

# CHENG MEI MATERIALS TECHNOLOGY CORP.

## 2022 Annual General Meeting Minutes

(Translation)

Date and Time : 9AM, June 27, 2022

Venue : No.12, Zhongxin E. Rd., Xinshi Dist., Tainan City (Audio Visual Conference Hall at Tree Valley science center)

Total shares represented by shareholder in person or by proxy: 401,299,141 shares (including the 26,946,146 shares represented by the shareholders exercising voting rights through e-voting), accounted for 59.43% of the total shares of the company, 675,246,680 shares.

Attending directors: J.Y., Ho, (Chairman), W.T., Liu (INED; Convener of Audit Committee), J. E., Chang (INED), Four Season's Logistics Services Intl Corp. (Director), Yen Wen Asset Management Consultant Co., Ltd. (Director), Abraham Investment Co., Ltd (Director), Ever Fortunes International Investment Co., Ltd (Director),

Other attendees: J.Z, Wu, (PWC CPA), Z.M, Liu (PWC CPA), J.L, Chen (Attorney)

Chairman: J.Y., Ho (Chairman)

Recorded by: J.R., Li

### **1. The Chairman Calls the Meeting to order.**

### **2. Chairman's Remark : (omitted)**

### **3. Report Items :**

#### **Item 1. 2021 business report.**

Explanatory note: Please refer to Attachment 1.

#### **Item 2. 2021 Audit Committee's Review Report.**

Explanatory note: Please refer to Attachment 2.

#### **Item 3. Status report of Endorsement & Guarantee**

Explanatory note:

1. The Company's endorsement/guarantee amount to Hengmei Optoelectronic Co., Ltd. has been settled in November 2021. On December 3, 2021, the Company has confirmed with the lending banks that the original guarantee liability was relieved, as the loans of Hengmei Optoelectronic Co., Ltd has been fully settled.

2. Currently, the Company does not any endorse assures information

#### **Item 4. Ethical Corporate Management Best Practice Principles amendment**

Explanatory note: Please refer to the Attachment 3.

## **Item 5. Procedures for Ethical Management and Guidelines for Conduct amendment**

Explanatory note: Please refer to the Attachment 4.

## **Item 6. Sustainable Development Best Practice Principles amendment**

Explanatory note: Please refer to the Attachment 5

## **Item 7. 2021 distributable compensation for employees and directors**

Explanatory note:

1. Per the Company's Articles of Incorporation article 25, When the Company allocates the profit of the current year, if any, no less than 2% of the profit shall be set aside as employees' compensation, and no more than 1% of the aforesaid profit as Directors' compensation.
2. Company to distribute NT\$ 16,951,211 as employees' cash compensation and NT\$8,475,605 as directors' compensation.

## **4. Ratification Items**

### **Item 1. 2021 Business Report & Financial Statements Report (Proposed by the Board of Directors)**

Explanatory note :

1. The Company's 2021 annual individual and consolidated financial statements, including the Balance Sheet, Comprehensive Income Statement, Statement of Changes in Equity, and Statement of Cash Flows, have been completed and are commissioned to Independent Auditors Wu, Jian-Zhi and Liu, Zhi-Meng from Pierce Water Coopers Taiwan to review and to issue relevant Audit Reports.
2. Business Report, Audit Reports issued by Independent Auditors, and the financial statements of the company. Please refer to the Attachment 1 and CMMT's website ([www.cmmt.com.tw](http://www.cmmt.com.tw))
3. Please Recognize and Ratify

### **Resolution :**

Votes presented at the meeting in total : 357,888,519 votes (including by electronic votes 26,946,146 votes)

For : 348,928,441 votes (including by electronic votes 17,986,068 votes)

Against : 392,344 votes (including by electronic votes 392,344 votes)

Invalid : 0

Abstain : 8,567,734 votes (including by electronic votes 8,567,734 votes)

The votes cast "For" are of 97.49% of the votes presented at the meeting in total.

The proposal has resolved as proposed.

## Item 2: 2021 Earnings Distribution (Proposed by the Board of Directors)

Explanatory Note :

1. The net profits in 2021 is NTD 763,192,090 and the Board proposes not to issue shareholder dividends.

### CHENG MEI MATERIALS TECHNOLOGY CORP.

#### 2021 Earnings Distribution Chart

In New Taiwan Dollars	
Items	Amount
The initial unappropriated retained earnings	\$940,267,265
Current net profits (EPS 1.15/share)	763,192,090
Determination of a 10% mandatory reserve	(76,319,209)
Determination of a special reserve (note)	(91,041,481)
Current distributable profits	1,536,098,665
Items to be allocated	
Shareholders' cash dividend	0
The end unappropriated retained earnings	\$ 1,536,098,665

Note: The accumulated balances of the "Exchange Differences on Translation of Foreign Financial Statements" and "Unrealized Gain or Loss on Available-for-sale Financial Assets" have booked the reduction of shareholders' rights and determined a special reserve of NTD 91,041,481.

Chairman : Jau-Yang Ho      President : Lai-Huang Lo      Accounting Officer : Wei-Chung Lian

2. Please recognize and ratify.

#### Resolution :

Votes presented at the meeting in total : 357,888,519 votes (including by electronic votes 26,946,146 votes)

For : 349,408,044 votes (including by electronic votes 18,465,671 votes)

Against : 413,344 votes (including by electronic votes 413,344 votes)

Invalid : 0

Abstain : 8,067,131 votes (including by electronic votes 8,067,131 votes)

The votes cast “For” are of 97.63% of the votes presented at the meeting in total.

The proposal has resolved as proposed.

## **5. Discussion Items**

### **Item 1: Discussion on cash distribution from capital reserve. (Proposed by the Board of Directors)**

Explanatory Note :

1. In accordance with the Article 241, Paragraph 1, Subparagraph 1 of the Company Act, the Company intends to distribute capital surplus of NT\$ 337,766,750 in the excess of the par value of the shares to the register of shareholders on the record date.
2. In accordance with the outstanding shares of 675,533,500 shares, the expected cash per share is NT\$0.5.
3. Cash payment shall be rounded to one NT\$. The amounts less than one NT\$ shall be ignored, and be included in other income of the company.
4. It is proposed to authorize chairman to set the record date for the cash distribution after the approval of the Annual General Meeting.
5. In the event of any change in the number of outstanding shares the distribution ratio must be adjusted. It is proposed to fully authorize the chairman to adjust the distribution ratio and to proceed on the relevant matters.
6. Submitted for discussion.

#### **Resolution :**

Votes presented at the meeting in total : 357,888,519 votes (including by electronic votes 26,946,146 votes)

For : 336,335,105 votes (including by electronic votes 5,392,732 votes)

Against : 412,543 votes (including by electronic votes 412,543 votes)

Invalid : 0

Abstain : 21,140,871 votes (including by electronic votes 21,140,871 votes)

The votes cast “For” are of 93.97% of the votes presented at the meeting in total.

The proposal has resolved as proposed

### **Item 2: To amend the Company’s Articles of Incorporation. (Proposed by the Board of Directors)**

Explanatory Note :

1. For the necessity of the business operation, the company proposes to amend the Company’s Articles of Incorporation
2. Comparison Table for Articles of Incorporation, please refer to attachment 6.
3. Submitted for discussion.

**Resolution :**

Votes presented at the meeting in total : 357,888,519 votes (including by electronic votes 26,946,146 votes)

For : 334,452,175 votes (including by electronic votes 3,509,802 votes)

Against : 15,353,225 votes (including by electronic votes 15,353,225 votes)

Invalid : 0

Abstain : 8,083,119 votes (including by electronic votes 8,083,119 votes)

The votes cast “For” are of 93.45% of the votes presented at the meeting in total.

The proposal has resolved as proposed

**Item 3: To amend the Procedures for Acquisition or Disposal of Assets (Proposed by the Board of Directors)**

Explanatory Note :

1. For the necessity of the business operation, the company proposes to amend the Procedures for Acquisition or Disposal of Assets.
2. Comparison Table for the Procedures for Acquisition or Disposal of Assets, please refer to attachment 7.
3. Submitted for discussion.

**Resolution :**

Votes presented at the meeting in total : 357,888,519 votes (including by electronic votes 26,946,146 votes)

For : 336,370,912 votes (including by electronic votes 5,428,539 votes)

Against : 13,445,292 votes (including by electronic votes 13,445,292 votes)

Invalid : 0

Abstain : 8,072,315 votes (including by electronic votes 8,072,315 votes)

The votes cast “For” are of 93.98% of the votes presented at the meeting in total.

The proposal has resolved as proposed.

**6. Election Items****Item 1: By-election for one independent director. (Proposed by the Board of Directors)**

Explanatory note:

1. Pursuant to the Article 15 and the Article 15-1 of the Articles of Incorporation. The Company shall have five (5) to nine (9) directors to be elected at the shareholders' meeting through candidates nominating system.
2. INED Go was resigned on March 31, 2022.

3. In accordance with corporate governance and Articles of Incorporation, It is proposed to by-elect for one independent director.

