

CHENG MEI MATERIALS TECHNOLOGY CORPORATION

2022 Annual General Meeting Meeting Agenda

Time: 9:00 a.m. Monday, June 27, 2022

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

For the convenience of readers and for information purpose only, the Annual General Meeting Agenda (Summary) 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.

Table of Contents

Item

Meeting Procedures
Meeting Agenda
Report Items
Ratification Items
Discussion Items
Election Items
Other Items
Extemporaneous Motions
Meeting Adjourned

Attachment

1. 2021 business report (Attachment 1)
2. 2021 Audit Committee's Review Report (Attachment 2)
3. Comparison Table for Ethical Corporate Management Best Practice Principles (Attachment 3)
4. Comparison Table for Procedures for Ethical Management and Guidelines for Conduct (Attachment 4)
5. Comparison Table for Sustainable Development Best Practice Principles (Attachment 5)
6. Independent Auditors' Report and 2021 Parent Company Consolidated Financial Statements (Please refer to www.cmmt.com.tw)
7. Comparison Table for Articles of Incorporation (Attachment 6)
8. Comparison Table for Procedures for Acquisition or Disposal of Assets (Attachment 7)

Appendix

1. Articles of Incorporation (before amendment)
2. Procedures for Acquisition or Disposal of Assets (before amendment)
3. Rules and Procedures of Shareholders' Meeting
4. Electoral Method for Director
5. Shareholdings of All Directors
6. Other Explanation Information

Cheng Mei Materials Technology Corp.
2022 Annual General Meeting Procedures

1. Commencement
2. Chairman's Remark
3. Report Items
4. Ratification Items
5. Discussion Items
6. Election items
7. Other items
8. Extemporaneous Motions
9. Meeting Adjourned

CHENG MEI MATERIALS TECHNOLOGY CORP.

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Time: 9:00 a.m. Monday, June 27, 2022

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1. The Chairman Calls the Meeting to order
2. Chairman's Remark
3. Report Items
 - (1) 2021 business report
 - (2) 2021 Audit Committee's Review Report
 - (3) Status report of Endorsement & Guarantee
 - (4) Ethical Corporate Management Best Practice Principles amendment
 - (5) Procedures for Ethical Management and Guidelines for Conduct amendment
 - (6) Sustainable Development Best Practice Principles amendment
 - (7) 2021 distributable compensation for employees and directors
4. Ratification Items
 - (1) 2021 Business Report & Financial Statements Report
 - (2) 2021 Earnings Distribution
5. Discussion Items
 - (1) Discussion on cash distribution from capital reserve
 - (2) To amend the Company's Articles of Incorporation
 - (3) To amend Procedures for Acquisition or Disposal of Assets
6. Election items :
 - (1) By-election for one independent director.
7. Other items :
 - (1) Removal of the non-complete clause for directors and institutional director.
8. Extemporaneous Motions
9. Meeting Adjourned

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.

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)

3. Please Recognize and Ratify

Resolution :

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 :

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 :

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 :

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 :

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
Independent Director	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
Independent Director	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:

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	(1) 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 :

Extemporary Motions

Meeting Adjourned

【 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,	<p>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.</p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>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>.</p>	The text is amended.
Article 7,	<p>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.</p> <p>The Company's prevention programs shall at least include preventive measures against the following:</p> <ol style="list-style-type: none"> 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. 	<p>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>.</p> <p>The Company's prevention programs shall at least include preventive measures against the following:</p> <ol style="list-style-type: none"> 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. 5. <u>Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.</u> 6. <u>Engaging in unfair competitive practices.</u> 7. <u>Damage directly or indirectly caused to the</u> 	Amendment is made in accordance with laws.

		<u>rights or interests, health, or safety of 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</u>	Amendment is made in accordance with laws.

		to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.	
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"> <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> <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> <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> <u>4. Promoting and coordinating awareness-raising and educational activities with respect to ethics policy.</u> 5. Developing a whistle-blowing system and ensuring its operating effectiveness. 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. 	Amendment is made in accordance with laws.
Article 16 (Directors, Supervisors, and Managers' Recusal Due to Conflicts of Interest)	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.	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 to</u>	Amendment is made in accordance with laws.

	<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.</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>voluntarily explain whether their interests would potentially conflict with those of the Company.</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</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>	Amendment is made in accordance with laws.

	<p>the reported cases. The Company shall stipulate 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.</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> <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> <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> <u>4. Documentation and retention of case acceptance, investigation processes, investigation results, and relevant documents.</u> <u>5. Confidentiality of the identity of whistle-blowers and the content of reported cases, with anonymous reporting allowed.</u> <u>6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</u> <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.</u> 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.</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. <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</u></p>	<p>Amendment is made in accordance with laws and the amendment date is moved to Article 24.</p>

		<u>opinion shall be specified in the minutes of the board of directors meeting.</u>	
Article 24	new	<u>These Principles were established on April 26, 2011. The 1st amendment was made on February 17, 2022.</u>	The amendment date is added.

Comparison Table for Procedures for Ethical Management and Guidelines for Conduct

Provision	Before Amendment	After Amendment	Description
Header	<p>奇美材料科技股份有限公司 CHI MEI MATERIALS TECHNOLOGY CORP.</p>	<p>CMMT 誠美材料科技股份有限公司 CHENG MEI MATERIALS TECHNOLOGY CORP.</p>	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"> <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> <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> <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> <u>4. Promoting and coordinating awareness-raising and educational activities with respect to ethics policy.</u> <u>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</u> <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> 	Amendment is made in accordance with laws.

		<u>7. Preparing and retaining properly documented information, such as ethical management policy and compliance statements, and situations concerning the performance of commitments and implementation.</u>	
<p>Article 6,</p>	<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"> 1. It is in compliance with the laws and regulations at the place of operation. 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. 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. 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. 5. Attendance at folk festivals that are open to and invite the attendance of the general public. 6. Rewards, emergency assistance, condolence payments, or honoraria from the management. 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. 8. Other conduct that is in compliance with the Company’s rules. 	<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"> 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. 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. 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. 4. Attendance at folk festivals that are open to and invite the attendance of the general public. 5. Rewards, emergency assistance, condolence payments, or honoraria from the management. 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> 	<p>Amendment is made in accordance with laws.</p>

		<p>7. <u>Property with a market value of NT\$6,000 or less received due to engagement, marriage, maternity, 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></p> <p>8. Other conduct that is in compliance with the Company's rules.</p>	
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. 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	<p><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></p> <p><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></p>	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"> 1. It shall be in compliance with the laws and regulations at the place of operation. 2. A written record of the decisions 	<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>	Amendment is made in accordance with laws.

	<p>made shall be kept and approved by the Human Resources Committee.</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>	<ol style="list-style-type: none"> 1. It shall be in compliance with the laws and regulations at the place of operation. 2. A written record of the decision making process shall be kept. 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. 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. 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>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, 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> <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</p>	<p>Amendment is made in accordance with laws.</p>

		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	
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 procedures for managing, preserving, and maintaining the confidentiality of the Company's trade secrets, trademarks, patents, works, and other intellectual properties, and it shall 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.

<p>Article 21</p>	<p>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 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>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 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"> 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> 2. <u>The name of party reported on or other information sufficient to identify the party's features.</u> 3. <u>Specific facts available for investigation.</u> <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"> 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> 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> 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</u> 	<p>Amendment is made in accordance with laws.</p>
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		<p><u>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></p> <p>4. <u>Documentation of case acceptance, investigation processes, and investigation results shall be retained for five years and may be retained electronically. In the event of a lawsuit in respect of the whistleblowing case before the end of the retention period, the relevant information shall continue to be retained until the conclusion of the litigation.</u></p> <p>5. <u>With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and putting forth improvement measures to prevent recurrence.</u></p> <p>6. <u>The Company's designated unit shall submit to the board of directors a report on the whistleblowing case, actions taken, and subsequent reviews, and improvement measures.</u></p>	
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</u></p>	Amendment is made in accordance with laws and the amendment date is moved to Article 25.

