

## The Corporate Governance Best Practice Principles

### Chapter 1 General Provisions

Article 1 To establish a sound governance system, the Company, in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, formulated the rule and established an effective corporate governance structure, and disclosed it at the public information observation station.

Article 2 In addition to complying with laws and regulations of Articles of Association, the Company's establishment of corporate governance system shall be in accordance with the following principles:

1. Ensure shareholders' rights and interests.
2. Strengthen the Function of the Board of Directors.
3. Exert the function of the functional committee.
4. Respect stakeholders' rights and interests.
5. Improve information transparency.

Article 3 The Company shall design and implement its internal control system in accordance with the guidelines for the establishment of internal control system by the publicly owned corporation, considering the overall business activities of the Company and its subsidiaries, and review the internal control system from time to time, so as to ensure the design and implementation of the system to be continuously effective in accordance with the changes of the internal and external environment of the Company.

The formulation or amendment of the internal control system shall be submitted to the Board of Directors for approval; if the independent director has objections or reservations, they shall be set out in the minutes of the Board of Directors; upon the establishment of the audit committee, the Company shall obtain the consent of more than half of all members of the audit committee and submit it to the Board of Directors for resolution.

The Board of Directors and management of the Company shall, in addition to the self-assessment of the internal control system, review the self-assessment results of each department and the audit report of the quarterly audit and audit unit at least annually, and the audit committee shall pay attention to and supervise it. The Company is advised to establish a communication channel and mechanism among independent directors, audit committee, and internal audit supervisor. Directors shall periodically hold discussions with their internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the Board of Directors. The evaluation of the effectiveness of the internal control system shall be approved by more than half of all members of the audit committee and submitted to the Board of Directors for resolution.

The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them, and urge them to conduct audits effectively, to evaluate problems of the internal control system, and to assess the efficiency of its operations, in order to ensure that the system can operate



effectively on an on-going basis and to assist the Board of Directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.

In order to implement the internal control system and strengthen the professional competence of the internal auditors, so as to improve and maintain the quality of the audit and the implementation effect, the Company shall set up the internal auditors' duty agents.

The Paragraph 3 of Article 11 regarding qualified internal auditing personnel, and the provisions of Article 16, Article 17, and Article 18, the regulations governing the internal control system established from the publicly owned corporation, can be applied to the duty agents referred to in the preceding paragraph.

Article 3-1

The Company shall set up full-time (or part-time) units or personnel for matters related to corporate governance, and senior executives for supervision, whose work experience in the legal, financial or stock management field in a public offering company is more than three years or they are qualified as a lawyer or an accountant. The relevant affairs of corporate governance in the preceding company should at least include the following:

1. Handle company registration and change of registration.
2. Manage meetings of the Board of Directors and the Board of shareholders in accordance with the law, and assist the Company in complying with the relevant laws and regulations of the Board of Directors and the Board of shareholders.
3. Record the meeting of Board of Directors and Shareholders Meeting.
4. Provide required business information for the Directors and Independent Directors, and the latest regulatory developments related to the operating company, so as to assist Directors and Independent Directors to follow the laws and regulations.
5. Handle affairs related to investor relations.
6. Handle other affairs in accordance with the Articles of Association or other contracts.

Chapter 2

Ensure Shareholders' Rights and Interests

Section 1

Encourage Shareholders to Participate in Corporate Governance

Article 4

The Company shall implement a corporate governance system that ensures shareholders' rights and interests, and fair treatment of all shareholders.

The Company shall build a corporate governance system that can ensure shareholders fully understand and participate in major company items, and have the rights to make decisions.

Article 5

The Company shall convene the shareholders' meeting in accordance with the provisions of the Company Act and relevant laws and regulations, and formulate complete rules of procedure. For matters that should be resolved by the shareholders' meeting, the rules of procedure shall be followed.

The resolution of the Board of shareholders of the Company shall comply with the provisions of the act and the articles of association of the Company.



Article 6 The Board of Directors of the Company shall properly arrange issues and procedures at the Shareholders Meeting, decide principles and procedures of nominee directors and shareholders' proposal, and reasonably process shareholders' proposals forth according to the laws. The Shareholders Meeting shall be arranged at a convenient place and reserve sufficient time, and appoint sufficient qualified personnel to handle registration procedures. Documents on the shareholders' attendance shall be arbitrarily added, and shall leave enough time for reasonable discussion on various topics, and give shareholders the appropriate opportunity to speak.

The Shareholders Meeting convened by the Board of Directors shall be presided over by the Chairperson personally and more than half of the Board of Directors (including at least one independent director) and at least one member of the functional committee shall attend personally, and the attendance in the Shareholders Meeting shall be recorded.