4. The term of independent director started from June 27, 2022 to April 29, 2024.

5. The election will be in accordance with Electoral Method for Director.

6. List of Independent Director Candidates:

Type	Name of the nominee	Education	Experiences	Current occupation	Shareholding
INED	Liu, Zhao-Sheng	(1) Postgraduate program in Law, Soochow University (2) MBA, Huron International University.	(1) Vice Chairman of Newretail Co., Ltd. (2) Chairman's special assistant of Newretail Co., Ltd. (3) Chairman's special assistant of Astral Epoch International Corp. (4) Chairman of EAGLERISE Co., Ltd. (5) President of ASTRAL EPOCH INTERNATIONAL	(1) CEO, Vice Chairman and Spokesperson of United Fiber Optic Communication Inc. (2) Chairman and President of Advanced Communication Technology & Solution Corp. (3) CEO and Vice Chairman of Newretail Co., Ltd. (4) Chairman of Zhaosheng Management Advisor Co., Ltd (5) Chairman of Zhaoyuan Capital Co., Ltd. (6) Chairman of Eagle-Rise Culture and Creativity Co., Ltd	0 share
INED	Lin, Yi-Zhang	(1) MBA, National Sun Yat-Sen University (2) Bachelor in Accounting, Soochow University.	(1) CPA, PWC Taiwan (2) Partner, PWC Taiwan (3) CPA (4) Lecturer, Taiwan Corporate Governance Association (5) Lecturer, Securities & Futures Institute	Nil	0 share

7. Please conduct the election accordingly

**The result of the election:**

Type	ID or AC NO.	Name	Votes
INED	E12163****	Lin, Yi-Zhang	334,307,589

**7. Other items**

**Item1: Removal of the non-complete clause for directors and institutional director. (Proposed by the Board of Directors)**

Explanatory Note :

1. As provisioned in Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
2. To solicit professionals of the industry to join the Company and its management, the Company plans to cancel the non-competing duty on new directors.
3. The proposed cancelation of non-competing duty on the candidate of director and institutional director:

Type	Name	Competing occupations
Director (Representative of Yen Wen Asset Management Consultant Co., Ltd)	Leon Huang	(1) CFO, Hi Yes International Co. Ltd. (2) INED, EPI LEDS Co., Ltd
Director (Representative of Abraham Investment Co., Ltd)	Ting-Chen Hsu	(3) Member of the Board of Sharp Corp.
Independent Director	Liu, Zhao Sheng	(1) CEO, Vice Chairman and Spokesperson of United Fiber Optic Communication Inc. (2) Chairman and President of Advanced Communication Technology & Solution Corp. (3) CEO and Vice Chairman of Newretail Co., Ltd. (4) Chairman of Zhaosheng Management Advisor Co., Ltd

		(5) Chairman of Zhaoyuan Capital Co., Ltd. (6) Chairman of Eagle-Rise Culture and Creativity Co., Ltd
Independent Director	Lin, Yi-Zhang	(1) INED, Ton Yi Industrial Corp. (2) INED, Lasertek Taiwan Co.Ltd.

4. Submitted for discussion.

### **Resolution :**

Votes presented at the meeting in total : 357,888,519 votes (including by electronic votes 26,946,146 votes)

For : 335,295,052 votes (including by electronic votes 4,352,679 votes)

Against : 13,605,821 votes (including by electronic votes 13,605,821 votes)

Invalid : 0

Abstain : 8,987,646 votes (including by electronic votes 8,987,646 votes)

The votes cast “For” are of 93.68 % of the votes presented at the meeting in total.

The proposal has resolved as proposed.

### **8. Extemporary Motions : None**

### **9. Adjournment: 09:34 AM of the meeting day, all shareholders presented in the meeting has unanimously resolved to adjourn the shareholder meeting.**

*(For the convenience of readers and for information purpose only, the Minutes of Annual General Meeting has been translated into English from the original Chinese version. In the event of any discrepancy between the English version and the original Chinese version, the Chinese-language version shall prevail.*



## 【 2021 Business Report 】

Dear Shareholders,

In the post-pandemic era, people's lifestyles and work patterns have undergone significant changes. Remote work and video conferencing have resulted in structural changes in the display panel market, while having driven the growth of panel demand in 2021. Despite the poor conditions of global logistics and bottlenecks in the supply of raw materials and supplies, CMMT's 2021 revenue continued to increase steadily and we maintained a stable profit from our operating activities.

Our investee, Hengmei (formerly known as Kunshan Chimei Materials Trading Corporation), continued to increase its production capacity. With a strong market demand for large-sized panels, its profitability increased compared with 2020. CMMT also recognized its profit in gain on investment in the investee for the first three quarters. However, after considering the Company's future business layout and the overall return on investment, the Board of Directors and the shareholders' meeting approved the disposal of the investee at the end of December 2021. In the future, we will focus on the layout of high value products, enhance the added value of our products, and strengthen the operation of CMMT.

With the improved operational conditions, CMMT successfully obtained a syndicated loan provided by a group of banks in December 2021 to repay the loans currently under negotiation. Getting rid of the shackles of the negotiation on debts, the Company's capital liquidity will greatly improve.

### I. 2021 Operational Results

#### (I) Implementation Results of Operational Plans

CMMT implemented the operational strategies of "strengthened introduction of new clients", "adjustment to the product structure", and "high-value orientation" in 2021. In addition, as the conditions of the display panel market improved significantly, our consolidated revenue grew by nearly 20% compared with 2020, and our business has continued to improve. In 2021, both our operating profit and the net income after tax have turned losses into profits. The implementation results of CMMT's operational policy in 2021 are as follows:

##### I. Strengthened introduction of new clients

Implementation results: In 2021, CMMT actively developed a business layout in China in response to the shift in the layout of the display panel industry to continue to create growth momentum. With stable shipments in the Taiwan and Japan market, we actively promoted shipments in the China market; thus, Taiwan, Japan, and China have become our three major pillars for sales in a balanced state.

##### II. Adjustment to the product structure

Implementation results: New lifestyles and work patterns, such as remote work, continued to thrive, and IT products regained growth momentum in 2021. At the same time, CMMT strengthened its layout of IT products. With the growth of revenue from IT products, the revenue of IT products exceeded that of TV products in the fourth quarter. We continued to enhance the layout of large-sized TV products and optimize the Company's product portfolio.

### III. **High-value orientation**

Implementation results: The layout of high value products requires long-term effort and development. Since 2019, CMMT has continued to develop the layout of high value products, with the percentage of revenue growing from less than 3% in the first half of 2021 to more than 6% in the second half of 2021, indicating that our efforts in the layout of high value products are gradually paying off.

### (II) **Financial Income and Expenses and Profitability Analysis**

Unit: NT\$ thousand; %

Item	2021	2020	Change rate of increase (decrease) (%)
Operating income	11,134,393	9,456,875	17.74
Operating profit (loss)	908,766	307,753	195.29
Net operating loss	197,783	(269,648)	-
Net loss for the year	763,192	(91,471)	-
Gross margin	8.16	3.25	151.08
Net operating loss ratio	1.78	(2.85)	-

Unit: NT\$; %

Item		2021	2020
Financial Structure Analysis	Debt to assets ratio (%)	33.48	33.97
	Long-term capital to property, plant and equipment ratio (%)	275.05	248.45
Debt Structure Analysis	Return on assets (%)	5.43	(0.26)
	Return on equity (%)	7.60	(0.95)
Profitability Analysis	Ratio of net loss before tax to paid-in capital (%)	12.30	(1.36)
	Net loss ratio (%)	6.85	(0.97)
	Loss per share after tax	1.15	(0.13)

## II. Future Business Layout

### (I) **Management Policy and Production and Sales Plan**

Continuing CMMT's mid-term operations strategy from 2019–2021, in 2022 we will shift the focus of our operational strategy to “placing ‘value’ before ‘quantity’” to increase the proportion of high value products and increase our investment in technology and equipment for high value products.

In terms of sales and technology, we will develop high value products in our existing product lines and clients in alignment with the future trends of the industry, so as to get rid of “me too” thinking and accelerate the development of CMMT's solutions. We will continue to increase the added value of our products, so that CMMT will become a partner rather than a product supplier.

In terms of production, in addition to strengthening the investment in equipment for high value products, we will enhance the layout of automated production to response to the impact of the decline in the labor force at the main production sites in Taiwan and China, while strengthening production efficiency and optimizing production costs.

## **(II) External Market Competition, Regulations and Overall Economy**

As the rapid expansion period of display panel factories in China draws to an end, display panels continue to be diversified and product size continues to increase; as such, display panel demand has grown steadily and the market has stabilized. In 2022, it is expected that although there will be new production capacity for polarizers, the supply of materials and supplies for polarizers is still tight; the supply and demand of the market is stable and should be in a healthy state.

Looking ahead to 2022, the international political and economic conditions will continue to undergo drastic changes. With high fluctuations in geopolitics, inflation, exchange rates, and global logistics, CMMT will continue to create profits with a spirit of “active layout development” and “stable operations”.

## **(III) Environmental, Social, and Governance (ESG)**

At the end of 2021, the 26th United Nations Climate Change Conference (COP26) reached an agreement on global coal reduction. Although CMMT does not use coal directly, coal is still involved in the energy and the raw materials used in our products. CMMT launched three phases of solar power generation in 2022 and applied for the installation and incorporation of an energy storage system into the power grid to respond to the government’s initiative to increase the proportion of solar power generated and stabilize the power grid, thereby contributing to Taiwan’s green energy development.

In terms of water resources, with the installation of a water recycling system at the end of 2021, CMMT’s water consumption and wastewater discharge in 2022 is estimated to be reduced by nearly 40%. In terms of waste, we will also install a waste solvent recovery system in 2022 to continue reducing the amount of hazardous substances disposed of and fulfill our obligations for environmental protection and resource sustainability.

CMMT continued to be dedicated to social care in recent years by supporting the Where At-Risk Youth Services Center, the Evergreen Lily Elementary School, the Christian Mountain Children’s Home, and the Southern Region Children’s Home, to strengthen social equality and care for the disadvantaged. In 2022, CMMT also provided anti-pandemic kits to the Tainan Branch of the Chest Hospital, Ministry of Health and Welfare, and provided resources to the hardest-working front-line medical personnel in Taiwan in the fight against the pandemic with the slogan of “CMMT’s sincere support to medical personnel”.

