

Corporate Governance Principles

Approved by the Board of Directors December 19, 2019

Chapter 1 Establishment of Corporate Governance Principles and Sound Internal Management

Article 1 In order to promote sound development and establish good corporate governance systems, the Company has established the Corporate Governance Principles of E Ink Holdings Inc. in reference to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

These Principles are disclosed on the Company's website and the Market Observation Post System (MOPS).

Article 2 When setting up the corporate governance system, in addition to complying with relevant laws, regulations, articles of incorporation, contracts signed with the TWSE or TPEX, and other relevant regulations, the Company shall follow the following principles:

1. Protect the rights and interests of shareholders.
2. Strengthen the powers of the board of directors.
3. Fulfill the function of independent directors.
4. Respect the rights and interests of stakeholders.
5. Enhance information transparency.

Article 3 The Company shall design and fully implement its internal control system in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies and shall conduct timely reviews in order to ensure the continued effectiveness of its design and implementation in light of changes in the internal and external environment.

The establishment or amendment of the internal control system shall be approved by at least half of all members of the audit committee and shall be submitted to the board of directors for approval by resolution. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the board meeting.

The review of the effectiveness of the internal control system shall be approved by at least half of all members of the audit committee and shall be submitted to the board of directors for resolution.

In addition to the Company's self-assessments of its internal control system, its board of directors and management shall review the results of the self-assessments by each department and the reports of the audit department at least annually. The audit committee shall supervise these matters.

The management of the Company shall fully empower the internal audit department and its personnel and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and shall assist the board of directors and the management to perform their duties.

The Company has channels and mechanisms for communication between its audit committee and chief internal auditor. The audit department shall review, follow up and implement improvements of the deficiencies in the internal control system, make

records and report them to the board of directors.

The internal audit department and the auditors shall comply with professional ethical guidelines applicable to internal auditors, use the information acquired in the course of their duties carefully and keep it confidential. Such information shall not be used to seek any personal interest, nor shall information acquired be utilized in breach of the law or in any manner that is detrimental to the Company, directors or employees.

In order to implement the internal control system, reinforce the professional capability of internal auditor substitutes and improve and maintain audit quality and execution results, the Company has a substitute system for internal auditors.

- Article 4 The Company shall appoint at least one person to be in charge of corporate governance affairs. Such appointed person shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or in a public company handling legal affairs, financial affairs, stock affairs, or corporate governance affairs.
- The person under the previous paragraph is responsible for the following:
1. Handling matters relating to board meetings and shareholders meetings according to laws.
 2. Producing minutes of board meetings and shareholders meetings.
 3. Assisting in the onboarding and continuing education of directors and independent directors.
 4. Furnishing information required for business execution by directors and independent directors.
 5. Assisting directors and independent directors with legal compliance.
 6. Other matters set out in the articles or corporation or resolved by the board of directors.

- Article 5 The Company has established and announced channels for internal and external whistleblowers and has whistleblower protection mechanisms in place.

The unit that handles whistleblowers' reporting shall be independent, provide protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those procedures into the internal control system for management purposes.

Chapter 2 Shareholders' Interests and Shareholders Meetings

- Article 6 The Company protects shareholders' interests and treats all shareholders equitably to ensure shareholders' rights of being fully informed of, participating in and making decisions over important matters of the Company.

- Article 7 The Company encourages its shareholders to actively participate in corporate governance and engages a professional shareholder services agent to convene shareholders meetings and handle relevant matters in accordance with the law, so that shareholders meetings can proceed on a legal, effective and secure basis.

The Company uses the following manners to ensure shareholders' exercise of rights in shareholders meetings:

1. Shareholders may participate in voting on proposals on the agenda electronically.
2. Upload notices, agendas and supplementary information of shareholders meetings in both Chinese and English before the meetings.

Article 8 The board of directors shall arrange agendas and procedures of shareholders meetings in accordance with the law and provide reasonable protection for shareholders' rights to attend meetings, make proposals, speak and discuss.

For a shareholders meeting called by the board of directors, it is advisable that:

1. The board chairperson chairs the meeting.
2. A majority of the directors (including at least one independent director) attend in person.
3. At least one member of each type of functional committee attends as representative.

Director attendance details shall be recorded in the shareholders meeting minutes.