		<p><u>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>	
Article 25	New	<p><u>These Procedures and Guidelines were established on November 11, 2015. The 1st amendment was made on February 17, 2022.</u></p>	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.

	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.	<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>	
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"> 1. Making corporate social responsibility the guiding principle of the Company's operations and development; 2. Putting forth the Company's corporate social responsibility mission (or vision or values) and formulating its corporate social responsibility policy statement; and 3. Ensuring the disclosure of corporate social responsibility information. 	<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 <u>is advised to 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"> 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> 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> 3. Ensuring <u>the timeliness and accuracy of the disclosure of sustainable development information.</u> <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	For the purpose of managing <u>sustainable</u>	Amendment is

	social responsibility initiatives, the 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>development initiatives and governance 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>	made in 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	The Company is advised to establish proper environment management systems based on	The text is amended.

	<p>system according to its industrial characteristics. The Company's environmental management system shall include the items below:</p> <ol style="list-style-type: none"> 1. Collect and evaluate sufficient and timely information on the impact of operating activities on the natural environment. 2. Establish measurable goals and regularly review the continuity and relevance of these goals. 	<p>the characteristics of its industry. Such systems shall include the following tasks:</p> <ol style="list-style-type: none"> 1. Collect and evaluate sufficient and timely information on the impact of operating activities on the natural environment. 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. 3. <u>Adopt enforcement measures, such as specific plans or action plans, and examine the results of their operation</u> on a regular basis. 	
Article 15	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.	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.	The text is amended.
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&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"> 1. Reduce resource and energy consumption of products and services. 2. Reduce the discharge and emissions of pollutants, toxic substances, and waste and properly dispose of waste. 3. Improve the recyclability and reuse of raw materials or products. 4. Maximize sustainable use of renewable resources. 5. Extend the durability of products. 6. Increase the effectiveness of products and services. 	<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&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>	The text is amended.
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</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, and <u>land</u> and try its best to reduce the adverse impact on human health and the environment, while adopting the best feasible measures for</p>	The text is amended.

	environment, while adopting the best feasible measures for pollution prevention and control technology.	pollution prevention and control technology.	
Article 18	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>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"> <u>1. Direct greenhouse gas emissions: Emissions from operations that are owned or controlled by the Company.</u> <u>2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.</u> <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> <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>	Amendment is made in accordance with laws.
Article 19	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. 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>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"> <u>1. Putting forth a corporate policy or statement on human rights.</u> <u>2. Evaluating the impact of the Company's business operations and internal management</u> 	Amendment is made in accordance with laws.

		<p><u>on human rights and adopting corresponding handling procedures.</u></p> <p><u>3. Reviewing the effectiveness of the 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</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</u></p>	Amendment is made in accordance with laws.

	<p>access information and express opinions on the Company's business management activities and decisions.</p>	<p><u>hardware equipment, in order to improve the negotiation and cooperation among employers, employees, and employee representatives.</u></p> <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	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 corporate social responsibility.	<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 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></p> <p><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></p>	Amendment is made in accordance with laws.
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.	<p>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.</p> <p>The Company <u>is advised to</u>, through equity investment, business activities, endowments, volunteering service, or other <u>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.</p>	Amendment is made in accordance with laws.
Article 27-1	added	<p><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></p> <p><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</u></p>	Amendment is made in accordance with laws.

		<u>respect consumers' rights of privacy and shall protect personal data provided by consumers.</u>	
Article 28	<p>The Company shall disclose information in accordance with relevant laws and regulations and the Corporate Governance Best Practice Principles and fully disclose 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"> 1. The corporate social responsibility governance mechanism, strategy, and policy, as well as management policy approved by the board of directors. 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. 3. The Company's targets and measures for corporate social 	<p>The Company shall disclose information in accordance with relevant laws and regulations and the Corporate Governance Best Practice Principles and fully disclose 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"> 1. <u>The policy, systems, or relevant management guidelines and specific promotion plans for sustainable initiatives</u>, as resolved by the board of directors. 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. 3. <u>Goals and measures for realizing the sustainable environment initiatives established by the Company and performance in implementation.</u> 4. <u>Main stakeholders and their issues of concerns.</u> 5. <u>Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.</u> 6. <u>Other information relating to sustainable environment initiatives.</u> 	Amendment is made in accordance with laws.
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"> 1. The system and framework, policy, and action plans for the implementation of corporate social responsibility. 2. Main stakeholders and their issues of concerns. 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. 4. Direction of future improvement and 	<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 policy</u>. <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"> 1. The policy, system, <u>or relevant management guidelines and specific plans for implementing sustainable development initiatives.</u> 2. Main stakeholders and their issues of concerns. 3. Performance and a review of the 	The text is amended.

	goals.	implementation corporate governance, the development of a sustainable environment, maintenance of public welfare, <u>and promotion of economic development.</u> 4. Direction of future improvement and goals.	
Article 30	The Company shall at all times monitor the development of domestic and foreign 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.	The Company shall at all times monitor the development of domestic and <u>foreign 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>	The text is amended.
Article 31	These Principles and any amendments thereto shall be implemented after being approved by the board of directors. These Principles were formulated in May, 2011.	Paragraph 1 is omitted. These Principles were established in May 2011. <u>The 1st amendment was made on February 17, 2022.</u>	The amendment date is added.

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.</p> <p>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.</u></p> <p><u>Any remaining profit, together with any undistributed retained earnings, shall be</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>adopted by the 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> <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. 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> <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.</u> <u>However, if the distributable earnings are less than 50% of the paid-in capital, cash dividends may not be distributed.</u> <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> <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> <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) Trading of domestic government bonds <u>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. The term “within the preceding year” refers to the year preceding the date of the current</p>	<p>Amended in accordance with laws</p>

		transaction. The portions that have been announced as per the regulations need not be counted toward the transaction amount.	
Article 12 paragraph 2, subparagraph 3, item 4,5, and 6	<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>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:</p> <p>(1) Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>(2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>(3) Change to the originally publicly announced and reported information.</p> <p>3. Obligation for public announcement and report on behalf of subsidiary</p> <p>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.</p> <p>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.</p> <p>4. 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</p>	<p>The above transaction amounts are calculated as follows:</p> <ol style="list-style-type: none"> 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. <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>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:</p> <ol style="list-style-type: none"> 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. <p>Obligations to make announcements and declarations on behalf of subsidiaries</p> <p>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.</p> <p>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>	Amended in accordance with laws

	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.

**ARTICLES OF INCORPORATION
OF
CHENG MEI MATERIALS TECHNOLOGY CORP.**

(English translation, for reference only)

SECTION I GENERAL PROVISIONS

Article 1 The Company shall be incorporated as a company limited by shares under the Company Act and its name shall be “Cheng Mei Materials Technology Corp.”

Article 2 The scope of business of the Company shall be as follow:

1. CC01080 Electronic Parts and Components Manufacturing
2. CE01030 Photographic and Optical Equipment Manufacturing
3. C801990 Other Chemical Materials Manufacturing
4. F113030 Wholesale of Precision Instruments
5. F119010 Wholesale of Electronic Materials
6. F219010 Retail Sale of Electronic Materials
7. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 The total amount of the Company’s reinvestment shall not be subject to the restriction of not exceeding 40% of its paid-in capital, and the Company may act as a guarantor.