Article 7 The Company shall encourage shareholders to participate in corporate governance, and shall appoint a professional stock agency to handle the affairs of the Shareholders Meeting to ensure it is convened under legal, effective and safe premises. The Company shall use various methods, including utilizing technically advanced information disclosure and voting methods, and submit meeting notice, meeting handbook and supplement materials in both Chinese and English to improve the attendance rate of shareholders to the Shareholder Meetings. This also ensures that shareholders can implement their rights at the Shareholder Meetings according to law.

When the Company adopts electronic voting at the Shareholders Meeting, it should be avoided to revise the provisional motion and the original motion. The annual election of directors and independent directors shall adopt candidate nomination system.

The Company shall arrange the shareholders to vote for the Shareholders Meeting cases one by one, and input the results of shareholders' agreeing, opposing, or abstaining from voting into the public information observation station on that very day of holding the Shareholders Meeting.

If the Company gives commemorative shareholder meeting gifts to shareholders, no prejudicial or biased treatment shall be involved.

Article 8 The Company shall, in accordance with the Company Act and relevant laws and regulations, record in the minute book of the shareholders' meeting of the year, month, day, place, name of the chairman and method of resolution, and shall record the essentials of the proceedings and the results thereof. The election of directors shall include the method of voting and the election weight of the elected directors. The minute book of the shareholders' meeting shall be kept permanently and properly during the duration of the Company, and shall be fully disclosed if the Company has a website.

Article 9 The chairman of the shareholders' committee shall be fully aware of and abide by the rules of procedure set by the Company, and shall maintain the smooth agenda,



and shall not arbitrarily announce the closure of the meeting.

In order to protect the equity of majority shareholders, in case the chairman announces the dissolution of the meeting in violation of the rules of procedure, other members of the Board of Directors shall promptly assist the shareholders present in the procedures prescribed by law and elect one chairman with the consent of more than half of the voting rights of the shareholders present to continue the meeting.

Article 10 The Company shall pay attention to stockholders' equity, and shall comply with the relevant regulations on information disclosure, and provide information about the Company's finance, business, insider shareholding and corporate governance to shareholders frequently and immediately by using the information observation station or the website set up by the Company.

In order to treat shareholders equally, all information referred to in the preceding paragraph shall be disclosed simultaneously in English.

In order to safeguard the stockholders' equity and implement the equal treatment of shareholders, the Company shall formulate internal regulations and prohibit insiders from trading securities by using the market non-public information.

Article 11 Shareholders shall have the right to share the surplus of the Company. In order to ensure the investment rights and interests of shareholders, the Board of shareholders may, in accordance with the provisions of Article 184 of the Company Act, examine the lists made by the Board of Directors and the reports of the audit committee, and decide on the allocation of surplus or deficiency. When the Shareholders Meeting carries out aforementioned audit, an inspector may be appointed.

Shareholders may, in accordance with Article 245 of the Company Act, request the court to appoint an inspector to examine the Company's business accounts and estate status.

The Board of Directors, the audit committee and the managers of the Company shall fully cooperate with the inspectors in the preceding two paragraphs and shall not evade, obstruct, or refuse the inspectors.

Article 12 The Company's acquisition or disposal of assets, capital loans and endorsements guarantees and other significant financial business behavior, shall be dealt with in accordance with the relevant provisions of the law, and the Company shall set up relevant operating procedures to be submitted to the Shareholders Meeting's adopting, in order to safeguard shareholders' rights and interests.

When the Company is dealing with matters of merger or public acquisition, besides to handling in accordance with the relevant laws and regulations, it shall pay attention to fairness and rationality of merger or public acquisition plans and transaction, and pay attention to information disclosure and integrity of subsequently the Company's financial structure.

Article 13 In order to ensure the stockholders' equity, the Company shall have special personnel to properly handle suggestions, doubts, and disputes of the stockholders. Where the stockholders' equity are damaged due to the violation of laws or articles



of association by resolutions of the Board of shareholders or resolutions of the Board of Directors of the Company, or the violation of laws or articles of association by directors or managers in the performance of their duties, the Company shall properly handle the lawsuits brought by shareholders according to law.

The Company shall establish internal procedures to properly handle the preceding two paragraphs, keep written records for future reference, and absorb them into the control of the internal control system.

Article 13-1 The Board of Directors of the Company is responsible for establishing an interaction mechanism with the shareholders to enhance mutual understandings of the Company's development objectives.

Article 13-2 The Board of Directors of listed companies shall, besides communicating with shareholders through Shareholders Meetings and encouraging shareholders to participate in the Shareholders Meetings, contact shareholders in an efficient way, understand shareholders' views with handlers and independent directors together and topics for discussion concerned, and make a clear explanation of company policy, in order to obtain the support of shareholders.