Chairman: Jau-Yang Ho

President: Lai-Huang Lo

Accounting Officer : Wei-Chung Lian

Date: March 16, 2022

## **Cheng Mei Materials Technology Corporation Audit Committee's Review Report**

The Board of Directors has made and submitted the Company's 2021 financial statement, the business report, and the plan of earning distribution chart to us. The Audit Committee found no discrepancy between the reported documents and facts after verifying. The Audit Committee hereby produced and sent forth the report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To: Cheng Mei Materials Technology Corp. 2022 Annual General Meeting

Chairman of Audit Committee: Wei-Ting Liu

March 16, 2022

## Comparison Table for Ethical Corporate Management Best Practice Principles

Provision	Before Amendment	After Amendment	Description
Article 5	The Company shall abide by the business philosophy of honesty, transparency, and responsibility, base policies on the principle of good faith, and establish a good corporate governance and risk control and management mechanism so as to create a business environment for sustainable development.	The Company shall abide by the business philosophy of honesty, transparency, and responsibility, base policies on the principle of good faith and obtain <u>approval from the board of directors</u> , and establish a good corporate governance and risk control and management mechanism so as to create a business environment for sustainable development.	To meet practical operational needs.
Article 6,	The Company shall, in its own ethical management policy, clearly and thoroughly specify the programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines for conduct, and training. When formulating the prevention programs, the Company shall comply with relevant laws and regulations of the territory where the Company and its business group are operating. In the course of developing the prevention programs, the Company is advised to negotiate with employees, labor unions members, and other representative institutions and communicate with relevant interest groups.	The Company shall, in its own ethical management policy, clearly and thoroughly specify <u>specific ethical management practices</u> and the programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines for conduct, and training. When formulating the prevention programs, the Company shall comply with relevant laws and regulations of the territory where the Company and its business group are operating. In the course of developing the prevention programs, the Company is advised to negotiate <u>with staff, labor unions members, important trading counterparties, or other stakeholders</u> .	The text is amended.
Article 7,	The Company shall analyze business activities within its business scope which are at a higher risk of being involved in unethical conduct when formulating prevention programs and strengthen relevant preventive measures. The Company's prevention programs shall at least include preventive measures against the following: 1. Offering and acceptance of bribes. 2. Provision of illegal political contribution. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality or other improper benefits.	The Company shall analyze business activities within its business scope which are at a higher risk of being involved in unethical conduct when formulating prevention programs and <u>review their adequacy and effectiveness on a regular basis</u> . The Company's prevention programs shall at least include preventive measures against the following: 1. Offering and acceptance of bribes. 2. Provision of illegal political contribution. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality or other improper benefits. <u>5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.</u> <u>6. Engaging in unfair competitive practices.</u> <u>7. Damage directly or indirectly caused to the rights or interests, health, or safety of</u>	Amendment is made in accordance with laws.

		<u>consumers or other stakeholders in the course of research and development, procurement, manufacturing, provision, or sales of products and services.</u>	
Article 8	The Company and its business group and organization shall clearly specify in their rules and external documents the ethical corporate management policies and the commitment by the board of directors and the management to rigorous and thorough implementation of such policies; and shall duly carry out the policies in internal management and in business activities.	<u>The publicly listed comply shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u> The Company and its business group and organization shall clearly specify in their rules and external documents and on the <u>Company's website</u> the ethical corporate management policies and the commitment by the board of directors and the management to rigorous and thorough <u>implementation of such policies</u> ; and shall duly carry out the policies in internal management and in business activities. <u>The Company shall compile documented information on the ethical management policy, statement, commitment, and implementation mentioned in the first and second paragraphs and retain said information properly.</u>	Amendment is made in accordance with laws.
Article 9-1 (Prohibition of Infringement of Intellectual Property Rights)	New	<u>The Company and its directors, managers, employees, and ultimate controllers shall observe applicable laws and regulations, the Company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose of, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder(s).</u>	Amendment is made in accordance with laws.
Article 9-2 (Prohibition of Engaging in Unfair Competitive Practices)	New	<u>The Company shall, in accordance with applicable competition laws and regulations, engage in business activities and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or business type.</u>	Amendment is made in accordance with laws.
Article 9-3 (Prevention of Products or Services from Harming Stakeholders)	new	<u>In the course of research and development, procurement, manufacturing, provision, or sale of products and services, the Company and its directors, managers, employees, and ultimate controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, its products and services in the course of the research and development, procurement, manufacturing, provision, or sales of products and services. It shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders and implement the policy in its operations, with a view to preventing its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the</u>	Amendment is made in accordance with laws.

		<u>safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.</u>	
Article 14	<p>The Company’s board of directors shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, review the effectiveness of the preventive measure, and continue to make improvements so as to ensure thorough implementation of its ethical corporate management policy.</p> <p>To improve the management of the Company's ethical management, it is advisable to set up a dedicated unit responsible for formulating an ethical management policy and prevention programs and supervising the implementation, while reporting to the board of directors regularly.</p>	<p>The Company’s directors, <u>managers, employees, and ultimate controllers</u> shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, review the effectiveness of the preventive measure, and continue to make improvements so as to ensure thorough implementation of its ethical corporate management policy.</p> <p>To improve the management of the Company's ethical management, it is advisable to set up a dedicated unit responsible for formulating an ethical management policy and prevention programs and supervising the implementation, while reporting to the board of directors regularly with respect to <u>the following matter:</u></p> <ol style="list-style-type: none"> <li><u>1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</u></li> <li><u>2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting programs accordingly to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.</u></li> <li><u>3. Planning the internal organization, structure, and responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</u></li> <li><u>4. Promoting and coordinating awareness-raising and educational activities with respect to ethics policy.</u></li> <li>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</li> <li>6. Assisting the board of directors and management in auditing and assessing whether the preventive measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</li> </ol>	Amendment is made in accordance with laws.
Article 16 ( <del>Directors, Supervisors, and Managers’</del> Recusal Due to Conflicts of Interest)	<p>The Company shall adopt policies for preventing conflicts of interest and offer appropriate means for directors and, managers to take the initiative to explain whether their interests would potentially conflict with those of the Company.</p> <p>The Company’s directors shall maintain a high degree of self-discipline, and those or juridical</p>	<p>The Company shall adopt policies for <u>preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present in a non-voting capacity at board meetings</u> to voluntarily explain whether their interests would potentially conflict with those of the Company.</p>	Amendment is made in accordance with laws.

	<p>persons they represent who have a conflict of interest in a resolution on the agenda of a board meeting, which may undermine the Company's interests, may state their opinions and answer inquiries and shall recuse themselves from discussion and voting and shall not exercise the voting rights on behalf of other directors. Directors shall also be self-disciplined and not support each other.</p> <p>The Company's directors and managers shall not take advantage of their positions at the Company to obtain improper benefits for themselves, their spouses, parents, children, or any other person.</p>	<p>When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juridical person represented by, any of the directors, <u>managers, and other stakeholders attending or present at board meetings</u> of the Company, the concerned party <u>shall state the important aspects of the relationship of interest at the given board meeting. If their participation is likely to prejudice the interest of the Company,</u> the concerned party may not participate in the discussion of or voting on the proposal and shall recuse themselves from the discussion or the voting, and may not exercise voting rights as proxy for another director. Directors shall also be self-disciplined and not support each other.</p> <p>The Company's directors, managers, <u>employees, and ultimate controllers</u> shall not take advantage of their positions <u>or influence</u> at the Company to obtain improper benefits for themselves, their spouses, parents, children, or any other person.</p>	
Article 17	<p>Paragraph 1 is omitted.</p> <p>The Company's internal auditors shall regularly audit the compliance of the systems in the preceding paragraph and prepare an audit report and submit it to the board of directors.</p>	<p>Paragraph 1 is omitted.</p> <p>The Company's internal audit unit shall formulate relevant audit plans in accordance with the preceding paragraph and perform regular audits and may engage a certified public accountant or professionals to assist if necessary. The audit results in the preceding paragraph shall be reported to the senior management and the unit dedicated to ethical management and compiled into an audit report to be submitted to the board of directors.</p>	To meet practical operational needs.
Article 19	<p>The Company shall regularly organize training and awareness-raising programs for directors, managers, employees, and substantive controllers and invite its commercial transaction counterparties to participate so that they can understand the Company's resolve to implement ethical corporate management, the relevant policies, prevention programs, and the consequences of committing unethical conduct.</p> <p>The Company shall link the policies of ethical corporate management with its employee performance evaluation system and human resource policies to establish a well-defined and effective reward and discipline system.</p>	<p>The Company shall regularly organize training and awareness-raising programs on the importance of ethics for directors, managers, employees, and substantive controllers and invite its commercial transaction counterparties to participate so that they can understand the Company's resolve to implement ethical corporate management, the relevant policies, prevention programs, and the consequences of committing unethical conduct.</p> <p>Paragraph 2 is omitted.</p>	The text is amended.
Article 20	<p>The Company shall provide proper whistle-blowing channels and keep confidential the identity of the whistleblowers and the contents of the reported cases.</p> <p>The Company shall stipulate a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules and immediately disclose the</p>	<p>The Company shall <u>adopt a specific whistle-blowing system and duly implement the system. The whistle-blowing system shall include at least the following:</u></p> <p><u>1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow the Company's internal and external personnel to file reports.</u></p>	Amendment is made in accordance with laws.