Article 4 The Company shall have its head-office in Tainan City, Taiwan and, if necessary, may set up branches in and out of this country upon a resolution of its Board of Directors.

SECTION II SHARES

Article 5 The total capital amount of the Company shall be twelve billion New Taiwan Dollars (NT\$12,000,000,000), divided into one thousand two hundred million (1,200,000,000) shares, at a par value of ten New Taiwan Dollars (NT\$10) per share, and may be paid-up in installments. The issuing price per share is authorized to the board of the directors pursuant to the Company Act and Securities Laws.

Within the amount of registered capital, the company reserves 360,000,000 shares for the purpose of issuing certificate of stock option for employees and convertible bond.

Article 6 The share certificate of the Company shall all be name-bearing share certificates and shall be affixed with the seals or by signature of representing director of the Company, and issued after being duly authenticated by a regulated underwriter pursuant to the law.

Article 6-1 When issuing new shares, the Company may print a master share certificate representing the total number of shares of such issuance.

The Company may issue shares without printing share certificate(s) in accordance with the Company Act, but shall have the shares registered with the Taiwan Depository & Clearing Corporation.

Article 7 The shareholder services of the Company shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by competent authority.

SECTION III SHAREHOLDERS' MEETING

Article 8 Shareholders' meeting shall be of two types, namely general and extraordinary shareholders' meeting.

Annual General Meeting of the Company shall be summoned once in a year within the six month after the end of the fiscal year. Extraordinary General Meeting can be summoned if necessary. An annual General Meeting of the Company shall be announced 30 days prior to such a meeting is convened. An Extraordinary General Meeting can be announced with proper reasons 15 days prior to such a meeting is convened.

Article 9 Shareholders' meeting shall be convened by the Board of Directors and, be presided over by the Chairman of the Board of Directors; in case the Chairman of the Board of Directors is unable to perform his functions, the Chairman of the Board of Directors shall designate a director to act as the chairman; if no such designation, the directors shall elect one from among themselves.

For the Shareholders' meeting convened by any other person having the convening right, such person shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

Article 10 Unless otherwise provided under Article 179 of the Company Act which sets forth the situation where the shareholder has no voting rights, a shareholder of the Company shall have one vote for each share held by him/her/it.

Article 11 In case a shareholder is unable to attend a shareholders' meeting in person, such shareholder may issue proxy in the form printed by the Company, setting forth the scope of authorization for the representative to be present on his/her/its behalf in accordance with Article 177 of the Company Act, or vote in writing or via an electronic voting system in accordance with Article 177-1 of the Company Act.

Article 12 Unless otherwise provided in the Company Act, a resolution shall be made at the meeting attended by shareholders holding and representing majority of the total number of issued and outstanding shares and at which meeting a majority of the shareholders shall vote in favor of the resolution.

Article 13 In case the corporate shareholder is the sole shareholder of the Company, the power of the Shareholders' meeting shall be performed by the Board of Directors and shall not subject to the relevant rules of the Shareholders'

meeting under this Articles of Incorporation.

Article 14 The resolutions of the shareholders' meeting shall be recorded in the minutes, and shall be made in accordance with Article 183 of the Company Act.

Article 14-1 The termination of the Company's being a public company is subject to the shareholders' approval. For so long as the shares are traded on the Emerging Stock Market or listed on the Taipei Exchange or the Taiwan Stock Exchange in Taiwan, this article shall not be amended.

SECTION IV DIRECTORS AND THE AUDIT COMMITTEES

Article 15 The Company shall have five (5) to nine (9) directors to be elected at a shareholders' meeting through candidates nominating system from the nominees listed to serve a term of three years. A director may be re-elected. The number of Directors is determined by the Board of Directors.

Article 15-1 The aforesaid Board of Directors must have at least three (3) or one-fifth (1/5) of all directors, whichever is higher, independent directors in accordance with relevant rules of the Securities and Exchange Act. Directors shall be elected by cumulative voting system as specified in Article 198 of the Company Act. The election of independent directors and non-independent directors shall be held together; provided, however, the number of independent directors and non-independent directors elected shall be calculated separately. Those candidates receiving more voting rights shall be elected as Directors. The methods of nomination and election and other related matters shall be subject to the applicable laws.

The minimum number of total shares to be owned by the directors of the Company shall be in compliance with the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies as promulgated by the Financial Supervisory Commission.

Article 15-2 The Company shall set forth the Audit Committee, which comprises of all the independent directors, in accordance with the Securities and Exchange Act. One of independent directors shall be convener, and at least one of whom shall have accounting or financial expertise. The resolution of the Audit Committee shall be made at the meeting in which a majority of the independent directors shall vote in favor of the resolution. The Audit Committee must comply with regulations in exercising its functions. The Audit Committee's incorporation is decided by the board of directors.

Article 15-3 After the establishment of the Audit Committee, the Audit Committee shall be responsible for performing the power of supervisors as provided in the Company Act, the Securities and Exchange Act, the Articles of Incorporation and the internal rules of the Company and the relevant laws and regulations.

Article 15-4 The Company is allowed to set forth Remuneration Committee or other functional committee if required.

Article 16 I The board of directors shall convene an Annual General Meeting pursuant to

the Company Act in order to elect directors for the next term in the end year of tenure of the board.

Article 16-1 When the number of vacancies in the Board of Directors equals to or exceed one third (1/3) of the total number of directors, the Board of Directors shall hold, within sixty (60) days, an extraordinary shareholders' meeting to elect succeeding directors to fill the vacancies, whose term of office are limited to fulfill the remaining term of the predecessors.

Article 16-2 Regardless whether the Company makes profits or suffers loss, the Company may pay the directors the remunerations for their performance their duties. The Board of Directors is authorized to determine such remunerations based on the extent of involvements of the Company's operation and the value of the contribution of the directors and the normal rate adopted by other companies in the same industry., but shall subject to the top level of salary stipulated in the Company's salary determination rule.

Article 17 The Board of Directors is organized by directors. The Chairman of the Board of Directors shall be elected from among the directors by majority of directors present at a meeting attended by more than two thirds of directors. The Chairman shall externally represent the Company and internally perform all his/her duties in accordance with laws and regulations, the Articles of Incorporation, resolutions adopted at meetings of Shareholders and the Board of Directors. In case the Chairman of the Board of Directors is on leave or unable to perform his duties for cause, unable to exercise his powers for some reasons, a director shall be assigned by the chairman to exercise the chairman's function.

Article 17-1 The meeting of the Board of Directors shall be held at least once every quarter. In convening a meeting of the Board of Directors, a notice indicated the purpose(s) for convening the meeting shall be given to each director no later than 7 days prior to the scheduled meeting date in writing or via e-mail or fax. However, in the case of urgency, the meeting may be convened at any time.

Article 18 Operational policy of the Company and any other material subject matters should be determined by the Board of Directors. Except for the first meeting of the Board of Directors of every new term, which shall be convened pursuant to the Company Act, all other meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors, and shall be presided over by the Chairman of the Board of Directors. In case the Chairman of the Board of Directors is on leave or unable to perform his duties for cause. The Chairman of the Board shall designate a director to act as the chairman; if no such designation, the directors shall elect one from among themselves. Director shall be appointed to act as the host of the boarding meeting by the chairman. If the chairman did not make the appointment, the directors can elect one host by voting.

Article 19 Unless otherwise provided for by the Company Act, a resolution of the Board of Directors shall be adopted by the consent of a majority of the directors present in a meeting attended by the majority of the total directors. Directors

shall attend meetings of the Board of Directors in person. If a director is unavailable to attend a meeting in person, the director may issue a proxy specifying the scope of the authorized powers to authorize another director to attend the meeting on the director's behalf, provided that a director may represent only one other director at a meeting.