Section 2 Corporate Governance Relations between the Company and its Affiliates

Article 14 The Company and affiliated company's management authorization over personnel, assets, and financial management should be clear. Risk assessment should be implemented and appropriate firewalls established.

Article 15 Except as otherwise provided in the act, the manager of the Company shall not serve concurrently with the manager position of a related company.

Where a director acts for himself/herself or another person within the business scope of the Company, he/she shall explain the important contents of his/her act to the shareholders' meeting and obtain its permission.

Article 16 The Company shall establish a sound financial, business, and accounting management system in accordance with relevant laws and regulations, and shall properly conduct comprehensive risk assessment with its related companies on correspondent banks, customers and suppliers, and implement necessary control mechanisms to reduce credit risks.

Article 17 When the Company and its affiliated enterprises enter into inter-company business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. For the contract should clearly set the price terms and payment terms, and put an end to unconventional transactions.

Transactions or contracts between the Company and its affiliates and shareholders shall also be handled in accordance with the principles set forth in the preceding paragraph.

Article 18 The judicial person shareholders who have the ability to control the Company shall abide by the following matters:

1. The Company shall have an obligation of good faith to other shareholders and shall not directly or indirectly cause the Company to operate out of



business practices or other disadvantageous interests.

2. The representative shall, in accordance with the relevant regulations on the exercise of rights and participation in the resolution, exercise the voting rights with good faith principle and in the best interests of all shareholders, and perform the duty of loyalty and care in the meeting of shareholders.
3. The nomination of directors of the Company shall be handled in accordance with the relevant laws and regulations and the articles of association of the Company, and shall not exceed the terms of reference of the shareholders' meeting and the Board of Directors.
4. Do not improperly interfere in the Company's decision-making or interfere with business activities.
5. Do not restrict or obstruct the operation of the Company by means of unfair competition such as monopolizing procurement or closing sales channels.
6. The legal representative appointed by the elected director shall meet the professional qualifications required by the Company and shall not be arbitrarily reappointed.

Article 19 The Company shall keep in hand at all times a list of the substantial shareholders and the ultimate controllers of the substantial shareholders who hold a relatively large proportion of shares and can actually control the Company.

The Company shall regularly disclose any hypothecation, increase or decrease of the shares of shareholders holding more than 10% of the shares, or other important matters that may cause changes in the shares, for the supervision of other shareholders.

The term "substantial shareholder" as mentioned in Paragraph 1 shall mean the shareholders whose shareholding ratio is more than 5% or whose shareholding ratio is in the top ten, provided that the Company may, in accordance with the shareholding situation of the Company under its actual control, set a lower shareholding ratio.

Chapter 3 Strengthen the Function of the Board of Directors

Section 1 Structure of the Board of Directors

Article 20 The Board of Directors of the Company shall guide the Company strategies, supervise the management levels, and be responsible for the Company and the shareholders. For various work and arrangement of the Company's governance system, the Authority of the Board of Directors shall be fully exercised according to regulations, Articles of Association, or Shareholders Meeting resolutions of.

The Company's Board of Directors shall consist of at least five directors, depending on the scale of company operation and development, and the status of primary shareholders, and actual operating needs.

Diversification shall be considered to form the Board of Directors. In addition to directors served as the Company managers shall not be more than 1/3 of all directors, appropriate diversification policies shall be drawn up for their own operation, operation patterns and



development demands, including but not limited to the standards of the following two aspects:

1. Basic conditions and values: gender, age, nationality, culture, and so on.
2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

The Board members shall possess knowledge, skills, and quality that are adequate for carrying out their duties.

To achieve the goals of corporate governance, the Board of Directors on the whole shall possess the following abilities:

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

Article 21

The Company shall draw up fair, just and open director election procedures in accordance with the protection of shareholders' rights and interests, the principle of equitable treatment to shareholders, encourage shareholders to participate in and adopt cumulative voting system according to the provisions of the Company Law to fully reflect the opinions of the shareholders.

Unless approved by the Company's competent authority, the majority of the Board members shall not have spousal relationship or familiar relationship within the second degree of kinship.

When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's Corporate Charter, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

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

Article 22

According to the Company Act, Directors of the Company shall be persons of legal ability elected at Shareholders Meeting in accordance with the nomination system for candidate declared in Articles of Association. The qualifications, education background, working experiences and the existence of any other matters set forth in Article 30 of the Company Act with respect to the candidates recommended by





shareholders or directors shall be reviewed in advance; no other documentary evidence of the qualifications shall be increased, and the review result thereof shall be provided to shareholders for their reference, so that qualified directors can be elected.