	<p>title and name of the violator, the date and details of the violation, and the actions taken in response on the Company's internal website.</p>	<p><u>2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any report involving a director or senior management shall be reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</u></p> <p><u>3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.</u></p> <p><u>4. Documentation and retention of case acceptance, investigation processes, investigation results, and relevant documents.</u></p> <p><u>5. Confidentiality of the identity of whistle-blowers and the content of reported cases, with anonymous reporting allowed.</u></p> <p><u>6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</u></p> <p><u>7. Whistle-blowing incentive measures. Where a major violation is found through investigation or the violation may cause major damage to the Company, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in writing. The Company shall stipulate and disclose a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules and immediately disclose the title and name of the violator, the date and details of the violation, and the actions taken in response on the Company's internal website.</u></p>	
Article 23	<p>The Company's Ethical Corporate Management Best Practice Principles and any amendments thereto shall be implemented after being approved by the audit committee and the board of directors and shall be reported to the shareholders' meeting. These Principles were formulated on April 26, 2011.</p>	<p>The Company's Ethical Corporate Management Best Practice Principles and any amendments thereto shall be implemented after being approved by the audit committee and the board of directors and shall be reported to the shareholders' meeting.</p> <p><u>When the Company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations expressed by any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is a legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.</u></p>	<p>Amendment is made in accordance with laws and the amendment date is moved to Article 24.</p>
Article 24	<p>new</p>	<p><u>These Principles were established on April 26, 2011. The 1st amendment was made on February 17, 2022.</u></p>	<p>The amendment date is added.</p>

# Comparison Table for Procedures for Ethical Management and Guidelines for Conduct

Provision	Before Amendment	After Amendment	Description
Header			To meet practical operational needs.
Article 5	<p>The Company has designated the Administration Department as the dedicated unit (hereinafter referred to as the “Company’s dedicated unit”) to handle matters associated with the amendment, implementation, interpretation, consultation services, notification content, and filing as well as supervising the implementation of these Procedures and Guidelines, while reporting to the board of directors on a regular basis.</p>	<p>The Company has designated the Operations Management Office as the dedicated unit (hereinafter referred to as the “Company’s dedicated unit”) to handle matters associated with the amendment, implementation, interpretation, consultation services, notification content, and filing as well as supervising the implementation of these Procedures and Guidelines, while reporting to the board of directors on a regular basis. <u>Its main responsibilities are as follows:</u></p> <ol style="list-style-type: none"> <li><u>1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</u></li> <li><u>2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting programs accordingly to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.</u></li> <li><u>3. Planning the internal organization, structure, and responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</u></li> <li><u>4. Promoting and coordinating awareness-raising and educational activities with respect to ethics policy.</u></li> <li><u>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</u></li> <li><u>6. Assisting the board of directors and management in auditing and assessing whether the preventive measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</u></li> <li><u>7. Preparing and retaining properly documented information, such as ethical</u></li> </ol>	Amendment is made in accordance with laws.

		<u>management policy and compliance statements, and situations concerning the performance of commitments and implementation.</u>	
Article 6,	<p>The Company’s personnel shall not directly or indirectly offer, accept, promise, or request money, endowments, services, preferential treatment, entertainment, and other benefits; however, in the following circumstances, the personnel shall proceed in compliance with the Ethical Corporate Management Best Practice Principles of Cheng Mei Materials Technology Corporation, these Procedures and Guidelines, as well as relevant procedures:</p> <ol style="list-style-type: none"> <li>1. It is in compliance with the laws and regulations at the place of operation.</li> <li>2. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.</li> <li>3. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or enhancing relationships.</li> <li>4. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.</li> <li>5. Attendance at folk festivals that are open to and invite the attendance of the general public.</li> <li>6. Rewards, emergency assistance, condolence payments, or honoraria from the management.</li> <li>7. Each property for the purpose of social etiquette, customs, or official etiquette from the same source shall not exceed NT\$6,000. In addition, the gifts of property from the same source throughout the same year shall not exceed NT\$12,000.</li> <li>8. Other conduct that is in compliance with the Company’s rules.</li> </ol>	<p>The Company’s personnel shall not directly or indirectly offer, accept, promise, or request money, endowments, services, preferential treatment, entertainment, and other benefits; however, in the following circumstances, the personnel shall proceed in compliance with the Ethical Corporate Management Best Practice Principles of <u>Cheng Mei Materials Technology Corporation</u>, these Procedures and Guidelines, as well as relevant procedures:</p> <ol style="list-style-type: none"> <li>1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.</li> <li>2. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or enhancing relationships.</li> <li>3. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.</li> <li>4. Attendance at folk festivals that are open to and invite the attendance of the general public.</li> <li>5. Rewards, emergency assistance, condolence payments, or honoraria from the management.</li> <li>6. <u>Money, property, or other benefits with a market value of NT\$6,000 or less offered to or accepted from a person other than relatives or friends; or gifts of property with a total market value of NT\$6,000 or less given by another party to the majority of the personnel of the Company, provided that the total market value of the property offered to the same counterparty or coming from the same source within a single fiscal year shall be limited to NT\$12,000.</u></li> <li>7. <u>Property with a market value of NT\$6,000 or less received due to engagement, marriage, maternity,</u></li> </ol>	Amendment is made in accordance with laws.

		<u>relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative.</u>	
Article 7,	<p>Paragraphs 1 and 2 are omitted.</p> <p>The Company's dedicated unit shall make a proposal, based on the nature and value of the property under paragraph 1, that it be returned, accepted on payment, included in the Company's property, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported to and approved by the Human Resources Committee.</p>	<p>Paragraphs 1 and 2 are omitted.</p> <p>The Company's dedicated unit shall make a proposal, based on the nature and value of <u>the benefit</u> under paragraph 1, that it be returned, accepted on payment, included in the Company's property, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved by the Human Resources Committee.</p>	The text is amended.
Article 8-1 (Prohibition of Engaging in Unfair Competitive Practices)	added	<u>The Company shall engage in business activities in accordance with applicable competition laws and regulations and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or business type.</u>	Amendment is made in accordance with laws.
Article 8-2 (Prevention of Products or Services from Harming Stakeholders)	added	<u>The Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to prompt the Company's personnel to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacturing, provision, or sales of products and services.</u> <u>The Company shall adopt and publish on its website a policy on the protection of consumers' rights and interests or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.</u>	Amendment is made in accordance with laws.
Article 10	<p>Charitable donations or sponsorships by the Company shall be provided in accordance with the following provisions:</p> <ol style="list-style-type: none"> <li>1. It shall be in compliance with the laws and regulations at the place of operation.</li> <li>2. A written record of the decisions made shall be kept and approved by the Human Resources Committee.</li> <li>3. A charitable donation shall be</li> </ol>	<p>Charitable donations or sponsorships by the Company shall be provided in accordance with the following provisions. When the amount is <u>NT\$10 million or more, the donation or sponsorship shall be provided only after it has been submitted to and approved by the board of directors:</u></p> <ol style="list-style-type: none"> <li>1. It shall be in compliance with the laws and regulations at the place of operation.</li> <li>2. A written record of the decision</li> </ol>	Amendment is made in accordance with laws.

	<p>given to a valid charitable institution registered with the local government and in compliance with tax laws and regulations and shall not be used as bribes in disguise.</p> <p>4. The returns received as a result of any sponsorship shall be specific and reasonable, and the recipient of the sponsorship may not be a counterparty of the Company's business dealings or a party with which any of the Company's personnel has a relationship of interest.</p>	<p>making process shall be kept.</p> <p>3. A charitable donation shall be given to a valid charitable institution registered with the local government and in compliance with tax laws and regulations and shall not be used as bribes in disguise.</p> <p>4. The returns received as a result of any sponsorship shall be specific and reasonable, and the recipient of the sponsorship may not be a counterparty of the Company's business dealings or a party with which any of the Company's personnel has a relationship of interest.</p> <p>5. <u>After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.</u></p>	
<p>Article 11</p>	<p>The Company's directors shall maintain a high degree of self-discipline, and those or juridical persons they represent who have a conflict of interest in a resolution on the agenda of a board meeting, which may undermine the Company's interests, may state their opinions and answer inquiries and shall recuse themselves from discussion and voting and shall not exercise the voting rights on behalf of other directors. Directors shall also be self-disciplined and not support each other. If in the course of conducting the Company's business, any of the Company's personnel discovers that a potential conflict of interest exists involving themselves or the juridical person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both the head of their department and the dedicated unit, and the department head shall provide the personnel with proper guidance. Paragraph 3 is omitted</p>	<p>When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juridical person represented by, any of the directors, <u>managers, and other stakeholders attending or present at board meetings</u> of the Company, the concerned party shall state the important aspects of the relationship of interest at the given board meeting. <u>If their participation is likely to prejudice the interest of the Company,</u> the concerned party may not participate in the discussion of or voting on the proposal and shall recuse themselves from the discussion or the voting, and may not exercise voting rights as proxy for another director. Directors shall also be self-disciplined and not support each other. <u>Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting under the preceding paragraph, such a director shall be deemed to have their personal interest involved in such matters.</u> If in the course of conducting the Company's business, any of the Company's personnel discovers that a potential conflict of interest exists involving themselves or the juridical person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the</p>	<p>Amendment is made in accordance with laws.</p>