Article 20 The resolutions of the meetings of the Board of Directors shall be recorded in the minutes, and such minutes shall be signed by or sealed with the stamp of the chairman of the meeting and delivered to all directors within twenty (20) days after the meeting. The minutes shall record a summary of the essential points of the proceedings, the method of adopting resolutions and the results of the meeting. The minutes, together with the attendance list and proxy, shall be filed and kept at the Company.

Article 21 (Deleted)

Article 21-1 The Company may purchase D&O liability insurance to cover the directors and managers for the liabilities they shall be responsible while performing their duties.

SECTION V MANAGERS

Article 22 The Company may have managers whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.

SECTION VI ACCOUNTING

Article 23 The fiscal year of the Company is from January 1 of each year to December 31 of the same year.

Article 24 After the close of each fiscal year, the Board of Directors shall prepare the following documents submit to the general shareholders' meeting for acceptance: (1) the business report, (2) the financial statement and (3) the surplus earning distribution or loss off-setting proposals.
(The following is omitted)

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, which to be distributed to the qualified employees of the Company or of the subsidiaries of the Company employees in the form of stock or cash. The Board of Directors is hereby authorized to set forth the plan of distribution. The Company may, subject to the resolution adopted by the Board of Director, further allocate no more than 1% of the aforesaid profit as Directors' compensation. The proposals of the employees' compensation and the directors' compensation should be reported on the Shareholders' meeting. Notwithstanding the foregoing, when there are accumulated losses, the profits shall be used to offset accumulated losses first, and then the balance of which may be allocated to employees and directors in accordance with the aforesaid

percentage.

In case the employees' compensation is distributed in the form of shares, the number of such shares shall be calculated based on the current regulations. For the purpose of this article, the profit shall mean the earnings before tax without giving effect to the deduction of the employees' compensation and directors' compensation, and assuming that such employees' compensation shall only be distributed in whole.

Article 25-1

The company may elect to allocate surplus or compensate loss after half of every fiscal year. Surplus shall pay taxes, compensate accrued loss, 10% for surplus reserve in each half-fiscal year. The company may choose not to reserve when the surplus reserve reaches the amount of the contributed capital. The leisure is kept for special surplus reserve pursuant to regulations. The board of directors may resolve to allocate accumulated surplus.

Shareholders meeting shall make resolution when dividend is proposed to be allocated through issuance of new shares.

The board of directors shall resolve if dividends is to be allocated through cash, and reporting to the shareholders meeting.

Dividend that company allocates to shareholders must not less than 20% of surplus that is allowed to be allocated. In addition, the cash dividend must not lower than 10% of assignable dividend. Nevertheless, the Company may not choose to allocate dividend when the assignable dividends are less than 50% of contributed capital.

Article 25-2

The employees referred herein includes the employees of the company's subsidiary when The Company buy back its shares and transferring to its employees, issuing stock option for employees and issuance of new shares. The conditions and methods of allocations are authorized to the board of directors or the designated personnel.

SECTION VII

SUPPLEMENTARY PROVISIONS

Article 26

The internal organization of the Company and the detailed procedures of business operation shall be determined by the Board of Directors.

Article 27

In regard to all matters not provided for in these Articles of Incorporation, the Company Act or other laws and regulations shall govern.

Article 28

These Article of Incorporation were enacted on May 9, 2005 and amended on Oct. 17, 2005 for the first time, on May 30, 2006 for the second time, on Oct. 20, 2006 for the third time, on Sep. 27, 2007 for the fourth time, on Mar. 26, 2008 for the fifth time, on Oct. 16, 2009 for the sixth time, on June 9, 2010 for the seventh time, on Oct. 8, 2010 for the eighth time, on Aug. 10, 2011 for the ninth time, on June 28, 2012 for the tenth time, on June 27, 2013 for the eleventh time, on June 6, 2014 for the twelfth time, on June 9, 2015 for the thirteenth time, on June 20, 2016 for the fourteenth time, on Feb. 8, 2017 for the fifteenth time, on June 22, 2018 for the sixteen time, on June 28, 2019 for the seventeen time, and the 18th amendment was made on April 30 2021.

Appendix 2

Procedures for Acquisition or Disposal of Assets

Article 1 Purpose and legal basis

To regulate the required procedures and required public announcements, application matters of the Company in acquiring or disposing specific assets, the Company establishes these handling procedures according to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.

Article 2 Scope of asset.

The term "assets" as used in these Regulations includes the following:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, investment property, rights to use land, and construction enterprise inventory) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

Article 3 .Definition of terms

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.

5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of director's resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

Article 4. Excluding related parties

Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.

Article 5. Procedures for handling acquisition and disposal of assets

- I. Evaluation procedure: the determination and reference basis of the price of the asset acquired or disposed shall be based on the following:
 - (1) Real property acquired or disposed: Before the date of the occurrence, the published current value, appraised value, actual price of nearby real property, professional appraisal report etc. shall be referenced for determination.
 - (2) Other fixed assets acquired or disposed: Before the date of the occurrence, shall be determined based on one of the method of price inquiry, price comparison, price negotiation or tender method.
 - (3) Valued securities acquired or disposed:
 - (3)-1. For the valued security transaction at the stock exchange market or the security operator place shall be determined by the responsible unit according to the market condition.
 - (3)-2. For the valued security transaction not at the stock exchange market or the security operator place, the financial statement approved or audited by CPA of the latest session of the subject matter company before the date of occurrence shall be obtained as a reference for evaluation of the transaction price, and the net value of each share, profitability and future development potential etc. shall be considered for determination thereof.
 - (4) Membership acquired or disposed: Reference to the fair market price shall be made before the date of the occurrence.
 - (5) Intangible asset acquired or disposed: Reference to the expert evaluation report or fair market price in the market shall be made before the date of occurrence.
- II. Operation procedure:

(1)Authorization limit and level: For the approval limit and level of the transaction price described in the preceding paragraph, the financial affairs authorization limit and level are to be further established; for the approval limit and level of the transaction price describe in the preceding paragraph, financial affairs authorization procedures and standards are to be further established and submitted to the Board of Directors for approval, followed by implementation thereof.

(2)Limit: Except for the assets purchased by Company for business uses, the real properties and valued securities invested not for business uses, the limit shall be as follows:

(2)-1.The total amount of real properties acquired not for business use shall not exceed 150% of the paid-in capital of the Company.

(2)-2. The total amount of valued securities acquired shall not exceed 200% of the net value of the Company.

(2)-3The total amount of individual valued security acquired shall not exceed 150% of the net value of the Company.

(3).Execution unit: During the acquisition or disposal of assets of the Company, after approval according to the aforementioned authority, the following unit shall be responsible for the execution according to the type of assets.

(3)-1.Real properties: Human Resource General Affairs Department

(3)-2.Valued securities: Finance Department

(3)-3.Other fixed assets, memberships and intangible assets: usage department and relevant authority unit.

(4) Transaction process:

(4)-1. The acquisition or disposal of real property or other fixed assets shall be handled according to the fixed asset cycle of the internal control system of the Company.

(4)-2. The acquisition or disposal of valued securities, memberships and intangible assets shall be handled according to the investment cycle of the internal control system of the Company.

Article 6. Transaction with related party

When the Company engages in any acquisition or disposal of assets or Right-of-use assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of Article 5 and the procedures for acquiring or disposing assets and real properties.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 12.