The Board of Directors shall, in accordance with the provisions, carefully evaluate the qualifications listed in the preceding paragraph and other matters and the candidate's will after acting as a director before listing the list of the candidates.

Article 23

Clear distinctions shall be drawn between the responsibilities and duties of the Chairperson of the Board of the Company and those of its General Manager.

Chairperson shall not also act as the General Manager. If the Chairperson also acts as the General Manager or they are spouses or within the first degree of kinship, the number of Independent Directors should be increased.

If the Company sets up a functional committee, the responsibilities and duties of the committee shall be clearly defined.

Section 2

Independent Director System

Article 24

According to the Articles of Association of the Company, three Independent Directors shall be set, and the number of Independent Directors shall not be less than 1/5 of the number of directors.

Independent Directors shall be qualified with expertise and his shareholder and part-time job shall be restricted. Unless in compliance with the appropriate laws and/or regulations, Independent Directors shall not act as the director (including Independent Director) or supervisor of more than five TWSE/TPEX listed companies, and they shall maintain independence within the scope of their directorial duties and shall not have any direct or indirect interest in the Company. The Company's independent director shall be elected according to Article 192-1 of the Company Act (nomination of candidates). The nomination system shall be clearly stated in the article of association. Shareholders shall elect independent directors from the candidate list. Independent directors and non-independent directors shall be elected according to Article 198 of the Company Act. Election quota shall be calculated separately.

If the Company and its group enterprises and organizations and other company and its group enterprises and organizations nominate their directors, supervisors or managers as candidates of Independent Directors of the other, the Company shall disclose the candidate in authorizing Independent Directors and explain the suitability of the candidate. If one is elected as an Independent Director, the number of votes cast shall be revealed.

The aforementioned group enterprises and organizations are applicable for subsidiaries of the Company, whose direct or indirect endowment exceeds 50% of incorporated foundation, and other institutions or legal person with essential control ability.

Independent directors and non-independent directors shall not convert their status during their tenure.

If the dismissal of an independent director results in insufficient number of





independent directors (based on Paragraph 1 or the article of association), a supplemental election shall be held at the next shareholders meeting. If all the independent directors are dismissed, the Company shall convene a provisional shareholders meeting to elect new independent directors within 60 days from the actual dismissal.

The professional qualification, restrictions on both shareholding and concurrent positions held, determination of independence, nomination method, and other requirements to be followed shall be handled in accordance with the Securities and Exchange Act, and rules that regulate The Taiwan Stock Exchange or GreTai Securities Market.

Article 25

Unless the competent authority grants an exemption, the matters below shall acquire an approval by the Board of Directors; shall the Company's Independent Directors have any objections or reserved opinions, such shall be specified in the minute book of the Board of Directors:

1. Adoption or amendment of internal control systems in accordance with Article 14-1 of the Securities and Exchange Act.
2. To establish or amend procedures for the acquisition or disposal of assets, the trading of derivatives, the lending of funds to others, the endorsement of others, or the provision of guarantee in respect of material financial transactions pursuant to Section 36-1 of the Securities and Exchange Act.
3. Items that involve the director's own interests.
4. Major assets or derivative transaction.
5. Material loan, endorsement, or guarantee of funds.
6. Raising, issuing, or privately placing equity-type marketable securities.
7. The appointment, dismissal, and compensation of certified accountants.
8. Appointment and dismissal of finance manager, accounting manager, and head of internal audit.
9. Other material matters prescribed by the competent authority.

Article 26

The Company shall expressly stipulate the scope of duties of independent directors and empower them with manpower and material support related to the exercise of their power. The Company or other Board members shall not restrict or obstruct independent directors in the execution of their duties.

The Company shall stipulate the remuneration of the directors in the articles of association, which shall fully reflect individual performance and long-term operation performance of the Company, and the risk of company's operation shall be taken into consideration. A reasonable and different remuneration shall be set for independent directors.

Under the Articles of Association of the Company, the resolution of the Shareholder Meeting, or by order of competent authorities, if any special surplus reserves are to be drawn, such allocation shall be made after the allocation of legal surplus reserves and before the distribution of remuneration of the directors and supervisors and employee bonuses, and the Articles of Association shall specify the method for profit distribution to be adopted when the reversal of the special



surplus reserves are included in the undistributed earnings.

Section 3

Audit Committee and Other Functional Committees

Article 27

For the purpose of developing monitoring functions and strengthening management mechanisms, the Board of Directors of the Company shall take into account the size of the Company, nature of business, and the number of the Board of Directors, and set up auditing, remuneration and any other functional committees based on the concept of the Company's social responsibility and sustainable business; all these shall be specified in the Articles of Association.