The Company shall implement resolutions adopted by shareholders meetings in accordance with the rules for the meetings. Resolutions adopted by shareholders meetings shall comply with laws, regulations and articles of incorporation.

The Company shall arrange for each separate proposal in the shareholders meeting agenda to be voted on, and, following the conclusion of the meeting, enter the voting results with the numbers of votes cast for and against and the number of abstentions on the MOPS on the same day.

Shareholders meetings shall proceed in accordance with the scheduled agenda and the chairperson may not adjourn the meetings at will without resolution before the agenda (including extempore motions) is completed. However, in order to protect the interests of the majority of shareholders, if the chairperson declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it is advisable for the members of the board of directors other than the chairperson of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a new chairperson of the shareholders meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the meeting in accordance with the legal procedures.

Article 9 The Company shall record in the shareholders meeting minutes the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting in accordance with applicable laws and regulations.

With respect to the election of directors, the Company shall record the method of voting adopted and the total number of votes for the elected directors.

The shareholders meeting minutes shall be properly and perpetually kept by the Company during its legal existence, and should be disclosed on the Company's website.

Article 10 The Company shall place high importance on the shareholders' right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with timely information on the Company's financial condition and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the Company.

The Company prohibits company insiders from trading securities using information not disclosed on the market and has established the Procedures for Management Controls for the prevention of Insider Trading to protect shareholders' interests.

Article 11 The shareholders shall be entitled to profit distributions by the Company. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to the law, appoint an inspector to examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee, and may decide profit distributions and deficit off-setting plans by resolution.

The shareholders may, pursuant to the law, apply with the court to select an inspector to examine the accounting records, assets, particulars, documents and records of specific transactions of the Company.

The board of directors, audit committee, and managers of the Company shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any circumvention, obstruction or rejection.

Article 12 Shareholders of the Company:

1. In the participation of shareholders meetings, shall follow the rules implemented by the Company with respect to the exercise of shareholders' rights and participation in resolutions, and shall exercise voting rights in good faith and for the best interest of all shareholders.
2. In nominating directors of the Company, shall comply with applicable laws and the articles of incorporation of the Company. The representative designated when a corporate shareholder has been elected as a director shall meet the Company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.
3. In exercising shareholders' rights and undertaking obligations, shall comply with applicable laws and shall not improperly intervene in due corporate policy-making or obstruct corporate management activities.

Article 13 In order to protect the interests of the shareholders, the Company designates relevant personnel to handle shareholder proposals, inquiries, and disputes.

The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholders' rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the Company's articles of incorporation, or that such damage was caused by a breach of applicable laws, regulations or the Company's articles of incorporation by any directors or managers in performing their duties.

Article 14 The board of directors of the Company shall procure the establishment of a mechanism by the management team for interaction with shareholders to enhance shareholders' understanding of the Company.

Article 15 Managers of the Company shall fully disclose their other job positions. If any other job position competes with the business of the Company or its subsidiaries, it shall be subject to the consent of the board of directors of the Company.

Article 16 The Company shall make periodic annual filings of a list of major shareholders who own 10% or more of the outstanding shares or total capital of the Company and the shareholding stake thereof is on the top 10 list.

The Company shall periodically disclose important information about its major shareholders under the previous paragraph relating to the pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in the ownership of their shares.

Chapter 3 **Composition and Functions of the Board of Directors**

Article 17 The board of directors of the Company shall direct corporate strategies, supervise the management, and be responsible to the company and shareholders.

The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, the articles of incorporation, and the resolutions of shareholders meetings.

Article 18 The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, between 7 and 11, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.

Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.

The aggregate shareholding percentage of all of the 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 19 It is advisable for members of the board to have the knowledge, skills, and experience necessary to perform their duties, such as:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration (including management administration of subsidiaries).
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. An international market perspective.
7. Ability to lead.
8. Ability to make policy decisions.
9. Knowledge of and ability to conduct risk management.

It is advisable for the composition of the board of directors to be determined by taking diversity into consideration, such as:

1. Representation of company managers: It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members.
2. Basic requirements: Certain diversity in gender and age.
3. Professional knowledge and skills: Certain diversity in professional background (e.g., law, accounting, industry, finance, marketing, technology), skills, and industry experience.

Article 20 The Company shall specify in its articles of incorporation that it adopts the candidate nomination system for elections of directors.