		relevant matters to both the head of their department and the dedicated unit, and the department head shall provide the personnel with proper guidance. Paragraph 3 is omitted	
Article 12	Each department of the Company shall pay attention to the management, storage, and confidentiality of the Company's trade secrets.	The Company <u>shall set up a special unit charged with formulating and implementing</u> procedures for managing, preserving, and maintaining <u>the confidentiality of the Company's trade secrets, trademarks, patents, works, and other intellectual properties</u> , and it shall <u>also conduct periodical reviews of the results of the implementation to ensure the sustained effectiveness of the confidentiality procedures.</u>	Amendment is made in accordance with laws.
Article 13	The Company's personnel shall not disclose its trade secrets of which they have learned to others nor may they inquire about or collect any of the Company's trade secrets unrelated to their individual positions.	All personnel of the Company <u>shall faithfully follow the operating regulations pertaining to intellectual properties as mentioned in the preceding paragraph</u> and may not disclose to any other party any of the Company's <u>trade secrets, trademarks, patents, works, and other intellectual properties</u> of which they have learned, nor may they inquire about or collect any of the Company's <u>trade secrets, trademarks, patents, and other intellectual properties</u> unrelated to their individual duties.	
Article 16	The Company shall disclose its ethical management policy in its internal rules, annual reports, on the Company's websites, and in other prospectuses and shall make timely announcements of the policy in events held for external parties, such as investor conferences, in order to make its suppliers, customers, and other business-related institutions and personnel be fully aware of its principles and rules with respect to ethical management.	<u>The Company shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u> The Company shall disclose its ethical management policy in its internal rules, annual reports, on the Company's websites, and in other prospectuses and shall make timely announcements of the policy in events held for external parties, such as investor conferences, in order to make its suppliers, customers, and other business-related institutions and personnel be fully aware of its principles and rules with respect to ethical management.	Amendment is made in accordance with laws.
Article 20	Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management and is advised to include observance of the Company's ethical management policy in the terms and conditions of the contract, stipulating at the least the following matters:	Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management and include observance of the Company's ethical management policy in the terms and conditions of the contract, stipulating at the least the following matters: (The rest is omitted)	The text is amended.
Article 21	When the Company discovers or receives reports of unethical conduct by its personnel, it shall immediately investigate into the relevant facts. If it is confirmed that there is a violation of	The Company encourages insiders and outsiders to report unethical or unseemly conduct. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be	Amendment is made in accordance with laws.

	<p>relevant laws and regulations or the Company's ethical management policies and regulations, it shall immediately ask the violator to stop relevant conduct, impose appropriate disciplinary actions, and seek damages through legal proceedings, if necessary, to safeguard the Company's reputation and rights. The Company shall instruct relevant units to review the relevant internal control system and operating procedures for the unethical conduct that has occurred and propose improvement measures to prevent the same conduct from happening again. The Company's designated unit shall report on the unethical conduct, the handling method, and subsequent review and improvement measures to the board of directors.</p>	<p>dismissed from position if the circumstance concerned is severe. The Company shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for the Company's insiders and outsiders to submit reports. A whistleblower shall at least furnish the following information:</p> <ol style="list-style-type: none"> <li>1. The whistleblower's name and national ID number (whistleblowing reports may be submitted anonymously), and an address, telephone number, and e-mail address <u>where the whistleblower can be reached.</u></li> <li>2. <u>The name of party reported on or other information sufficient to identify the party's features.</u></li> <li>3. <u>Specific facts available for investigation.</u></li> </ol> <p><u>The Company's personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing.</u></p> <p><u>The Company's responsible unit shall observe the following procedure in handling whistleblowing matters:</u></p> <ol style="list-style-type: none"> <li>1. <u>An information shall be reported to the department head if general employees are involved and to independent directors if a director or a senior executive is involved.</u></li> <li>2. <u>The Company's responsible unit and the department head or personnel receiving reports in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other relevant departments.</u></li> <li>3. <u>If a person being reported on is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations on ethical management, the Company shall immediately require the violator to cease the conduct and shall impose an appropriate disciplinary action. When necessary, the Company will report to the competent authority, refer said person to judicial authority for investigation, or institute legal proceedings and seek damages to safeguard its reputation and rights and interests.</u></li> </ol>	
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Article 23	<p>The Company shall link ethical corporate management with its employee performance evaluation system and human resource policies to establish a well-defined and effective reward and discipline and complaint system. If any of the Company's personnel seriously violates ethical conduct, the Company shall dismiss the personnel from their position or terminate their employment in accordance with applicable laws and regulations or the Company's personnel policy. The Company shall disclose on its internal website the information, including the name and title of the violator, the date and details of the violation, and the actions taken in response.</p>	<p><u>The Company's designated unit shall organize internal awareness-raising sessions regularly and arrange for the Chairman, the President, or senior management to communicate the importance of ethics to its directors, managers, and employees.</u></p> <p>The rest is omitted.</p>	Amendment is made in accordance with laws.
Article 24	<p>These Procedures and Guidelines and any amendments thereto shall be implemented after approved by the audit committee and the board of directors through resolutions and reported to the shareholders' meeting. These Procedures and Guidelines were formulated on November 11, 2015.</p>	<p>These Procedures and Guidelines and any amendments thereto shall be implemented after approved by the audit committee and the board of directors through resolutions and reported to the shareholders' meeting. <u>When these Procedures and Guidelines are submitted to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations expressed by any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections</u></p>	Amendment is made in accordance with laws and the amendment date is moved to Article 25.



		<u>or reservations shall provide a written opinion before the board meeting, unless there is a legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.</u>	
Article 25	New	<u>These Procedures and Guidelines were established on November 11, 2015. The 1st amendment was made on February 17, 2022.</u>	The amendment date is added.

## Comparison Table for Sustainable Development Best Practice Principles

Provision	Before Amendment	After Amendment	Description
Name of Regulations	Corporate Social Responsibility Best Practice Principles	<u>Sustainable Development</u> Best Practice Principles	Amendment is made in accordance with laws.
Article 2	Paragraph 1 is omitted. These Principles encourage the Company to actively fulfill its corporate social responsibility in the course of business so as to follow international development trends of balancing environmental, social, and corporate governance development, contribute to the economic development of the country as a corporate citizen, improve the quality of life of employees, the community, and society, thereby enhancing competitive edges built on corporate social responsibility.	Paragraph 1 is omitted. These Principles encourage the Company to actively promote <u>sustainable development</u> in the course of business so as to follow international development trends of balancing environmental, social, and corporate governance development, contribute to the economic development of the country as a corporate citizen, improve the quality of life of employees, the community, and society, thereby enhancing competitive edges built on <u>sustainable development</u> .	The text is amended.
Article 3	In fulfilling corporate social responsibility, the Company shall, in its corporate management and business operations, respect social ethics and give due consideration to stakeholders' rights and interests, while pursuing sustainable operations and profits, also give due consideration to the environment, society, and corporate governance.	In <u>promoting sustainable development</u> , the Company shall, in its corporate management <u>policy</u> and business <u>activities</u> , respect social ethics and give due consideration to stakeholders' rights and interests, while pursuing sustainable operations and profits, also give due consideration to the environment, society, and corporate governance. <u>The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social, and corporate governance issues pertaining to corporate operations and establish the relevant risk management policy or strategy.</u>	Amendment is made in accordance with laws.
Article 4	To implement corporate social responsibility, the Company shall follow the principles below: 1. Implement corporate governance. 2. Develop a sustainable environment. 3. Maintain public welfare. 4. Enhance disclosure of corporate social responsibility information.	To promote <u>sustainable development</u> , the Company is advised to follow the principles below: 1. Implement corporate governance. 2. Develop a sustainable environment. 3. Maintain public welfare. 4. Enhance disclosure of <u>sustainable development</u> information.	The text is amended.
Article 5	The Company shall comply with the laws and regulations and the Articles of Incorporation, as well as the contracts signed with the stock exchange and relevant	The Company <u>shall take into consideration the correlation between the domestic and international development trend of sustainability issues and corporate core</u>	Amendment is made in accordance with laws.

	<p>regulations, and are advised to formulate corporate social responsibility policies, systems, or relevant management systems in a timely manner by taking into account the development trend of domestic and international corporate social responsibility and the overall operating activities of the Company and the businesses under the group company.</p>	<p><u>business operations, and the effect of the operation of individual companies and of their respective business group as a whole on stakeholders, in establishing their sustainable development policies, systems, or relevant management guidelines, and specific implementation plans, which shall be approved by the Board of Directors. When a shareholder proposes a motion involving sustainable development, the Company's Board of Directors is advised to review and consider including it in the shareholders' meeting agenda.</u></p>	
Article 6,	<p>The Company's directors shall exercise the due care of good administrators to urge the Company to fulfill its corporate social responsibility, examine the results of the implementation thereof from time to time, and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.</p> <p>The Company's board of directors are advised to fulfill its corporate social responsibility in the following aspects:</p> <ol style="list-style-type: none"> <li>1. Making corporate social responsibility the guiding principle of the Company's operations and development;</li> <li>2. Putting forth the Company's corporate social responsibility mission (or vision or values) and formulating its corporate social responsibility policy statement; and</li> <li>3. Ensuring the disclosure of corporate social responsibility information.</li> </ol>	<p>The Company's directors shall exercise the due care of good administrators to urge the Company to promote <u>sustainable development</u>, examine the results of the implementation thereof from time to time, and continually make adjustments so as to ensure the thorough promotion of its <u>sustainable development</u> policies.</p> <p>The board of directors is advised to <u>give full consideration to stakeholders' interests, including the following matters, during the Company's implementation of sustainable development initiatives:</u></p> <ol style="list-style-type: none"> <li>1. Making <u>sustainable development</u> the guiding principle of the Company's operations and development and <u>ratifying specific plans for the implementation of sustainable development initiatives;</u></li> <li>2. Putting forth the Company's <u>sustainable development</u> mission (or vision or values) and formulating its <u>sustainable development policy, system, and relevant management policy;</u></li> <li>3. Ensuring <u>the timeliness and accuracy of the disclosure of sustainable development information.</u></li> </ol> <p><u>The board of directors shall appoint the senior management personnel with the responsibility for economic, environmental, and social issues resulting from the Company's business operations and to report on the status of the handling to the board of directors. The handling procedures and the responsible personnel for each relevant issue shall be well-defined.</u></p>	Amendment is made in accordance with laws.
Article 7,	For the purpose of managing corporate social responsibility initiatives, the	For the purpose of managing <u>sustainable development initiatives and governance</u>	Amendment is made in