Functional committees shall be responsible to the Board of Directors, and submit their proposals to the Board for voting. However, this does not apply to audit committee's implementation of their supervisory authority according to Article 14.4.4 of the Securities and Exchange Act.

Functional committees shall set their organization regulations to be passed by the Board of Directors through resolution. The content of the organization regulations shall include the number of members of the committee, their tenure period, their authorization, meeting rules, and resources provided by the Company for implementation of their authority.

Article 28

The Company shall establish an audit committee.

The Committee consists of the entire Board of Independent Directors, the number of which shall not be fewer than three, one of whom is the convener, and at least one shall have accounting or financial expertise.

After the establishment of the audit committee of the Company, the provisions of the Securities and Exchange Act, Company Act, other statutes, and this code for supervisors shall apply to the audit committee.

After the establishment of the audit committee of the Company, the following matters shall be agreed by more than half of all members of the audit committee and submitted to the Board of Directors for resolution. Article 25 of this code shall not apply for:

1. Adoption or amendment of internal control systems in accordance with Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system
3. Establish or amend procedures for the acquisition or disposal of assets, the trading of derivative products, the lending of funds to others, the endorsement of others, or the provision of guarantee in respect of material financial transactions pursuant to Article 36-1 of the Securities and Exchange Act, Company Act.
4. Items that involve the director's own interests.
5. Major assets or derivative product trading.
6. Material loan, endorsement, or guarantee of funds.
7. Raising, issuing, or privately placing marketable securities.
8. The appointment, dismissal, and compensation of certified accountants.
9. Appointment and dismissal of finance manager, accounting manager, and head of internal audit.



10. Annual financial report and semi-annual financial report.
  11. Other major items required by other companies or the competent authority.
- The exercise of the functional authority of the audit committee and its independent directors and related matters shall be handled in accordance with the Securities and Exchange Act, measures for the audit committee of a publicly owned corporation to exercise its functional authority, and provisions of the stock exchange or over-the-counter trading center.

Article 28-1 The Company shall set up Remuneration Committee; professional qualification, power execution and regulations of the organization of other employees of the Articles of Association and other matters shall be in accordance with the Measures for the Establishment and Exercise of and Powers by the Remuneration Committee of the Company whose stock is listed on the Stock Exchange or Traded Over the Counter.

The Remuneration Committee shall exercise the care of a good administrator, faithfully fulfill the following function and power and submit the suggestion to the Board of Directors for discussion:

1. Formulate and regularly review the policy, system, standards, and structure of the performance assessment, salary, and remuneration of directors and managerial officers.
2. Periodically evaluate and establish the remuneration of directors, supervisors, and managerial officers.

The Remuneration Committee shall fulfill the aforementioned function and power in accordance with the following principles:

1. For the performance evaluation and remuneration of directors and supervisors, typical pay levels by peer companies shall be adopted and individual performance, performance of company's operation and future risk shall be taken into consideration.
2. Directors and supervisors shall not be induced to engage in activity to pursue remuneration exceeding the risk the Company may tolerate.
3. For the proportion of remuneration for the short-term performance and the time of payment for partly variable remuneration to the directors and senior supervisors, the industry characteristics and the nature of the business of the Company shall be taken into consideration.

Article 28-2 The Company is advised to establish channels for internal and external personnel to report and reporter protection mechanisms. The unit handling complaints shall be independent and provide encrypted protection for the files submitted by the reporters, and appropriately restrict access to these profiles. The Company shall establish internal procedures and take them into the Company's control system for management purposes.

Article 29 The Company shall select a professional, responsible, and independent certified accountant to regularly audit the financial position and internal control of the Company. The Company shall properly review and improve the disclosure of abnormal or missing items timely discovered by the accountant during the audit



process, and put forward specific suggestions for improvement or fraud prevention. The Company shall regularly evaluate the independence of the recruited CPAs. If the Company has not replaced the CPA for seven consecutive years or the CPA has been disciplined or the Company has suffered any loss or damage to its independence, the Company shall evaluate whether it is necessary to replace the CPA and report the evaluation result to the Board of Directors.

Article 30 The Company is advised to appoint qualified and professional lawyers to provide appropriate legal advisory services to the Company, or to assist the Board of Directors and management in enhancing their legal literacy, so as to avoid the violation of laws and regulations by the Company and relevant personnel, and to facilitate the operation of corporate governance under the relevant legal framework and legal procedures.

The Company shall, as the case may be, appoint a lawyer to assist the directors or management in any litigation or dispute with shareholders in the execution of their business in accordance with the law.