For the protection of shareholders' rights and interests, the Company has established a fair, just, and open procedure for the election of directors, encourages shareholder participation, and adopts the cumulative voting mechanism in order to fully reflect

shareholders' views.

Before the board of directors submits a list of director candidates in accordance with the regulations, it shall carefully assess the qualifications, academic/professional experience of the director candidates recommended by shareholders and directors, the existence of any matters set forth in Article 30 of the Company Act, and the candidates' willingness to serve as directors after they are elected. Article 192-1 of the Company Act shall also be complied with.

When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the Company shall convene a special shareholders meeting within 60 days of the occurrence of the fact for a by-election of directors.

Article 21 The Company shall appoint independent directors in accordance with the articles of incorporation. They shall be not less than 3 in number and not less than one-fifth of the total number of directors.

Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings. Applicable laws and regulations shall be observed and, in addition, it is not advisable for an independent director to hold office concurrently as a director (including independent director) or supervisor of more than five other TWSE/TPEX listed companies. Independent directors shall also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the company.

The Company shall specify in its articles of incorporation that it adopts the candidate nomination system for elections of independent directors. The shareholders shall elect independent directors from a list of independent director candidates. Independent directors and non-independent directors shall be elected at the same time in accordance with the law and the number of elected directors shall be calculated separately.

If the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director, supervisor or managerial officer as a candidate for an independent director of the other, the Company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the Company shall disclose the number of votes cast in favor of the elected independent director.

The group enterprises and organizations in the preceding paragraph comprise the subsidiaries of the Company, any foundation to which the Company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the Company.

Change of status between independent directors and non-independent directors during their term of office is prohibited.

When the number of independent directors falls below the number under the first paragraph or the requirement under the articles of incorporation due to dismissal, the Company shall hold a by-election at the following shareholders meeting. When all independent directors have been dismissed, the Company shall convene a special shareholders meeting within 60 days of the occurrence of the fact for a by-election of directors.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with applicable laws.

Article 22 The Company shall provide independent directors with relevant resources to perform their duties. The Company or other board members shall not obstruct, reject or circumvent the performance of duties by the independent directors.

The Company shall stipulate the remuneration of the directors according to applicable laws and regulations and shall also take the overall operational risks of the Company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.

Article 23 The following matters shall be submitted to the board of directors for resolution. Independent directors of the Company shall attend the board meeting in person, and may not be represented by a non-independent director via proxy. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the board of directors meeting; if the independent director cannot attend the board meeting in person to voice their dissenting or qualified opinion, they should provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the board of directors meeting:

1. Adoption or amendment of the internal control system pursuant to the law.
2. Adoption or amendment, pursuant to the law, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
3. A matter bearing on the personal interest of a director or a supervisor.
4. A material asset or derivatives transaction.
5. A material monetary loan, endorsement, or provision of guarantee.
6. The offering, issuance, or private placement of any equity-type securities.
7. The hiring, discharge, or compensation of an attesting CPA.
8. The appointment or discharge of a financial, accounting, or internal auditing officer.
9. Any other material matter so required by the competent authority.

Article 24 In any of the following circumstances, decisions made by the board of directors shall be noted in the meeting minutes, and, in addition, publicly announced and filed on the MOPS two hours before the beginning of trading hours on the first business day after 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. A matter was not approved by the audit committee, but had the consent of more than two-thirds of all directors.

During a board meeting, managers from relevant departments who are not directors may, in view of the meeting agenda, sit in at the meetings, make reports on the current business conditions of the Company, and respond to inquiries raised by the directors. Where necessary, a CPA, legal counsel, or other professional may be invited to sit in at the meetings to assist the directors in understanding the conditions of the Company for the purpose of adopting an appropriate resolution, provided that they shall leave the meeting when deliberation or voting takes place.

Article 25 To procure the operation of corporate governance under the relevant legal structure and legal procedure, the Company engages a professional and competent legal counsel to

provide adequate legal consultation services or to assist the board of directors, the independent directors and the management to improve their knowledge of the law, for the purpose of preventing any infraction of laws or regulations by the Company or its staff.

When, as a result of performing their lawful duties, directors or the management are involved in litigation or a dispute with shareholders, the Company shall retain a legal counsel to provide assistance as circumstances require.