1. Determination of a related party: When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

2. Resolution procedure: When the Company intends to acquire or dispose of real property or right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets or right-of-use assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of government bonds in the country or bonds under repurchase and resale agreements, or subscription or buyback of domestic money market funds issued by the securities investment trust enterprise, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by more than 1/2 of the total members of the Audit Committee and submitted to the Board of Directors for resolution; if it is not approved by more than 1/2 of the total members of the Audit Committee, the consents of 2/3 of the entire Directors may be obtained for execution, and the resolution of the Audit Committee shall be recorded in the board meeting minutes. Following which, contract signing and payment of fees may be executed.

The total members of Audit Committee and the entire Directors described in the preceding paragraph shall be calculated based on the actual valid members and directors.

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the related party as a trading counterparty.
3. With respect to the acquisition of real property or right-of-use assets from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 3 and Article 4.4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Article 7.
7. Restrictive covenants and other important stipulations associated with the transaction.

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.

With respect to the acquisition or disposal of business-use equipment, right-of-use assets or real property right-of-use assets between the Company and its parent or subsidiaries or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may pursuant to Article 5, paragraph 2, subparagraph 1 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting.

3. Reasonableness evaluation of transaction cost

(1) The Company that acquires real property or right-of-use assets from a related party shall evaluate the reasonableness of the transaction costs by the following means:

(1)-1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance

(1)-2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.

(1)-3. When the Company appraises the cost of the real property in accordance with paragraph 1 and paragraph 2 shall also engage a CPA to check the appraisal and render a specific opinion.

(2). Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

4. Method of proving reasonableness of transaction price: When the results of the Company's appraisal conducted in accordance with the preceding paragraphs are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 5. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

(1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:

1. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
2. Transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels or lease of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.

3. Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.

(2). Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing from a related party provides evidence that the terms of the transaction are similar to the terms of transactions for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions ~~completed~~ by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or right-of-use assets.

5. Handling method for unreasonable transaction price:

(1) Where the Company acquires real property or right-of-use assets from a related party and the results of appraisals conducted in accordance with Article 3 are uniformly lower than the transaction price, the following steps shall be taken:

(1)-1. A special reserve shall be set aside in accordance with article 41, paragraph 1 of the Act against the difference between the real property or right-of-use assets transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.

(1)-2. Audit Committee shall comply with Article 218 of the Company Act.

(1)-3. Actions taken pursuant to preceding two subparagraphs shall be reported to a shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

(2) Condition where special reserve may be utilized: The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or adequate compensation or contract terminated has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

(3) When the Company obtains real property from a related party, it shall also comply with this paragraph if there is other evidence indicating that the acquisition was not an arm's length transaction.

6. Where the Company acquires real property or right-of-use assets from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the resolution procedure specified in Paragraph 2 of this Article, and the regulation related to the evaluation of reasonableness of transaction cost and the regulation for engaging a CPA to check the appraisal and render a specific opinion specified in Paragraph 3 of Article 7 do not apply:

- (1). The related party acquired the real property through inheritance or as a gift.
- (2). More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets to the signing date for the current transaction.
- (3)The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.

Article 7. Professional appraiser or CPA shall be consulted to provide opinions upon acquiring or disposing major assets

1. The Company acquires or disposes of real property or equipment or right-of-use assets, unless transacting with a government agency in the country, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use or right-of-use assets, where the translocation amount:

- (1) Reaches 20 percent of the company's paid-in capital or NT\$300 million or more.
- (2)Transaction amount with a related party reaches 10 percent of the company's total asset.

Shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- (1).Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.
- (2).Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (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:
 - (3)-1.The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - (3)-2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

(4). No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

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.

3. Where the Company acquires real property from a related party, in addition to the appraisal of the cost of the real property in accordance with Article 6, Paragraph 3, shall also engage a CPA to check the appraisal and render a specific opinion.

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.

5. The calculation of the transaction amounts referred to in this Article 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.

6. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 8. Handling procedure for acquiring or disposing the receivables of financial institutes

In principle, the Company does not engage in the transactions of acquisition or disposal of receivables of financial institutes; in the event where the receives of financial institutes are to be acquired or disposed in the future, such matter shall be reported to the Board of Directors for approval, followed by establishing evaluation and operation procedures thereof.

Article 9. Handling procedure for acquisition and disposal of derivatives

1. Transaction principle and directive

(1)Type of transaction: The derivatives that the Company may engage in include such as forward contracts, options contracts, futures, interest rates or currency rate exchange, and compound contracts combining the above products etc.

(2)Hedge strategy:

(2)-1.Hedge transaction: For the derivative transaction for the purpose of hedge, it shall be based on avoiding the risks generated due to the business operation of the Company; therefore, for operating foreign exchanges, the currency held shall satisfy the foreign currency demands for the actual import and export transaction of the Company with the principle of overall part (referring to foreign currency income and expenditure) self-squaring of the Company in order to reduce the overall foreign currency risk of the Company and to reduce the foreign currency operating cost.

(2)-2.Special purposed transaction: Shall be evaluated carefully and submitted for approval according to the Financial Affairs Authorization Rules.’

(3) Division of responsibilities

1. Financial and Accounting Department

(1)Responsible for the establishment of financial product transaction strategies of the entire company.

(2)Executing transaction according to the authority authorized and the predefined strategy.

2. Financial and Accounting Department

(1) Executing transaction confirmation.

(2) Reviewing whether transaction is performed according to the authority authorized and the predefined strategy.

(3) Handling accounting affairs.

(4). authorization limit and level

For the limit and level of the approval for derivative transactions, further financial affairs authorization rules and standards shall be established, followed by implementation upon the approval of the Board of Directors

(5).Performance evaluation

1. Hedge transaction:

(1) The profit and loss generated between the exchange cost recorded by the Company and the transaction of financial derivatives performed shall be used as a basis for performance evaluation.

To sufficiently control and present the appraisal risk of the transaction, the Company adopts the monthly appraisal method to evaluation the profit and loss.

2. Special purpose transaction: the profit or loss actually generated is used as a basis for the performance evaluation, and the financial personnel shall prepare reports on the parts held periodically on a monthly basis for submission to the management level for reference.

(6)Establishment of contract total price and loss upper limit

1. Contract total price

(1) Hedge transaction: The overall hedge contract total balance amount of the Company at any time shall not exceed the hedge demands derived from the recognition of the foreign currency guarantee and substantive transaction in principle.

- (2) Special purpose transaction: For the predictions based on the market change status, the Financial and accounting department shall establish strategies according to the approval of the financial affairs authorization rules and standards, and shall prepare transaction detail table on a monthly basis for submission to the senior supervisors authorized by the Board of Directors and reports thereof, and it shall be reported in the Board of Directors meeting by the authorized personnel or the supervisor designed. Establishment of upper limit of loss
- (1) Hedge transaction: The loss upper limit of individual contract shall be 20% of the individual contract price, and the entire contract loss upper limit shall not exceed 20% of the net value of the Company of the latest session audited and approved by CPA as the upper limit.
- (2) Transaction of special purpose: The loss upper limit of individual contract shall be 5% of the individual contract price, and the entire contract loss upper limit shall not exceed 10% of the net value of the Company of the latest session audited and approved by CPA as the upper limit.
- (3) Where the aforementioned loss exceeds the upper limit, it may be reported to the Board of Directors as a special case for approval, followed by execution thereof.