The audit committee or its independent directors may, on behalf of the Company, appoint lawyers, CPAs, or other professionals to conduct necessary inspections or provide consulting services on matters related to the exercise of functions and powers at the expense of the Company.

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

Article 31 The Board of Directors of the Company shall be convened at least once a quarter and may be convened at any time in case of emergency. The convening of the Board of Directors shall set forth the reasons for the convening, notify the directors seven days in advance, and provide sufficient meeting materials, which shall be sent together with the convening notice. If there are any inadequacies in the meeting materials, the directors shall have the right to request for supplement or postpone the deliberation upon the resolution of the Board of Directors.

The Company shall set Board meeting procedure specifications. The main procedure content, work procedures, items that should be recorded in the meeting records, public notifications, and other items to be followed should be according to the Regulations Governing Procedure for Board of Director Meetings of publicly owned corporation.

Article 32 If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter. Directors should also exercise self-discipline and not support each other unduly.

Matters sensitive to a director shall be prescribed in the rules of procedure of the



Board of Directors.

Article 33

After the Company has established independent directors, the independent directors shall attend the matters that shall be mentioned to the Board of Directors in Article 14-3 of the Securities and Exchange Act in person, and shall not appoint non-independent directors to represent the Company. If the independent director has any objection or reservation, it shall be stated in the minute book of the Board of Directors; if an independent director is unable to attend the Board meeting in person to express his/her objection or reservation, he/she shall, unless there is a valid reason, give a written opinion in advance and put it in the minute book of the Board meeting.

Matters to be decided by the Board of Directors, if any of the following matters are involved, shall be reported in the minute book and shall be declared at the Market Observation Post System before the next business day's trading hours commencing on the date of the Board meeting:

1. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.
2. For matters not approved by the audit committee of the Company, the consent of more than two-thirds of all the directors shall be obtained.

The Board of Directors may, depending on the contents of the bill, inform the relevant departments that the managers who are not directors shall attend the meeting, and report the current business situation of the Company, and answer questions raised by the Directors. CPAs, lawyers or other professionals may also be invited to attend the meeting if necessary to assist the Directors in understanding the current situation of the Company and making appropriate resolutions. However, the directors shall leave the meeting during discussion and voting.

Article 34

The Board of Directors of the Company shall record the meeting and summary of the resolutions, methods and results of each proposal in accordance with the relevant regulations.

The minute book of the Board of Directors shall be signed or stamped by the chairman and the recorder and distributed to each director within 20 days after the meeting. The attendance book of the Board of Directors shall be a part of the minute book, and shall be included in the important archives of the Company, which shall be kept permanently and properly for the duration of the Company.

The production, distribution and keeping of the minute book shall be done by electronic means.

The Company shall record both video and audio of the entire proceedings of the Board meetings for at least five years by electronic means.

The aforesaid provisions shall not apply to the relevant audio or video recording materials, which shall be continued to be kept in the event of litigation concerning matters decided by the Board of Directors before the expiration of the aforesaid keeping period.

Where the Board of Directors is convened by video conferencing, the audio and video recordings of the Board of Directors' meetings shall be part of the minute



book and shall be kept permanently.

When a resolution of the Board of Directors violates laws, regulations, the articles of incorporation, or resolutions adopted in the shareholders' meeting, and thus causes an injury to the Company, dissenting directors whose dissent can be proven by minutes or written statements will not be liable for damages.

Article 35

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

1. Business plans of the Company.
2. Annual and semi-annual financial reports.
3. Adoption or amendment of internal control level in accordance with Article 14-1 of the Securities and Exchange Act.
4. Adoption or amendment of the Company's procedures for handling or amendment of assets, derivative product trading, loaning of funds to other parties, or providing guarantees for other parties in accordance with Article 36-1 of the Securities and Exchange Act.
5. Raising, issuing, or privately placing equity-type securities.
6. Performance appraisal and remuneration standards of the Manager.
7. Directors' remuneration structure and system.
8. Appointment and dismissal of finance manager, accounting manager, and head of internal audit.
9. A donation to an affiliate or a material donation to a non-affiliate. However, if the donation is made for the urgent relief due to a major natural disaster, it can be submitted for the next Board meeting.
10. Pursuant to Article 14-3 of the Securities and Exchange Act, other major matters that shall be resolved by the Board of shareholders or referred to the Board of Directors for resolution or prescribed by the competent authority in accordance with the law or the articles of association.

Except for the matters referred to in the preceding paragraph, where the Board of Directors authorizes the exercise of delegation of authority of the Board of Directors by an order of the Board of Directors or the articles of association during the recess of the Board of Directors, the authorization level, contents or matters shall be specific and clear, and the authorization shall not be generalized.

