

**GROUNDHOG INC.
CORPORATE GOVERNANCE
PRINCIPLES**

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Notice To Readers

This English version is a machine-translated of Chinese version and is not an official document of Groundhog Inc. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Chapter I General Provisions

Article 1

In order to establish a sound corporate governance system, this company, following the Corporate Governance Best Practice Principles of the Taiwan Stock Exchange Corporation (referred to as "TWSE") and the Taiwan Securities Association (referred to as "TPEX"), hereby formulates its Corporate Governance Principles for compliance.

Article 2

This company establishes a corporate governance system, in addition to complying with legal requirements and bylaws, based on the following principles:

1. Safeguarding shareholders' rights.
2. Strengthening the functions of the board of directors.
3. Empowering independent directors.
4. Respecting the rights of stakeholders.
5. Enhancing information transparency.

Article 3 (Establishing an Internal Control System)

This company shall establish and execute an internal control system in accordance with the regulations of publicly traded companies regarding the establishment of internal control systems, taking into consideration the overall operations of the company and its subsidiaries. It should continually review and adapt this system to accommodate changes in the internal and external environment to ensure its ongoing effectiveness.

Apart from conducting self-assessments of the internal control system, this company's board of directors and management should review the results of each department's self-assessment and perform quarterly checks on the audit reports from the internal audit unit. The Audit Committee should oversee

and supervise this process. The company should establish communication channels and mechanisms between independent directors, the Audit Committee, and the internal audit head. Directors should hold annual meetings with internal audit personnel regarding internal control system deficiencies, record these meetings, track improvements, and report to the board of directors.

The company's management should value the internal audit unit and its personnel, grant them sufficient authority, ensure they thoroughly examine and assess internal control system deficiencies, and measure operational efficiency to guarantee the system's continuous and effective implementation. This supports the board of directors and management in fulfilling their responsibilities and implementing the corporate governance system effectively.

The appointment, assessment, and compensation of internal audit personnel should be reported to the board of directors or approved by the Chairman.

Article 3-1 (Personnel Responsible for Corporate Governance Affairs)

This company should allocate appropriate and sufficient corporate governance personnel and designate one person as the head of corporate governance, responsible for corporate governance affairs. The individual should have a minimum of three years' experience as a lawyer, accountant, or in a managerial role in legal, financial, shareholding, or corporate governance-related departments within securities, financial, futures-related institutions, or publicly traded companies.

The responsibilities of the corporate governance-related personnel in the previous paragraph should include, but are not limited to:

1. Handling matters related to board meetings and shareholders' meetings in compliance with the law.
2. Preparing records of board meetings and shareholders' meetings.
3. Assisting directors in their appointment and continuing education.

4. Providing directors with necessary information for business execution.
5. Assisting directors in compliance with legal requirements.
6. Other matters stipulated in the company's bylaws or agreements, etc.

Chapter II Safeguarding Shareholders' Rights

Section 1: Encouraging Shareholder Participation in Corporate Governance

Article 4 (Safeguarding Shareholders' Rights)

The corporate governance system of the company shall safeguard shareholders' rights and treat all shareholders fairly. The company should establish a corporate governance system that ensures shareholders have full access to important information and the right to participate and make decisions in accordance with the law.

Article 5

The company shall convene shareholder meetings in accordance with the Company Law and relevant regulations and establish comprehensive meeting rules. The company shall faithfully execute the meeting rules for matters that should be resolved through shareholder meetings. The content of resolutions passed at shareholder meetings shall comply with the law and the company's articles of incorporation.

Article 6 (Board of Directors' Proper Arrangement of Shareholder Meeting Agenda and Procedures)

The company's board of directors shall properly arrange the shareholder meeting agenda and procedures, establish principles and operating procedures for shareholder-nominated directors and shareholder proposals, and handle proposals submitted by shareholders in accordance with the law.

The company should provide a convenient meeting location, allocate sufficient time, and appoint qualified personnel for registration procedures at shareholder meetings. It should not arbitrarily add requirements for the documents required for shareholder attendance and should allow reasonable discussion time for each agenda item, providing shareholders with appropriate opportunities to speak.

Shareholder meetings convened by the board of directors should be presided over by the chairman of the board of directors. At least half of the directors (including at least one independent director) and the convener of the audit committee should personally attend. At least one representative of other functional committees should also attend. The attendance of these individuals should be recorded in the minutes of the shareholder meeting.