2. Risk management procedure

(1) Trust risk management: The market changes due to various factors, which can easily cause operating risks for financial derivatives; therefore, the market risk management shall be performed according to the following principles:

1. Transaction counterparty: Shall be based on domestic and international well-known financial institutes. In addition, where the financial product of transaction is a special product of a communist country, then trust risk hedge plan shall be established, which shall be submitted to the Chairman for approval first before performing the transaction.
2. Transaction products: Shall be limited to products offered by domestic and international well-known financial institutes.
3. Transaction amount: The non-write off transaction amount of one identical transaction counterparty shall not exceed USD 100 million, provided that the transaction approved by the President/Chairman shall be exempted from such restriction.

(2) Market risk management: Shall be based on the public foreign exchange transaction market provided by the bank.

(3) Liquidity risk management: To ensure the market liquidity, during the selection of financial products, it shall be based on the ones with high liquidity (can be squared in the market at any time), and the financial institute entrusted for transaction shall have sufficient information and the ability to perform transaction in any market at any time.

(4) Cash flow risk management: To ensure the stability of the operation fund financing of the Company, the fund source for the Company to engage in derivative transactions shall be limited to its own funds, and the operating amount shall consider the fund demand expected for the cash income and expenditure in the next three months.

(5) Operation risk management

1. Shall comply with the authorized limit of the Company, the operation process and the incorporation of the internal audit operation in order to prevent operation risks.
2. The transaction personnel engaging in derivatives and the operators in confirmation and settlement shall not be the same.
3. The risk evaluation, monitoring and control personnel shall be of different department from the ones of the personnel described in the preceding paragraph, and shall report to the Board of Directors or the senior supervisor not responsible for the transaction or the decision responsibility on that part.
4. The part for the financial derivative transaction shall be evaluated daily, and the daily evaluation report shall include the actual and predicted values related to profit and loss, which shall be submitted to the supervisor of Administration Division for approval; in case of special conditions, the supervisor of Administration Division may report to the President, and the monthly summarized evaluation report shall be submitted to the senior supervisor authorized by the Board of Directors for approval.

(6) Legal risk management: Documents signed by financial institutes shall only be reviewed by legal consultants before the documents are officially signed in order to prevent legal risks.

3. Internal audit system: Internal auditors shall understand the properness of the internal control of derivative transactions and shall audit the compliance status of the derivative transaction handling procedure adopted by the transaction departments and analyze the transaction cycle on a monthly basis as well as prepare audit reports; in case of discovering major violations, written notifications shall be provided to the Audit Committee.

4. Periodic evaluation method and abnormality handling condition:

(1) Supervision and management principle of Board of Directors:

1. Specifying senior supervisors to be aware of the supervision and control of derivative transaction risks at all time.
2. Periodically evaluating whether the performance of derivative transactions comply with the predefined operation strategy and whether the risk borne is within the acceptable range of the Company.

(2) Senior supervisors authorized by the Board of Directors shall manage the transaction of derivative products according to the following principles:

1. Periodically evaluate whether the risk management measures currently used is appropriate and handle according to these handling procedures and the financial affairs authorization management rules and standard established by the Company, and report to the Board of Directors periodically.

2. Supervise the transaction and profit or loss conditions; in case of discovering abnormalities, shall adopt necessary countermeasures and report to the Board of Directors; the Board of Directors shall be attended by independent directors to express their opinions.

Where the Company engages in derivative transactions and authorizes relevant personnel for handling according to the financial affairs authorization management rules and standard, reports to the latest board of director meeting shall be made after the event.

5. Matters to be recorded at the financial derivative memorandum book: When the Company engages in derivative transactions, memorandum book shall be established and shall be recorded with the following matters:

- (1) Type of transaction
- (2) Amount of transaction
- (3) Approval date of Board of Directors
- (4) Matters for careful evaluation according to Item 4 of Subparagraph 5 of Paragraph 2 of this Article, Item 2 of Subparagraph 1 and Item 1 of Subparagraph 2 of the previous Paragraph.

Article 10. Procedures for handling mergers and consolidations, splits, acquisitions, and assignment of shares

1. Evaluation and operation procedure

(1) Prior to convening the Board of Directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage. Nevertheless, where a public company conducts a merge between its subsidiaries with 100 percent of issued shares or total capital directly or indirectly held, or in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital, the obtaining of the aforementioned opinion on reasonableness issued by experts may be exempted.

(2) The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders' meeting and include it along with the expert opinion referred to in preceding subparagraph when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. In addition, where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders' meeting.

2. Date of Board of Directors Meeting: A company participating in a merger, demerger, or acquisition shall convene a Board of Directors Meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. A company participating in a transfer of shares shall call a Board of Directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

3. Prior non-disclosure undertaking: Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

4. Principle for establishing and altering share exchange ratio or acquisition price: Unless under the below-listed circumstances, the share exchange ratio or acquisition price shall not be altered, and shall stipulate the circumstances permitting alteration in the contract:

(1)Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.

(2)An action, such as a disposal of major assets, that affects the company's financial operations.

(3)An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.

(4)An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.

(5)An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.

(6)Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

5. Content required for contract: The contract shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

- (I) Handling of breach of contract.
- (II) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
- (III) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
- (IV) The manner of handling changes in the number of participating entities or companies.
- (V) Preliminary progress schedule for plan execution, and anticipated completion date.
- (VI) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

- III. Where number of participating companies changes: After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
- IV. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Paragraph 2, Paragraph 3 and Paragraph 6 of this Article.
- V. Preservation of written records: When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference.
 - (I) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
 - (II) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.
 - (III) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.
- VI. Information report: When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days commencing immediately from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.
- VII. Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of Paragraphs 8 and 9.

1. Subsidiary shall establish the “Handling procedure for acquisition or disposal of assets”, and shall handle according these procedures.
2. Except for the assets purchased by a subsidiary for business uses, the real properties and valued securities invested not for business uses, the limit shall be as follows:
 - (1)The total amount of real properties acquired not for business use shall not exceed 150% of the paid-in capital of the subsidiary.
 - (2)The total amount of valued securities acquired shall not exceed the net value of the subsidiary.
 - (3)The total amount of individual valued security acquired shall not exceed 60% of the net value of the subsidiary.
3. Subsidiary shall prepare the detail table for the financial derivative transactions performed in the previous month before the fifth day of each month and shall submit it to the Financial Division of the Company for review; in addition, on the date when the event of special public announcement and report under Article 12 occurs, notice to the Financial Division shall be made in order to facilitate the Company in executing the obligations of public announcement and report on behalf of the subsidiary.
4. Subsidiary shall perform self-inspection on the compliance status of the handling procedure for derivative transactions and shall prepare written reports; in case of discovering major violations, written notice to the Audit Committee shall be made.

Article 12. Public information disclosure procedure

1. General public announcement and report:
 - (1)Time limit of public announcement and report time limit: Before 10th day of each month.
 - (2)Content of public announcement and report: The status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies.
2. Special public announcement and report:
 - (1)Time limit of public announcement and report: Within 2 days commencing immediately from the date of occurrence of the event.
 - (2)Items required for public announcement and report as well as the standards for public announcement and report
 1. Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds in the country or bonds under repurchase and resale agreements, or subscription or buyback of domestic money market funds issued by securities investment trust enterprise.
 2. Merger, demerger, acquisition, or transfer of shares.
 3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.

4. .Where the type of asset acquired or disposed is equipment/machinery or right-of-use assets for business use, the trading counterparty is not a related party, and the transaction amount reaches one of the following:
 - (1) For a public company with paid-in capital less than NT\$ 10 billion, the transaction amount is more than NT\$500 million.
 - (2) For a public company with paid-in capital more than NT\$ 10 billion, the transaction amount is more than NT\$1 billion.

5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction is more than NT\$500 million.