Article 36

The Company shall clearly entrust the matters handled by the resolutions of the Board of Directors to the appropriate execution units or personnel, and require them to carry out according to the planned schedule and objectives. At the same time, the Company shall include the tracking management and assess the execution process.

The Board of Directors shall be fully informed of the progress of the execution and report to the next meeting for the execution of the Board's business decisions.

Section 5

Duty of Care and Responsibility of The Directors

Article 37

Members of the Board of Directors shall faithfully conduct corporate affairs and discharge this duty of care as good managers. In conducting the affairs of the Company, the Board members shall exercise their power with a high level of self-



discipline and prudential attitude. Unless matters are reserved for resolutions in Shareholders Meetings by law or in the Articles of Association of the Company, they shall ensure that all matters will faithfully adhere to the resolutions of Board of Directors.

Board resolutions that involve company management development and major decisions shall be evaluated carefully, and shall not affect the promotion and operation of corporate governance.

The Company formulates methods and procedures for performance evaluation, and evaluates the Board of Directors, Functional Committees and individual directors through self-evaluation, peer's review and external professional institutions or in other appropriate ways. The evaluation content for Board of Directors (Functional Committees) shall include the following factors, and evaluation indicators shall be defined according to the needs of the Company:

1. Degree of participation in the Company's operation.
2. Enhance the quality of decision-making of the Board of Directors.
3. Composition and structure of the Board of Directors.
4. Election and continuous development of directors.
5. Internal controls.

The content of performance evaluation for directors should include the following factors and adjustment shall be made as needed by the Company appropriately:

1. The grasp of the Company's goals and missions;
2. Recognition of directors' duties;
3. Degree of participation in the Company's operation;
4. Management of internal relationship and communication;
5. Professional and continuing education of directors.
6. Internal controls.

The Board of Directors of the Company shall adjust the composition of the Board of Directors according to the result of performance evaluation.

Article 37-1 The Company shall establish a succession plan for the management level, and the Board of Directors shall regularly evaluate the development and execution of the plan to ensure the sustainable operation.

Article 38 Where a resolution of the Board of Directors violates laws and regulations or the articles of association and upon the request of shareholders or independent directors who hold shares for more than one year and notify the Board of Directors to suspend the execution of the resolution, the members of the Board of Directors shall deal with or suspend the execution of the relevant resolution as soon as appropriate.

The Board of Directors shall act in accordance with the preceding paragraph and promptly report to the audit committee or the independent directors of the audit committee if they find that the Company is at risk of material damage.

Article 39 According to Articles of Association or Shareholders Meeting resolution, the Company shall buy liability insurance according to the scope of directors' liabilities they are legally responsible for during their tenure's business implementations. The



objective is to lower and distribute the risk of major damages caused to the Company and shareholders as a result of directors' error or negligence.

The Company shall incorporate the insured amount, insurance coverage and premium rate and other major items of the liability insurance into the report to be submitted to the forthcoming Board of Directors after the purchase hereof.

Article 40 In their new or current positions, members of the Board of Directors are suggested to continuously take refresher courses in finance, risk management, sales, business, accounting, law, corporate social responsibility and other related subjects organized by designated organizations for the implementation of the training program for directors of listed companies, and all levels of staff are required to enhance their professional and legal knowledge.

Chapter 4 Respect Stakeholders' Rights and Interests

Article 41 The Company shall maintain a smooth communication channel with banks, other creditors, employees, consumers, suppliers, communities, or other stakeholders who deal with the Company, as well as respect and safeguard their due legal rights and interests. Furthermore, a zone dedicated to the shareholders shall be set separately on the Company's website.

In the event of a management takeover, the Company shall note the soundness of its financial structure thereafter.

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

Article 42 Correspondent banks and other creditors shall be provided with sufficient information to enable them to make judgments and decisions regarding the operation and financial position of the Company. When their legitimate equity is infringed upon, the Company shall respond positively and take a responsible attitude so that creditors can obtain appropriate consideration.

Article 43 The Company shall establish communication channels for employees, encourage employees to communicate directly with management or directors, and appropriately reflect employees' opinions on the Company's operation and financial position or major decisions involving employees' interests.

Article 44 While maintaining normal operation and development and maximizing the interests of shareholders, the Company shall pay attention to the rights and benefits of consumers, community environmental protection and public welfare, and attach importance to the Company's social responsibility.

Chapter 5 Enhance Information Transparency

Section 1 Strengthen Information Disclosure

Article 45 Information disclosure is an important responsibility of the Company, and the Company shall faithfully perform its obligations in accordance with relevant laws and regulations and regulations of the stock exchange.