	Company shall establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies or systems and to report on the same to the board of directors on a regular basis.	<u>structure, the Company shall establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and specific promotion plans</u> and to report on the same to the board of directors on a regular basis. <u>The Company is advised to formulate a reasonable remuneration policy to ensure that the remuneration plan can meet the organizational strategic goals and protect stakeholders' interests.</u>	accordance with laws.
Article 8	The Company shall, based on respect for stakeholders' rights and interests, identify the Company's stakeholders; understand stakeholders' reasonable expectations and demands through proper communication with them and stakeholder engagement, and adequately respond to the important corporate social responsibility issues about which they are concerned.	The Company shall, based on respect for stakeholders' rights and interests, identify the Company's stakeholders and <u>set up a section dedicated to stakeholders on its website;</u> understand stakeholders' reasonable expectations and demands through proper communication with them and stakeholder engagement, and adequately respond to the important <u>sustainable development</u> issues about which they are concerned.	Amendment is made in accordance with laws.
Article 11	The Company is advised to regularly offer corporate ethics education and training to directors and employees and raise their awareness of the matters in the preceding article, while linking such matters with the employee performance evaluation system to establish a clear and effective reward and punishment system.	The Company is advised to regularly offer education and training on the promotion of <u>sustainable development</u> , including the matters set forth under the preceding article and <u>Article 6, paragraph 2</u> , while linking such matters with the employee performance evaluation system to establish a clear and effective reward and punishment system.	
Article 12	Article 12 The Company shall comply with relevant environmental laws and regulations and relevant international standards, properly protect the natural environment, and be committed to the goal of environmental sustainability when carrying out business activities.	The Company shall comply with relevant environmental laws and regulations and relevant international standards, properly protect the natural environment, and be committed to <u>achieving</u> the goal of environmental sustainability when carrying out <u>operating activities and internal management.</u>	The text is amended.
Article 13	The Company is advised to strive to improve the use efficiency of various resources and use recycled materials with low impact on the environment, so that the resources on the Earth can be used sustainably.	The Company is advised to endeavor to improve <u>energy use efficiency and</u> use renewable materials with a low impact on the environment to improve sustainability of natural resources.	The text is amended.
Article 14	The Company is advised to establish an appropriate environmental management system according to its industrial	The Company is advised to establish proper environment management systems based on the characteristics of its industry. Such	The text is amended.

	<p>characteristics. The Company's environmental management system shall include the items below:</p> <ol style="list-style-type: none"> <li>1. Collect and evaluate sufficient and timely information on the impact of operating activities on the natural environment.</li> <li>2. Establish measurable goals and regularly review the continuity and relevance of these goals.</li> </ol>	<p>systems shall include the following tasks:</p> <ol style="list-style-type: none"> <li>1. Collect and evaluate sufficient and timely information on the impact of operating activities on the natural environment.</li> <li>2. Establish measurable goals for environmental sustainability and examine whether the development of such goals should be maintained and whether it is still relevant on a regular basis.</li> <li>3. <u>Adopt enforcement measures, such as specific plans or action plans, and examine the results of their operation</u> on a regular basis.</li> </ol>	
Article 15	<p>The Company is advised to establish a dedicated unit or assign dedicated personnel for environmental management to maintain environmental management systems and regularly hold environmental education courses for the management and employees.</p>	<p>The Company is advised to establish a dedicated unit or assign dedicated personnel for <u>drafting, implementing, and maintaining relevant environment management systems and specific action plans,</u> and shall regularly hold environmental education courses for the management and employees.</p>	<p>The text is amended.</p>
Article 16	<p>The Company is advised to consider the impact on ecological benefits, promote and educate consumers about the concept of sustainable consumption, and engage in R&amp;D, production, and services in accordance with the principles below, to reduce the impact of the Company's operations on the natural environment:</p> <ol style="list-style-type: none"> <li>1. Reduce resource and energy consumption of products and services.</li> <li>2. Reduce the discharge and emissions of pollutants, toxic substances, and waste and properly dispose of waste.</li> <li>3. Improve the recyclability and reuse of raw materials or products.</li> <li>4. Maximize sustainable use of renewable resources.</li> <li>5. Extend the durability of products.</li> <li>6. Increase the effectiveness of products and services.</li> </ol>	<p>The Company is advised to consider the impact of its <u>operations</u> on ecological benefits, <u>raise awareness</u> of the concept of sustainable consumption, and engage in R&amp;D, <u>procurement</u>, production, <u>operations</u>, and services in accordance with the principles below, to reduce the impact of the Company's operations on the natural environment and <u>human beings</u>: (The rest is omitted)</p>	<p>The text is amended.</p>
Article 17	<p>Paragraph 1 is omitted.</p> <p>The Company shall avoid polluting water, air, and land during its operations. If it is unavoidable, it shall take into account cost-effectiveness and technical and financial feasibility and try its best to reduce the adverse impact on human health and the environment, while adopting the best feasible measures for pollution prevention</p>	<p>Paragraph 1 is omitted.</p> <p><u>The Company shall construct and improve environmental protection treatment facilities</u> to avoid polluting water, air, <u>and</u> land and try its best to reduce the adverse impact on human health and the environment, while adopting the best feasible measures for pollution prevention and control technology.</p>	<p>The text is amended.</p>

<p>Article 18</p>	<p>and control technology.</p> <p>The Company shall pay attention to the impact of climate change on operating activities, formulate the Company's energy conservation and carbon reduction and greenhouse gas reduction strategies based on the operating conditions and the results of the greenhouse gas inventory, and include the acquisition of carbon credits in the Company's carbon reduction strategy plan to reduce the impact of its operations on the natural environment.</p>	<p>The Company is <u>advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt relevant countermeasures.</u></p> <p><u>The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to conduct corporate greenhouse gas inventory and make disclosures thereof, the scope of which shall include the following:</u></p> <ol style="list-style-type: none"> <li><u>1. Direct greenhouse gas emissions: Emissions from operations that are owned or controlled by the Company.</u></li> <li><u>2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.</u></li> <li><u>3. Other indirect emissions: Emissions from the Company's activities that are not indirect energy emissions but originate from sources owned or controlled by other companies.</u></li> </ol> <p><u>The Company is advised to compile statistics on greenhouse gas emissions, volume of water consumption, and total weight of waste and establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption, or management of other waste.</u> The Company's carbon reduction strategies shall include the obtaining of carbon credits and be implemented accordingly to minimize the impact of its business <u>operations on climate change.</u></p>	<p>Amendment is made in accordance with laws.</p>
<p>Article 19</p>	<p>The Company shall comply with relevant labor laws and regulations, protect employees' legitimate rights and interests, and respect the internationally recognized principles of basic labor rights, while shall not undermine workers' basic rights.</p> <p>The Company, in its human resources policy, shall respect the basic principles of labor and human rights protection, and establish appropriate management measures and procedures.</p>	<p>The Company shall comply with relevant laws and regulations <u>and the International Bill of Human Rights, with respect to rights, such as gender equality, the right to work, and prohibition of discrimination.</u></p> <p><u>The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:</u></p> <ol style="list-style-type: none"> <li><u>1. Putting forth a corporate policy or statement on human rights.</u></li> <li><u>2. Evaluating the impact of the Company's business operations and internal management on human rights and adopting corresponding handling procedures.</u></li> <li><u>3. Reviewing the effectiveness of the</u></li> </ol>	<p>Amendment is made in accordance with laws.</p>

		<p><u>corporate policy or statement on human rights on a regular basis.</u></p> <p><u>4. Disclosing the processes for handling of the matter with respect to the stakeholders involved in the event of any infringement of human rights..</u></p> <p><u>The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting child labor, eliminating all forms of forced labor, and eliminating recruitment and employment discrimination, and shall ensure that its human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.</u></p> <p><u>The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The Company shall respond to any employee's grievance in an appropriate manner.</u></p>	
Article 22	<p>Paragraph 1 is omitted.</p> <p>The Company is advised to create a positive environment for employees' career development and establish an effective career ability development training program.</p>	<p>Paragraph 1 is omitted.</p> <p><u>The Company shall establish and implement reasonable employee benefit measures (including remuneration, leave, and other benefits) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources and achieve the objective of sustainable development.</u></p>	Amendment is made in accordance with laws.
Article 23	<p>Paragraph 1 is omitted.</p> <p>The Company shall establish a channel to communicate with employees on a regular basis, so that they will have the right to access information and express opinions on the Company's business management activities and decisions.</p>	<p>Paragraph 1 is omitted.</p> <p><u>The Company shall respect the employee representatives' rights to bargain for the working conditions and provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees, and employee representatives.</u></p>	Amendment is made in accordance with laws.