The audit committee or an independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the Company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their power, the expenses of which shall be borne by the Company.

Article 26 The board of directors shall meet at least once every quarter, or convene at any time in case of emergency. The meetings shall be convened in accordance with the Rules of Procedure for Board Meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 27 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 28 Staff personnel of the Company attending board meetings 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 of directors meetings shall be signed by the chairperson and secretary of the meeting and sent to each director and supervisor within 20 days after the meeting. The director attendance records shall be made part of the meeting minutes, treated as important corporate records, and kept safe permanently during the life of the Company.

Meeting minutes may be produced, distributed, and preserved by electronic means.

The Company shall make audio or video recordings of the entire proceedings of a board of directors meeting and preserve the recordings for at least 5 years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph a lawsuit arises with respect to a resolution of a board of directors meeting, the relevant audio or video recordings shall be preserved for a further period, in which case the preceding paragraph does not apply.

Where a board of directors meeting is held via teleconference or video conference, the audio or video recordings of the meeting form a part of the meeting minutes and shall

be preserved 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 harm to the Company, dissenting directors whose dissent can be proven by minutes or written statements will not be liable for damages.

Article 29 The Company shall submit the following matters to its board of directors for discussion, provided that proposals under paragraphs 6 and 7 shall be handled in accordance with Article 36 of these Principles:

1. Corporate business plans.
2. Annual financial reports with signatures or seals of the chairperson, managers and accounting executive, as well as second-quarter financial reports which need to be audited and attested by a CPA.
3. Adoption or amendment of the internal control system pursuant to the law and evaluation of effectiveness of the internal control system.
4. Adoption or amendment, pursuant to the law, of the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. The performance assessment and the standard of remuneration of the managerial officers.
7. The structure and system of director's remuneration.
8. The appointment or discharge of a financial, accounting, or internal audit officer.
9. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.
10. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or to be approved by resolution at a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.

Except for matters that must be submitted to the board of directors for discussion under the preceding paragraph, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or the articles of incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

Article 30 Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the Company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors.

Resolutions of the board shall not obstruct the promotion and operation of corporate governance. If a resolution of the board of directors violates law, regulations or the Company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director, or at the notice of a supervisor to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.

Upon discovering a likelihood that the Company would suffer material harm, members of the board of directors shall immediately report to the audit committee or an independent director member of the audit committee in accordance with the foregoing paragraph.

Article 31 The Company shall take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the Company and shareholders arising from the wrongdoings or negligence of a director.

The Company shall report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for directors, at the next board meeting.

Article 32 Members of the board of directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies, which cover subjects relating to corporate governance, upon becoming directors and throughout their terms of occupancy. They shall also ensure that employees of the Company at all levels will enhance their professionalism and knowledge of the law.

Article 33 It is advisable that the Company formulate rules and procedures for board of directors performance assessment. Each year, regularly scheduled performance assessments of the board of directors and individual directors shall be conducted through self-assessment, peer-to-peer assessment, outside professional institutions or in any other appropriate manner.

A performance assessment of the board of directors (functional committees) shall include the following aspects, and appropriate assessment indicators shall be developed in consideration of the Company's needs:

1. The degree of participation in the Company's operations.
2. Improvement of the quality of decision-making by the board of directors.
3. The composition and structure of the board of directors.
4. The election of the directors and their continuing education.
5. Internal control.

The performance assessment of board members (self-assessment or peer-to-peer assessment) shall include the following aspects, with appropriate adjustments made on the basis of the Company's needs:

1. Their grasp of the Company's goals and missions.
2. Their recognition of director's duties.
3. Their degree of participation in the Company's operations.
4. Their management of internal relationships and communication.
5. Their professionalism and continuing education.
6. Internal control.

It is advisable that the Company conduct performance assessments of functional committees, covering the following aspects, with appropriate adjustments made on the basis of the Company's needs:

1. Their degree of participation in the Company's operations.
2. Their recognition of the duties of the functional committee.
3. Improvement of the quality of decision-making by the functional committee.

4. The composition of the functional committee, and election and appointment of committee members.
5. Internal control.

The board of directors submit the results of performance assessments to the board of directors.

Chapter 4 Functional Committees

Article 34 For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of the Company, in consideration of the Company's scale and type of operations and the number of its board members, may set up functional committees of various types, with specific duties.

Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval, provided that the performance of supervisor's duties by the audit committee pursuant to the law shall be excluded.

Functional committees shall adopt an organizational charter, which shall be approved by the board of directors. The organizational charter shall contain the number, term of office, and powers of committee members, as well as the meeting rules and resources to be provided by the Company for the exercise of power by the committee.

Article 35 The Company has an audit committee.

The audit committee shall be composed of all the independent directors. It shall not be fewer than three persons in number, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise.

Provisions about supervisors under applicable laws apply mutatis mutandis to the audit committee.

The following matters shall be approved by half or more of all audit committee members and submitted to the board of directors for resolution, and Article 23 of these Principles is not applicable:

1. Adoption or amendment of the internal control system pursuant to the law.
2. Review of the effectiveness of the internal control system.
3. Adoption or amendment, pursuant to the law, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
4. A matter bearing on the personal interest of a director or a supervisor.
5. A material asset or derivatives transaction.
6. A material monetary loan, endorsement, or provision of guarantee.
7. The offering, issuance, or private placement of any equity-type securities.
8. The hiring, discharge, or compensation of an attesting CPA.
9. The appointment or discharge of a financial, accounting, or internal auditing officer.
10. Annual financial reports with signatures or seals of the chairperson, managers and accounting executive, as well as second-quarter financial reports which need to be audited and attested by a CPA.
11. Any other material matter so required by the competent authority.

The exercise of duties by the audit committee and its members and relevant matters shall be governed by applicable laws.

Article 36 The Company has a remuneration committee. The professional qualifications of the committee members, the exercise of their powers of office, the adoption of the organizational charter, and related matters shall be handled pursuant to applicable laws.

The remuneration committee shall faithfully conduct corporate affairs and perform the duty of care of a good administrator and submit recommendations to the board of directors for discussion:

1. Establishment and periodic review of the policy, system, standard and structure of performance evaluation and salary remuneration of directors and managers.
2. Periodic review and establishment of salary remuneration of directors and managers.

The remuneration committee shall perform the duties under the previous paragraph in accordance with the following principles:

1. Performance review and salary remuneration of directors and managers shall be in reference to common standards of the same industry and also in consideration of a reasonable link to personal performance, company operation performance and future risk.
2. Directors and managers shall not be guided to pursue salary remuneration and act in excess of the Company's risk tolerance.
3. The percentage of short-term performance remuneration issued to directors and senior managers and partial change in the time of payout of salary remuneration shall be determined by considering the features of the industry and business nature of the Company.

Chapter 5 Professional Managers

Article 37 Except matters subject to shareholder resolutions in accordance with the law or the articles of incorporation, in performing its activities, the management team shall duly comply with board resolutions. For matters resolved by the board of directors, the management team shall ask the appropriate corporate department or personnel to execute matters in a manner consistent with the planned schedule and objectives, with proper follow-up management. A report shall be made in the following board meeting in order to implement the operating decisions by the board of directors.

The management team shall establish a succession plan for the management to ensure sustainable operation.

Article 38 The Company has a principal accounting officer, with a deputy.

The Company's principal accounting officer and deputy shall receive continuing education every year in accordance with applicable laws.

Accounting personnel handling the preparation of financial reports shall also participate in relevant professional continuing education courses for 6 hours or more each year. Those courses may be internal training activities of the Company or may be professional courses offered by continuing education institutions for principal accounting officers.

Chapter 6 Anti-Competition and Personal Interest

Article 39 The Company shall clearly identify the objectives and the division of authority and responsibility between it and its subsidiaries with respect to the management of personnel, assets, and financial matters, and shall properly carry out risk assessment and

establish appropriate firewalls.

Article 40 When the Company and its subsidiaries enter into inter-company business transactions, they shall be made in accordance with the principle of fairness and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions shall be prohibited.

All transactions or contracts made by and between the Company and its affiliated persons and shareholders shall follow the principles set forth in the preceding paragraph. Direct or indirect non-compliance with business practice, disinterest to the Company or improper channeling of profits is strictly prohibited.

Article 41 A director who engages in any external transactions that are within the scope of the Company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent.

Chapter 7 Accounting, Material Financial and Business Transaction

Article 42 The Company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the Company. With regard to any irregularities or deficiencies discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the Company shall faithfully implement improvement actions. The Company has also established channels and mechanisms of good communication between the CPA and the audit committee and independent directors.