The Company shall establish an online declaration system for public information, appoint a person to be responsible for the collection and disclosure of company



information, and establish a spokesman system to ensure timely disclosure of information that may affect decisions of shareholders and interested affiliates.

Article 46

In order to improve the accuracy and timeliness of material information disclosure, the Company shall appoint a person who has a comprehensive understanding of the Company's finance and business, or who can coordinate all departments to provide relevant information, and who can act as the Company's spokesman and acting spokesman on behalf of the Company.

The Company shall have more than one acting spokesperson, and if any acting spokesperson fails to perform his/her speaking duties, he/she shall be able to speak on his/her own behalf, but the order of agency shall be confirmed to avoid confusion.

In order to implement the spokesman system, the Company shall stipulate a unified procedure for speaking, and require management and employees to keep confidential the financial and business secrets and not arbitrarily spread information.

In case of change by a spokesman or acting spokesman, the information shall be disclosed immediately.

Article 46-1

The audit committee may from time to time investigate the business and financial position of the Company, and the relevant departments of the Company shall cooperate in providing the books and documents required for the audit.

The audit committee may, on behalf of the Company, entrust lawyers or CPAs to audit the Company's finance and business, provided that the Company shall inform the relevant personnel of its obligation of confidentiality.

The Board of Directors or the manager shall submit the report upon the request of the audit committee and shall not for any reason obstruct, evade or refuse the audit committee's inspection.

When the audit committee performs its duties, the Company shall provide necessary assistance as required, and the reasonable expenses required shall be borne by the Company.

Article 46-2

In order for the audit committee to timely discover possible defects of the Company, the Company shall establish communication channels between employees, shareholders and stakeholders and the audit committee.

If the audit committee finds any malpractice, it shall promptly take appropriate measures to prevent the malpractice from spreading and shall report it to the relevant competent authority or unit when necessary.

The audit committee shall have an in-depth understanding of the reasons for the resignation or replacement of the Company's General Manager and the heads of the Financial, Accounting, R&D, and Internal Audit Departments or certified public accountants.

If the audit committee neglects its duties and causes damage to the Company, it shall be liable for indemnity to the Company.

Article 47

The Company shall use the convenience of the Internet to set up a website to provide information related to the Company's financial affairs and corporate



governance for the reference of shareholders and stakeholders. English version of financial, corporate governance or other relevant information may also be provided.

The website referred to in the preceding paragraph shall be maintained by a person in charge. The information listed in the website shall be accurate, correct, and updated immediately to avoid the possibility of misleading.

Article 48 Investor conference convened by the Company shall be organized pursuant to rules set by the Taiwan Stock Exchange, and be recorded by video or audio. Financial and business information from the investor conference shall be uploaded to an Internet information reporting system pursuant to rules issued by the Taiwan Stock Exchange, and stakeholders shall have access to it through the Company's website or other appropriate channels.

Section 2 Disclosure of Corporate Governance Information

Article 49 The Company shall, in accordance with relevant laws and the regulations issued by the Taiwan Stock Exchange, disclose the year's information related to corporate governance and keep it updated (in case audit committee is set, the information of supervisor shall be not disclosed):

1. Corporate governance structure and regulations.
2. Ownership structure and the rights and interests of shareholders (including specific and explicit dividend policy).
3. The structure of the Board of Directors, the professionalism and independence of its members.
4. The Board of Directors and manager's responsibilities.
5. The composition, responsibility, and independence of the Audit Committee.
6. The composition, responsibility, and operation of the Remuneration Committee and other functional committees.
7. Remuneration given to directors, General Manager and vice General Manager in recent two years, and the analysis of the percentage of total remuneration to net profit (after tax) ratio analysis, remuneration policy, standards and formation, procedure for setting remuneration, and correlation to management performance. Under exceptional circumstances, individual director and supervisor's remuneration shall be disclosed.
8. Circumstances of directors' advanced study
9. Stakeholders' rights, relationship, appeal channel, issue concerned and appropriate response mechanism.
10. Detailed information disclosure items regulated by law.
11. The disparity of the Company's operation from its governance code and the Code of Governance & Practice OTC and Listed Companies issued by the authorities responsible, and the causes.
12. Other corporate governance related information.

The Company shall use appropriate methods to disclose its specific plans and measures for improving the corporate governance based on the actual implementation hereof.



**台名保險經紀人股份有限公司**  
**TAIMING ASSURANCE BROKER CO., LTD.**

Chapter 6      Supplementary Provisions

Article 50      The Company shall pay attention to the development of domestic and international corporate governance systems at any time so as to review and improve the corporate governance system established by the Company so as to enhance the effectiveness of corporate governance.

Article 51      This code shall come into force upon the adoption of a resolution of the Board of Directors and shall be amended accordingly.