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:

- (1). Trading of government bonds in the country.
- (2). Trading of bonds under repurchase/resale agreements, or subscription or buyback of domestic money market funds issued by securities investment trust enterprise.

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 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 13. Preservation of relevant information

Where the Company acquires or disposes assets, relevant contracts, meeting minutes, memorandum books, appraisal reports, opinions of CPA, lawyers or security traders shall be preserved in the Company; unless otherwise specified in the laws, such documents shall be preserved for at least five years.

Article 14. Penalty

Relevant personnel violating these handling procedures shall be reported according to relevant personnel management rules of the Company and penalties shall be imposed according to the severity of violations.

Article 15. After these handling procedures are approved by the Board of Directors, they shall be submitted to the Audit Committee and to the shareholders' meeting for agreement, followed by implementation thereof; same principle shall be applied to amendments thereof.

The establishment or amendment of these handling procedures shall be agreed by more than 1/2 of the entire members of the Audit Committee, and shall be submitted to the Board of Directors for resolution. In case where the procedures are not agreed by more than 1/2 of the entire members of the Audit Committee, it may be agreed by more than 2/3 of the entire directors for implementation, and the meeting minutes of the board of director meeting shall be recorded with the resolution of the Audit Committee

The total members of Audit Committee and the entire Directors described in the preceding paragraph shall be calculated based on the actual valid members and directors.

Article 16. These handling procedures was established in May 2008, the first amendment was made in August 2009, the second amendment was made in August 2010, the third amendment was made in August 2011, the fourth amendment was made in June 2012, the fifth amendment was made in June 2013, the sixth amendment was made in June 2014, and the seventh amendment was made in June 2017.

Rules and Procedures of Shareholders' Meeting

- I. The Shareholders' Meeting of the Company should be subject to the rules stipulated hereby.
- II. Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the corporation, and such website shall be indicated in the above notice.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda, provided a shareholder proposal for urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of

directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

- III. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

- IV. The Company should apprise the shareholders of the time, venue, and other things that should be taken note of in the meeting notice.

The attending shareholders should be present at the venue at least 30 minutes for registration before the meeting begins. The venue for registration should be clearly marked and equipped with plenty of staff.

The venue of the Shareholders' Meeting should be in the Company or places with good transportation for shareholders to attend the meeting. The venue of the meeting should be appropriate for the convening of such meeting. The meeting should not start earlier than 9 AM or later than 3 PM.

The shareholder or the shareholder's appointed proxy (hereinafter referred to as the shareholder) should carry an invitation, signature card, or other certificates guaranteeing the holder's attendance. The Company should not arbitrarily ask the Shareholder to produce certificates of attendance other than the one that is stipulated beforehand. Solicitors seeking POA should carry with them documents that can prove their identity for verification.

The Company should have an attendance book in place for shareholders to sign in person; attended shareholders can hand in a card with their names on it for the same purpose.

V. Shareholders' Meetings convened by the Board should be presided over by the director of the Board. If the director of the Board is absent or unable to serve as the chairman, the director of the Board should appoint one person in the Board to be his/her proxy. In case the director of the Board fails to make such appointment, the Board should elect one proxy to be the chairman of the meeting.

Shareholders' Meetings convened by a person with the right to convene Shareholders' Meetings should be presided over by that person. Should there be two or more people with the right to convene the Shareholders' Meeting, they should elect one among them to serve as the chairman of the meeting.

Should the mantle of chairman of the Shareholders' Meeting is to be taken by the managing director of the Board or the proxy of the director of the Board, the aforesaid chairman should be in office for at least six months and have a clear understanding of the Company's financial status. The same criterion applies to situations where the chairman is played by the proxy of the director of an entity.

VI. The Company can appoint its own attorneys, accountants, or other relevant staff to attend the Shareholders' Meeting.

The staff of the Shareholders' Meeting should wear identification cards.

VII. The attendance and voting taking place in the Shareholders' Meeting should be calculated on the base of the number of shares the shareholder possesses. Shares represented by a shareholder will be decided according to the attendance book or the signature card the shareholder hands in, along with the number of shares granting the right to vote in written or electronic forms.

The chairman should announce the commencement of the meeting at the scheduled time; however, if the present shareholders altogether does not constitute half of the total number of the Company's issued stocks, the chairman may postpone the meeting. The number of postponement should be no more than two times and the total time of postponement should be less than an hour. If, after two postponements, the total shareholders present still does not constitute the quorum prescribed in the preceding article, but those present represent one-third or more of the total number of the Company's issued shares. A notice of such tentative resolution should be distributed to all shareholders in accordance with Paragraph 1 of Article 175 of the Company Act. The Shareholders' Meeting should be reconvened within a month.

If the number of present shareholders constituting half of the total number of the Company's issued stocks is reached before the meeting is over, the chairman may deem such situation as a tentative resolution and proffer it for the meeting to vote in accordance with Article 174 of the Company Act.

VIII. The agenda of the Shareholder's Meeting convened by the Board should also be stipulated by the Board. The meeting should follow the agenda and should not be changed without the resolution of the Board.

The provision of preceding article should apply when the Shareholders' Meeting is convened by people with the right to convene such meetings other than the Board.

The chairman of the Shareholders' Meeting should not dismiss the meeting before the previous two types of agenda (including AOB) are completed with a resolution being made. In the case when the chairman dismisses the meeting against the rules on the meeting, the members of the Board should follow the protocol and promptly assist the shareholders to elect one person with the approval of more than half of the present shareholders to be the new chairman and continue the

meeting.

- IX. Before making a speech, the present shareholder should write down the gist of the speech, the shareholder's number (or the number of the attendance certificate) and the account name on a slip of paper. The chairman will decide the order of speech.

If the present shareholder hands in the paper slip but does not actually make the speech, it is construed that the shareholder does not make that speech at all. If there are discrepancies between the content on the paper slip and the shareholder's actual speech, the latter should prevail.

Unless approved by the chairman, shareholders should not interfere when another fellow shareholder is speaking. The chairman is entitled to stop the interfering shareholder.

- X. A shareholder is allowed to make a speech once for each motion unless approved by the chairman. Each speech should not exceed five minutes.

The chairman is entitled to stop the shareholder's speech when the shareholder violates the preceding provision or when the speech digresses from the motion.

- XI. When the shareholder's identity is the government or an entity, the shareholder can assign more than one representative to the Shareholders' Meeting. When an entity is authorized to attend the meeting, the quorum is limited to one person only.

When an entity shareholder appoints more than two representatives to attend the meeting, only one of them is entitled to make a speech on each motion.

- XII. The chairman should reply in person or appoint relevant personnel to do so after a shareholder finishes his/her speech.

- XIII. The chairman is entitled to determine whether the discussion of a certain motion is adequate and is ready for voting. The chairman can announce termination to the discussion and begin voting procedure.

- XIV. The personnel in charge of the supervising and vote count of the voting of the motion should be appointed by the chairman. The supervising personnel should possess the identity of a shareholder. The voting of the Shareholders' Meeting or the vote count process of the elected motion should be carried out in public places of the venue. Vote count results should be publicly announced on site.

- XV. The chairman is entitled to announce recesses during the meeting.

- XVI. Regarding the voting of a motion, unless stipulated elsewhere in the Company Act and the Corporate Charter, the motion has to obtain approval from more than half of the present shareholders to pass. A motion is deemed passed after the chairman enquires the present shareholders and gets no objection. The validity of the process is equivalent to voting.

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the interest of the company, shall not vote nor exercise the voting right on behalf of another shareholder.

If elections for directors (including independent directors) are held in the Shareholders' Meeting, they should be subject to the terms and provisions of the Company's regulations on the election for director. The results of the elections should be announced on site along the name of the elected directors (including independent directors) and their vote counts.