		<p><u>The Company shall, by reasonable means, inform employees of operational changes that might have material impacts.</u></p> <p><u>The Company is advised to treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, suitability of products or services, notification and disclosure, balance between compensation and performance, protection of the right to complain, and professionalism of salespersons. The Company shall also develop the relevant strategies and specific measures for implementation.</u></p>	
Article 24	<p>The Company is advised to be responsible for its products and uphold marketing ethics, formulate and disclose its consumer rights policy, and implement the consumer rights policy.</p>	<p>The Company <u>shall</u> take responsibility for their products and <u>services</u> and <u>take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the Company shall ensure the transparency and safety of its products and services.</u> It shall further establish and disclose policies on consumer rights and interests and enforce them in the course of <u>business operations, to prevent the products or services from adversely impacting consumers' rights, interests, health, or safety.</u></p>	<p>Amendment is made in accordance with laws.</p>
Article 25	<p>Paragraph 1 is omitted.</p> <p>The Company shall ensure the quality of its products and services in accordance with government regulations and regulations in the industry.</p> <p>The Company's marketing and advertising of products or services shall be in compliance with government regulations and relevant international standards, and it shall not deceive, mislead, commit fraud, or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.</p>	<p>Paragraph 1 is omitted.</p> <p>The Company shall follow relevant laws, regulations, and international guidelines with regard to <u>customer health and safety and customer privacy involved in, and marketing and labeling</u> of, its products <u>and</u> services and shall not deceive, mislead, commit fraud, or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.</p>	<p>The text is amended.</p>
Article 26	<p>The Company is advised to evaluate the environmental and social impact of its procurement on the community where the source of procurement is located and work with its suppliers to jointly improve</p>	<p>Paragraph 1 is omitted.</p> <p><u>The Company is advised to establish supplier management policies and request suppliers to comply with rules governing issues, such as environmental protection, occupational safety</u></p>	<p>Amendment is made in accordance with laws.</p>



	corporate social responsibility.	<u>and health, or labor rights. Prior to engaging in business dealings, the Company is advised to assess whether there is any record of a supplier's impact on the environment and society and avoid conducting transactions with those against the corporate social responsibility policy.</u> <u>When the Company enters into a contract with any of their major suppliers, the content shall include terms stipulating mutual compliance with the corporate social responsibility policy and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community which the source of supply is from.</u>	
Article 27	The Company is advised to evaluate and manage the impact of the Company's operations on the community and employ appropriate manpower to enhance the community's recognition of the Company. The Company may participate in the activities held by civic organizations, charities, and local government agencies related to community development and community education through commercial activities, in-kind donations, corporate volunteer services, or other free professional services to facilitate community development.	The Company <u>shall</u> evaluate the impact of its business operations on the community and <u>adequately employ personnel from the location of the business operations, to</u> enhance the community's recognition of the Company. The Company <u>is advised to, through equity investment, business activities, endowments, volunteering service, or other charitable professional services, etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in</u> events held by citizen organizations, charities, or local government agencies relating to community development and community education to promote community development.	Amendment is made in accordance with laws.
Article 27-1	added	<u>The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.</u> <u>The Company is advised to provide a transparent and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act, to respect consumers' rights of privacy and shall protect personal data provided by consumers.</u>	Amendment is made in accordance with laws.
Article 28	The Company shall disclose information in accordance with relevant laws and regulations and the Corporate Governance Best Practice Principles and fully disclose	The Company shall disclose information in accordance with relevant laws and regulations and the Corporate Governance Best Practice Principles and fully disclose	Amendment is made in accordance with laws.

	<p>relevant and reliable corporate social responsibility information to enhance information transparency.</p> <p>The Company discloses the relevant corporate social responsibility information as follows:</p> <ol style="list-style-type: none"> <li>1. The corporate social responsibility governance mechanism, strategy, and policy, as well as management policy approved by the board of directors.</li> <li>2. Risks and impacts arising from the implementation of corporate governance, development of a sustainable environment, and maintenance of public welfare on the Company's operations and financial position.</li> <li>3. The Company's targets and measures for corporate social</li> </ol>	<p>relevant and reliable sustainable development information to enhance information transparency.</p> <p>The Company discloses the relevant sustainable development information as follows:</p> <ol style="list-style-type: none"> <li>1. <u>The policy, systems, or relevant management guidelines and specific promotion plans for sustainable initiatives</u>, as resolved by the board of directors.</li> <li>2. Risks and impacts arising from the implementation of corporate governance, development of a sustainable environment, and maintenance of public welfare on the Company's operations and financial position.</li> <li>3. <u>Goals</u> and measures for realizing the <u>sustainable environment</u> initiatives established by the Company and <u>performance in implementation</u>.</li> <li>4. <u>Main stakeholders and their issues of concerns</u>.</li> <li>5. <u>Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues</u>.</li> <li>6. <u>Other information relating to sustainable environment initiatives</u>.</li> </ol>	
Article 29	<p>The Company is advised to prepare a corporate social responsibility report to disclose the fulfilling of corporate social responsibility, with the content advised to include the following:</p> <ol style="list-style-type: none"> <li>1. The system and framework, policy, and action plans for the implementation of corporate social responsibility.</li> <li>2. Main stakeholders and their issues of concerns.</li> <li>3. The Company's performance and review of the implementation of corporate governance, the development of a sustainable environment, and the maintenance of public welfare.</li> <li>4. Direction of future improvement and goals.</li> </ol>	<p>The Company shall <u>adopt internationally widely recognized standards or guidelines when producing sustainability reports</u>, to disclose the status of its implementation of the <u>sustainable development</u> policy. <u>It also is advisable to obtain a third-party assurance or verification for the reports to enhance the reliability of the information in the reports</u>.</p> <p>Such reports are advised to include:</p> <ol style="list-style-type: none"> <li>1. The policy, system, <u>or relevant management guidelines and specific plans for implementing sustainable development initiatives</u>.</li> <li>2. Main stakeholders and their issues of concerns.</li> <li>3. Performance and a review of the implementation corporate governance, the development of a sustainable environment, maintenance of public welfare, <u>and promotion of economic development</u>.</li> <li>4. Direction of future improvement and goals.</li> </ol>	The text is amended.
Article 30	The Company shall at all times monitor the development of domestic and foreign	The Company shall at all times monitor the development of domestic and <u>foreign</u>	The text is amended.

	<p>corporate social responsibility standards and the change of business environment so as to examine and improve its established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.</p>	<p><u>sustainable development standards</u> and the change of business environment so as to examine <u>and</u> improve its established sustainable development framework and obtain better results from <u>the implementation of the sustainable development policy</u>.</p>	
Article 31	<p>These Principles and any amendments thereto shall be implemented after being approved by the board of directors. These Principles were formulated in May, 2011.</p>	<p>Paragraph 1 is omitted. These Principles were established in May 2011. <u>The 1st amendment was made on February 17, 2022.</u></p>	<p>The amendment date is added.</p>

## Comparison Table for Articles of Incorporation

Article	Before amendment	After amendment	Remark
Article 8	<p>There are annual general meeting of shareholders and extraordinary shareholders' meetings. The annual general meeting of shareholders shall be convened once a year within six months after the end of each fiscal year. Extraordinary shareholders' meetings may be convened at any time as needed. The Company shall send a meeting notice, specifying the reason for convening such a meeting, to each shareholder at least 30 days before an annual general meeting of shareholders and at least 15 days before an extraordinary shareholders' meeting.</p>	<p>There are annual general meeting of shareholders and extraordinary shareholders' meetings. The annual general meeting of shareholders shall be convened once a year within six months after the end of each fiscal year. Extraordinary shareholders' meetings may be convened at any time as needed. The Company shall send a meeting notice, specifying the reason for convening such a meeting, to each shareholder at least 30 days before an annual general meeting of shareholders and at least 15 days before an extraordinary shareholders' meeting.</p> <p><u>The Company may convene shareholders' meeting by video conference or in other methods as announced by the central competent authority. When a shareholders' meeting is convened by video conference, shareholders who participate in the meeting by video conference are deemed to be present in person.</u></p> <p><u>The operating procedures and other matters to be complied with in the preceding paragraph shall be handled in accordance with the Company Act and the relevant regulations of the competent securities authority.</u></p>	Amendment is made as per law and actual operations.
Article 25	<p>The Company shall set aside no less than 2% of the annual profits for remuneration to employees. The remuneration is distributed in the form of stock or cash by resolution of the board of directors, to employees of the Company who meet certain criteria. Its specific method is authorized to the board of directors for determination. The Company may set aside no more than 1% of the profits stated above as remuneration to directors by resolution of the board of directors. Remuneration distribution of employees and directors shall be proposed at the shareholders' meeting.</p> <p>Profits must first be set aside to make up for losses, if any, before the remainder can be distributed as employee/director</p>	<p><u>The Company's earnings distribution or deficit compensation may be conducted after the end of each fiscal half year. If there is a surplus after account settlement at the end of each fiscal half year, the Company shall estimate and reserve an amount for paying applicable taxes and covering loss carried forward, followed by the allocation of 10% of the remainder as legal reserve, unless the legal reserve has reached the Company's paid-in capital amount; then, the Company shall set aside an amount for or reversing a special reserve in accordance with laws and regulations and the regulations of the competent authority. Any remaining profit, together with any undistributed retained earnings, shall be adopted by the</u></p>	Amendment is made as per actual operations.

