directors.
3. Organizational rules of the Functional Committee.
4. Others.

IV. Other material information related to corporate governance.

1. The establishment of corporate governance supervisors.
2. The operation of corporate governance.
3. The ownership structure and shareholders' equity.
4. Others.

Article 73 The company shall, in accordance with the relevant provisions of the Financial Holding Company Act and the Securities and Exchange Act, regularly publish or disclose the financial statements, consolidated financial statements and subsidiary financial statements certified by accountants, approved by the Audit Committee, and resolved by the Board of Directors.

Article 74 All subsidiaries of the company shall report to the competent authority within 30 days after the end of each quarter of each business year the total amount or ratio of credit granted to and other transactions conducted with the same person, the same related person or the same related enterprise, and disclose it in the form of public announcement, by internet or as designated by the competent authority.

All subsidiary companies of the company should set up an information system for the same person, the related person or the same related enterprise, so as to facilitate the inquiry and control of related transactions, and assign special units to collect and file information for the purpose of declaration.

Article 75 The company shall fully disclose the trading information of related parties, and shall, in accordance with relevant regulations, further disclose related party trading information of subsidiaries that reach a certain threshold.

The related party mentioned in the preceding paragraph shall be identified in accordance with Article 23 of the Financial Reporting Standards for Financial Holding Companies. When judging whether the transaction counterparty is a related party, the legal form and the substantive relationship shall be considered.

Article 76 The company and its subsidiaries shall comply with the Financial Holding Company Act and the relevant norms on capital adequacy of each industry. The

company shall, in accordance with the calculation method and form issued by the competent authority, submit the Group capital adequacy ratio and attach relevant information within two months after the semiannual settlement or when the competent authority deems it necessary.

Article 77 If a material information event is encountered by the company or its subsidiaries, aside from complying with the “Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities” and holding a press conference, the information shall be entered into the internet information reporting system two hours before the trading hours of the next business day from the date of occurrence. The input shall be made in English.

Chapter VIII Supplementary Provisions

Article 78 The company shall pay attention to the development of domestic and international corporate governance systems at any time, so as to review and improve its corporate governance system and enhance the effectiveness of corporate governance.

Article 79 Matters not specified in these principles shall be processed in accordance with the Company Act, the Securities and Exchange Act, the Financial Holding Company Act and other relevant laws and regulations and general practices.

Article 80 These principles shall take effect upon its approval by the Board of Directors, and the same shall apply when it is amended or abolished.

Article 81 This Principle was formulated on June 23, 2014. The first amendment was on November 24, 2015. The second amendment was on April 26, 2016. The third amendment was on February 21, 2017. The fourth amendment was on November 28, 2017. The fifth amendment was on March 26, 2019. The sixth amendment was on May 27, 2020. On October 27, 2020, the Board of Directors authorized the correcting of the name of the unit, and the amendments took effect on January 1, 2021. The eighth amendment was on March 15, 2022. The ninth amendment was on December 27, 2022. The tenth amendment was on March 14, 2023.