XVII. When there is an amendment or substitute to the same motion, the chairman is entitled to integrate the amendment or substitute with the original motion and determines the voting order. When one of the motion passes the vote, the other motions are automatically rendered rejected and no further votes should be held on them.

XVIII. The Company should hand to the present shareholders the pamphlet of the meeting, the annual statements, the attendance certificate, the voting slips along with other data related to the meeting; ballots should be attached if there are elections for directors (including independent directors).

The Company should record the process of the meeting including the registration, the meeting itself, the voting and vote count process in a nonstop manner; the recording should contain both video and audio.

The aforesaid recording should be kept for at least one year. The recording should be kept until the end of litigation filed by a shareholder according to Article 189 of the Company Act.

XIX. The chairman is entitled to call for disciplinary personnel or securities to maintain the order of the venue. Disciplinary personnel or securities should wear recognizable identifications when performing their duties of maintaining onsite order.

If a shareholder violates the rules on the meeting or impedes the process of the meeting and refuses to obey the chairman's warnings. The chairman is entitled to call for disciplinary personnel or securities to escort the shareholder out of the venue.

XX. Unless otherwise stipulated in the Company Act and the Corporate Chapter, matters that are not covered by the *Rules on the Shareholders' Meeting* should be subject to the chairman's ruling. A shareholder should find an applicable and legal mean to express his/her/its discontent about this and should not interfere the process of the meeting deliberately.

XXI. The *Rules on the Shareholders' Meeting* has been ratified, implemented, and amended with the Board's resolution.

XXII. The procedure was stipulated on June 24, 2008. The 1st amendment was on October 16, 2009, the 2nd amendment was on June 27, 2013, the 3rd amendment was June 9, 2015, and the 4th amendment was April 30, 2021.

Electoral Method for Director

- I. Unless otherwise stipulated in relevant laws or charters, the election of the Company's directors should follow the Method.
- II. The selection and election of the Company's directors should take into consideration the general configuration of the Board. The composition of the Board member should be diverse and be able to provide appropriate and diverse guidelines for its operation, type of operation, and development. The following two dimensions should be incorporated at least:

- (i) Basic conditions and values: Sex, age, nationality, and culture
- (ii) Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills and experiences of the industry.

Members of the Board should possess the basic knowledge, skills, and competencies to perform their duties and the general required abilities are as follows:

- (i) The judgment of operation
- (ii) The analytic ability of accounting and finances
- (iii) The management ability
- (iv) The ability to deal with crises
- (v) The knowledge of the industry
- (vi) The view for the international market
- (vii) The ability to lead
- (viii) The ability to make decisions

More than half of the seats of the Board should not be served by people that are spouses or relatives with the second degree of kinship.

The Company is entitled to adjust the constitution of the member of the Board according to the results of the performance evaluation.

- III. The qualifications of the Company's independent directors should comply with the provisions in the *Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies*.

The selection and election of the Company's independent directors should comply with the provisions in the *Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies* and [Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies](#).

- IV. Following Article 192-1 of the Company Act, the election of the Company's independent directors should adopt the candidate nomination system and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates. The elections for independent directors and non-independent directors should be held concurrently with separate vote counts. The candidate with the higher votes wins and is voted the independent or non-independent director. Should there be a tie in voting between two or more people and the number of candidates exceeds the quorum, the candidates with the same vote count should draw to determine the result. The chairman is entitled to draw for the absent candidate.

If a director resigns because of a particular reason, rendering the number of the director less than five, the Company should hold an election in the next Shareholders' Meeting. However, if the vacancy of the Board reaches one-third of the seats stipulated in the chapter, the Company should

- convene a Special Shareholders' Meeting to hold an election within 60 days starting from the date on which the incident takes places. If an independent director resigns because of a particular reason, rendering the number of the independent director less than that stipulated in the provisions of competent authorities or charters, an election should be held in the next Shareholders' Meeting. When all of the independent resign from duty, the Company should convene a Special Shareholders' Meeting to hold an election within 60 days starting from the date on which the incident takes places.
- V. The election for the Company's directors follows Article 198 of the Company Act and adopts the cumulative and open voting system. Each share has the corresponding vote for the number of directors to be voted, the votes can either be put on one candidate or distributed to several candidates.
- VI. The shares shareholders represent are based on the Company's list of shareholders.
- VII. The Company should make ballots that correspond with the number of directors to be elected and put the number of votes on them. The ballots are distributed to present shareholders at the Shareholders' Meeting. The election is an open election and shareholders' attendance certificate numbers should be printed on the ballots for identification.
- VIII. The chairman should appoint several supervisors and counters to handle related tasks. The supervisor should possess the identity of a shareholder. The ballot box should be prepared by the Company and be opened by the supervisors to the shareholders to see before voting.
- IX. Ballots are deemed invalid if they are:
- (i) Not standard ballot according to the Method.
 - (ii) Cast into the ballot box blank.
 - (iii) Illegible (beyond recognition) or altered.
 - (iv) When the candidate is a shareholder and the account name or shareholder's number does not match the Company's list of shareholders; when the candidate is not a shareholder and the name or the identification number is found to be unmatched.
 - (v) Written with words other than the candidate's account name (name) or shareholder's number (the identification number) and the allotted number of votes.
 - (vi) Not printed with the candidate's account name (name) or shareholder's number (the identification number).
 - (vii) Printed with two or more than two candidates.
- X. Vote count should be conducted immediately after voting and the results should be publicly announced on site, including the list of elected directors and their number of votes.
- XI. Any uncovered matters of the Method are subject to the Company Law, the Corporate Charter, and other related laws and stipulations.
- XII. The Method has been ratified, implemented, and amended with the Board's resolution.
- XIII. The Method was stipulated on June 26, 2008. The 1st amendment was on October 16, 2009, the 2nd amendment was on June 9, 2015.

Appendix 5

Cheng Mei Materials Technology Corp. Shareholdings of All Directors

I. As of the end date (April 29, 2022) of transfer of this Shareholders' Meeting, the Company's paid-in capital is NT\$6,752,466,800 and the number of shares issued is 675,246,680. According to Article 26 of the Securities and Exchange Act, the minimum number of shares to be held by all directors should be 21,607,893

II. As of the end date (April 29, 2022) of transfer of this Shareholders' Meeting, the shareholding status of all of the Company's directors is as follows:

Title	Account name	Number of shares	Shareholding ration %
Chairman	Jau-Yang Ho	4,865,313	0.72%
Director	Lai-Huang Lo	1,742,305	0.26%
Institutional director	Representative of Abraham Investment Co., Ltd	750,000	0.11%
Institutional director	Ever Fortunes International Investment Co., Ltd	330,000	0.05%
Institutional director	Four Season's Logistics Services Intl Corp.	11,405,000	1.69%
Institutional director	Yen Wen Asset Management Consultant Co., Ltd.	500,000	0.07%
Independent director	Wei-Ting Liu	0	0.00%
Independent director	Juu-En Chang	0	0.00%
total		19,592,618	2.90%

Note:

- As stipulated in Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, "the shareholdings of independent directors elected by a public company shall not be counted in the total referred to in the preceding paragraph; if a public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors and supervisors other than the independent directors and shall be decreased by 20 percent."
- The Company has an Audit Committee in place; therefore the rules regarding shares owned by a supervisor are not applicable.

Appendix 6

Other Explanation Information

1. The effects the stock grant has on the Company's business performance, earnings per share, and the shareholders' ROI: Not applicable, because the Company does not grant shares this year.

2. Information on remuneration of employees and directors:

Please refer to Attachment 7.