The Company shall evaluate the independence and suitability of the CPA engaged by the Company regularly (at least once per year).

In the event that the Company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.

Article 43 In entering into material financial and business transactions such as the acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.

When the Company is involved in a merger, acquisition or public tender offer, in addition to proceeding in accordance with the applicable laws and regulations, it shall evaluate the fairness, rationality, etc., of the plan and transaction of the merger, acquisition or public tender offer, and pay attention to the information disclosure and the soundness of the Company's financial structure thereafter.

The relevant personnel of the Company handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflicts of interest and the need for recusal.

Article 44 The Company shall establish sound objectives and systems for the management of finances, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its subsidiaries, properly conduct an overall risk

assessment of the major banks they deal with and customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.

Chapter 8 Information Communication and Disclosure

Article 45 The Company shall maintain channels of communication with its stakeholders, respect and safeguard their legal rights and interests, and designate a stakeholders section on its website to facilitate expression of opinions by the stakeholders.

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 46 The Company shall provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational and financial conditions of the Company and its decision-making process. When any of their legal rights or interest are harmed, the Company shall respond with a responsible attitude and assist creditors in obtaining compensation through proper means.

Article 47 The Company has established channels of communication with employees and encourages employees to communicate directly with the management, directors, or supervisors to reflect employees' opinions about the management, financial conditions, and material decisions of the Company concerning employee welfare.

Article 48 The Company publishes relevant information in accordance with the law and has established an Internet-based reporting system for public information, appointed personnel responsible for gathering and disclosing the information, and established a spokesperson system to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.

Article 49 In order to enhance the accuracy and timeliness of the material information disclosed, the Company appoints a spokesperson who understands the Company's financial and business conditions and who is capable of representing the Company in making statements independently.

It is advisable that the Company appoint one or more acting spokespersons, with order of authority established, who shall represent the Company, when the spokesperson cannot perform their duties, in making statements independently.

The Company shall unify the process of making external statements. It shall require the management and employees to maintain the confidentiality of financial and operational secrets and prohibit them for disclosing any such information without permission.

The Company shall make public announcement in accordance with relevant regulations whenever there is any change in the position of a spokesperson or acting spokesperson.

Article 50 The Company has an official website containing the information regarding its finances, operations, and corporate governance. It is also advisable to furnish the financial, corporate governance, and other relevant information in English.

The aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed and updated on a timely basis.

Article 51 The Company shall hold investor conferences in compliance with the regulations of the TWSE and TPEX, and shall keep audio or video records of the meetings. The financial

and business information disclosed in the investor conference shall be disclosed on the MOPS and provided for inquiry through the website established by the Company, or through other channels, in accordance with the TWSE or TPEX rules.

- Article 52 The Company shall disclose and update from time to time the following information regarding corporate governance in each year in accordance with applicable laws and regulations:
1. Corporate governance framework and rules.
 2. Ownership structure and the rights and interests of shareholders (including dividend policy).
 3. Structure, professionalism and independence of the board of directors.
 4. Responsibility of the board of directors and managerial officers.
 5. Composition, duties and independence of the audit committee or supervisors.
 6. Composition, duties and operation of the remuneration committee and other functional committees.
 7. The remuneration paid to the directors, general manager and vice general manager in the last two fiscal years, the analysis of the percentage of total remuneration to net profit after tax in the parent company only financial reports or individual financial reports, the policy, standard and package of remuneration payment, the procedure for determination of remuneration and the connection with the operation performance and future risk. Under special individual circumstances, the remuneration of individual directors shall be disclosed.
 8. The status of the continuing education of directors.
 9. The rights, relationships, avenues for complaint, concerns, and appropriate response mechanism regarding stakeholders.
 10. Details of the events subject to information disclosure required by law and regulations.
 11. The enforcement of corporate governance, differences between the corporate governance principles implemented by the Company and these Principles, and the reason for the differences.
 12. Other information regarding corporate governance.

It is advisable for the Company, according to the actual performance of the corporate governance system, to disclose the plans and measures to improve its corporate governance system through appropriate mechanisms.

- Article 53 The Company shall at all times monitor domestic and international developments in corporate governance so as to improve the Company's governance.