	<p>remuneration in the above percentages. If remuneration to employees is paid through issuing new shares, the number of employee stock remuneration is converted in accordance with the current regulations. The so-called “profit” is income before tax less remuneration to employees and directors, which is distributed in a lump sum.</p>	<p><u>Company’s Board of Directors as the basis for making an earnings distribution proposal, which shall then be resolved as per law before distribution.</u></p> <p><u>When all or part of the dividends and bonuses to be distributed is distributed by issuing new shares, a resolution shall be adopted by the shareholders' meeting.</u></p> <p><u>When the distribution is made in cash, a resolution shall be adopted by more than half of the directors present at a board meeting attended by more than two-thirds of all directors and then reported to the shareholders’ meeting.</u></p> <p><u>The Company shall distribute dividends and bonuses at a percentage not higher than 80% of the distributable earnings during the distribution period, and the percentage of cash dividends to be distributed shall not be lower than 10% of the total distributable dividends during the distribution period. However, if the distributable earnings are less than 50% of the paid-in capital, cash dividends may not be distributed.</u></p> <p><u>Before the Company distributes the earnings, it shall set aside no more than 1% of the balance for the distribution period as directors' remuneration and no less than 2% as employee remuneration; however, if the Company still has a cumulative deficit, it shall reserve an amount in advance to compensate the deficit.</u></p> <p><u>The distribution of the remuneration to employees and directors shall be carried out after a resolution is adopted by more than half of the directors present at a board meeting attended by more than two-thirds of all directors and reported to the shareholders' meeting.</u></p> <p><u>Employee remuneration may be distributed in the form of stock or cash, and the recipients may include employees of the controlling company or subsidiaries who met certain criteria. The specific measures shall be determined by the board of directors as authorized.</u></p>	
Article 25-1	(The content of Article 25-1 is integrated into Article, so it is deleted.)	(This article is newly added.) <u>When the Company suffers no loss, it may</u>	This article is added as per actual operations.

		<p><u>allocate all or part of the legal reserve, which exceeds 25% of the paid-in capital in compliance with Article 241 of the Company Act, to issue new shares or pay out cash in proportion to the shareholders' shareholdings. In the case of issuing new shares, a resolution shall be adopted by the shareholders' meeting; in the case of payout of cash, a resolution shall be adopted by more than half of the directors present at a board meeting attended by more than two-thirds of all directors and reported to the shareholders' meeting.</u></p>	
Article 28	<p>The Articles of Incorporation was formulated on May 9, 2005. The 1st amendment was made on October 17, 2005. ... The 17th amendment was made on June 28, 2019. The 18th amendment was made on April 30, 2021.</p>	<p>The Articles of Incorporation was formulated <u>on May 9, 2005</u>. The <u>1st</u> amendment was made on <u>October 17, 2005</u>. ... The <u>18th</u> amendment was made on <u>April 30, 2021</u>. The <u>19th</u> amendment was made on <u>June 27, 2022</u>.</p>	<p>The text is amended and the ordinal number of the new amendment and the new amendment date are added.</p>

## Comparison Table for Procedures for Acquisition or Disposal of Assets

Provision	Before Amendment	Amendment	Description
Article 6, paragraph 2, subparagraph 2	<p>The above is omitted.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 12, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee and recognized by the Board of Directors need not be counted toward the transaction amount.</p>	<p>The above is omitted.</p> <p>In the event of acquisition or disposal of equipment, right-of-use assets thereof held for business use or right-of-use assets of real property, when to be conducted between <u>the Company and its parent or subsidiaries, or between its subsidiaries of which it directly or indirectly holds 100% of their outstanding shares or total capital, the Company's board of directors may delegate the Chairman, as per Article 5, paragraph 2, subparagraph 1, to decide such matters when the transaction is within a certain amount and have the decision subsequently submitted to and ratified by the soonest Board meeting afterwards:</u></p> <p><u>Where the publicly listed company or its subsidiary that is not a domestic publicly listed company engages in a transaction under paragraph 1, and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the information listed in paragraph 1 to the shareholders' meeting for approval before proceeding to enter into a transaction contract or make a payment. However, the transactions between the publicly listed company and its parent or subsidiaries or between its subsidiaries are not subject to this provision</u></p> <p>The transaction amount in <u>paragraph 1 and the preceding paragraph shall be calculated as per the provisions under Article 12, paragraph 2, and the term "within the preceding year" refers to the year preceding the date of the current transaction. The portions have been reported to the shareholders' meeting and the Audit Committee and passed by the board of directors as per the regulations</u> need not be counted toward the transaction amount.</p>	Amended in accordance with laws
Article 7, paragraph 1, subparagraph 3	<p>(3)Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p>	<p>(3)Where any of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to perform an appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p>	Amended in accordance with laws

<p>Article 7, paragraphs 2 and 4</p>	<p>2. The Company acquiring or disposing of securities of the dollar amount reaching 20 percent of the company's paid-in capital or NT\$300 million or more shall engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the FSC.</p> <p>4. Where a public company acquires or disposes of memberships or intangible assets or right-of-use assets, and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a government agency in the country, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	<p>2. The Company acquiring or disposing of securities shall engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price if the amount of the transaction is 20% of the Company's paid-in capital or NT\$300 million or more. This requirement does not apply, however, to publicly quoted prices of securities with an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>4. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or membership cards and the transaction amount reaches 20% or more of its paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a CPA prior to the date of the occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>Amended in accordance with laws</p>
<p>Article 12 paragraph 1, subparagraph 2, item 6,</p>	<p>6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1). Trading of government bonds in the country.</p> <p>(2). Trading of bonds under repurchase/resale agreements, or subscription or buyback of domestic money market funds issued by securities investment trust enterprise.</p> <p>The amount of transactions above shall be calculated as follows:</p> <p>(A)The amount of any individual transaction.</p> <p>(B)The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.</p> <p>(C )The cumulative transaction amount of real property or right-of-use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.</p> <p>(D)The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p>	<p>6. For an asset transaction other than any of those referred to in the preceding five subparagraphs, including a disposal of receivables by a financial institution or an investment in the mainland China area, the amount of the transaction reaches 20% or more of Company's paid-in capital or NT\$300 million or more. However, this shall not apply to the following circumstances:</p> <p>(1) <u>Trading of domestic government bonds or foreign government bonds with a credit rating not lower than our country's sovereign rating.</u></p> <p>(2) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The above transaction amounts are calculated as follows:</p> <p>(A) The amount of any individual transaction.</p> <p>(B) The cumulative transaction amount of acquisitions and disposals of the same type of assets with the same transaction counterparty within the preceding year.</p> <p>(C) The cumulative transaction amounts of respective acquisitions and disposals of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>(D) The cumulative transaction amounts of respective acquisitions and disposals of the same security within the preceding year.</p>	<p>Amended in accordance with laws</p>



		<p>The term “within the preceding year” refers to the year preceding the date of the current transaction. The portions that have been announced as per the regulations need not be counted toward the transaction amount.</p>	
<p>Article 12 paragraph 2, subparagraph 3, item 4,5, and 6</p>	<p>The amount of transactions above shall be calculated as follows:  (A)The amount of any individual transaction.  (B)The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.  (C )The cumulative transaction amount of real property or right-of-use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.  (D)The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.  "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.  7. Where any of the following circumstances occurs with respect to a transaction that public announcement and report are made in accordance with this Article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days commencing immediately from the date of occurrence of the event:  (1) Change, termination, or rescission of a contract signed in regard to the original transaction.  (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.  (3) Change to the originally publicly announced and reported information.  3. Obligation for public announcement and report on behalf of subsidiary  1. Information required to be publicly announced and reported in accordance with the provisions these regulations by a subsidiary is not itself a public company in Taiwan shall be reported by the Company.  2. The paid-in capital or total assets of the public company shall be the standard for determining whether or not a subsidiary referred to in the preceding paragraph is subject to Item 5 of Subparagraph 2 of Paragraph 2 of this Article requiring a public announcement and regulatory filing in the event the type of transaction specified therein reaches 20 percent of paid-in capital or 10 percent of the total assets.  4. When the Company at the time of public</p>	<p>The above transaction amounts are calculated as follows:  1. The amount of any individual transaction.  2. The cumulative transaction amount of acquisitions and disposals of the same type of assets with the same transaction counterparty within the preceding year.  3. The cumulative transaction amounts of respective acquisitions and disposals of real property or right-of-use assets thereof within the same development project within the preceding year.  4. The cumulative transaction amounts of respective acquisitions and disposals of the same security within the preceding year.  The term “within the preceding year” refers to the year preceding the date of the current transaction. The portions that have been announced as per the regulations need not be counted toward the transaction amount  Where any of the following circumstances occurs with respect to a transaction that the Company has announced and declared as per this article, an announcement of relevant information shall be made on the website designated by the FSC within two days counting inclusively from the date of occurrence:  1. Change, termination, or rescission of a contract signed in regard to the original transaction.  2. The merger, demerger, acquisition, or transfer of shares not completed by the scheduled date set forth in the contract.  3. Change to the originally publicly announced and reported information.  Obligations to make announcements and declarations on behalf of subsidiaries  A. Subsidiaries that are not domestic publicly listed issuers, and the matters that shall be announced and declared according to this Procedure shall be handled by the Company.  B. The amount of paid-in capital or total assets in the public announcement and declaration standards applicable to subsidiaries shall be subject to the Company’s amount of paid-in capital or total assets in paragraph 1.  When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again announced and declared in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p>	<p>Amended in accordance with laws</p>

	announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within 2 days from the date when such matter is known.		
Article 16	These handling procedures was established in May 2008. The 1st amendment was made in August 2009. The 2nd amendment was made in August 2010. The 3rd amendment was made in August 2011. The 4th amendment was made in June 2012. The 5th amendment was made in June 2013. The 6th amendment was made in June 2014. The 7th amendment was made in June 2017. The 8th amendment was made in April 2021.	These handling procedures was established in May 2008. The 1st amendment was made in August 2009. The 2nd amendment was made in August 2010. The 3rd amendment was made in August 2011. The 4th amendment was made in June 2012. The 5th amendment was made in June 2013. The 6th amendment was made in June 2014. The 7th amendment was made in June 2017. The 8th amendment was made in April 2021. <u>The 9th amendment was made in June 2022.</u>	The amendment date is added.