Article 7 (Encouraging Shareholder Participation in Corporate Governance)

The company shall encourage shareholder participation in corporate governance and may appoint a professional shareholder services agent to handle shareholder meeting affairs, ensuring that shareholder meetings are convened in a legal, effective, and secure manner. The company should use various means and methods to adopt technological methods for information disclosure, simultaneously uploading annual reports, annual financial reports, shareholder meeting notices, meeting handbooks, and supplementary meeting materials. Electronic voting should be implemented to increase shareholder attendance at shareholder meetings and ensure that shareholders can exercise their rights in accordance with the law.

When the company convenes a shareholder meeting, shareholders may choose to exercise their voting rights either electronically or in person. After the company's shares are listed on TWSE/TPEX, director elections should follow a candidate nomination system. Shareholders of the company shall vote on each agenda item, and the results of their approval, disapproval, or abstention shall be publicly disclosed on Market

Observation Post System (MOPS) on the same day as the shareholder meeting.

Article 8

The company shall record in the minutes of shareholder meetings the date, place, chairman's name, and resolution methods, in accordance with the Company Law and relevant regulations. The minutes should also include the procedure and results of the meeting. For director elections, the voting method and the number of elected directors should be recorded.

The minutes of shareholder meetings shall be permanently and properly preserved throughout the company's existence and disclosed on the company's website.

Article 9

The chairman of the shareholder meeting shall be fully aware of and comply with the company's meeting rules, ensuring a smooth agenda. The chairman shall not arbitrarily adjourn the meeting. To protect the rights of the majority of shareholders, if the chairman violates the meeting rules by prematurely adjourning the meeting, other board members shall promptly assist shareholders to follow the legal procedures for electing a new chairman with the consent of a majority of voting rights to continue the meeting.

Article 10 (Company Emphasizing Shareholder's Right to Know and Preventing Insider Trading)

The company shall emphasize shareholders' right to know and comply with relevant regulations on information disclosure. It shall frequently and promptly provide information to shareholders regarding the company's financial status, business operations, insider shareholdings, and corporate governance through Market Observation Post System (MOPS) or the

company's website.

To treat shareholders equally, information related to the above categories should also be disclosed simultaneously in English.

To protect shareholder rights and ensure equal treatment, the company shall establish internal regulations prohibiting insiders from trading in securities based on undisclosed material information in the market. These regulations should include controls on stock transactions by directors during a 30-day period before the announcement of annual financial reports and a 15-day period before the announcement of quarterly financial reports.

Article 10-1 (Reporting Director's Compensation at Annual Shareholder Meetings)

The company shall report directors' remuneration at annual shareholder meetings, including the remuneration policy, details of individual remuneration, amounts, and their relationship to performance evaluations.

Article 11

Shareholders shall have the right to share in the company's profits. To ensure the protection of shareholders' investment rights, shareholders may, in accordance with Article 184 of the Company Law, examine the register of directors prepared by the board of directors and the report of the audit committee, and resolve matters related to profit distribution or deficit offset. When conducting such examinations, shareholders may appoint inspectors.

Shareholders may, in accordance with Article 245 of the Company Law, apply to the court to appoint inspectors to examine the company's business accounts, financial status, specific matters, specific transaction documents, and records.

The board of directors, the audit committee, and the management shall fully cooperate with the inspectors appointed under the previous two paragraphs

and shall not engage in acts of evasion, obstruction, or refusal.

Article 12

When this company acquires or disposes of assets, loans funds, or provides endorsements and guarantees involving significant financial transactions, it shall comply with relevant laws and regulations, establish related operational procedures for approval by the shareholders' meeting to protect shareholders' rights.

In the event of a merger or public acquisition, this company should ensure compliance with relevant laws and regulations, pay attention to the fairness and reasonableness of merger or acquisition plans and transactions, and consider information disclosure and the financial soundness of the company's structure afterward.

The personnel responsible for handling the above matters should be aware of conflicts of interest and recusals.

Article 13

To ensure shareholders' rights, this company should have dedicated personnel to handle shareholders' suggestions, questions, and disputes effectively.

If the resolutions of this company's shareholders' meeting or board of directors violate laws or the company's articles of incorporation, or if the directors or managers violate the law or the company's articles of incorporation in the execution of their duties, resulting in damage to shareholders' rights, the company should handle legal actions filed by shareholders in accordance with the law appropriately.

This company should establish internal operational procedures to handle the above two matters properly, keep written records for reference, and incorporate them into the internal control system.

Section 2: Establishing Shareholder Interaction Mechanisms

Article 13-1 (Board of Directors Responsible for Establishing Shareholder Interaction Mechanism)

The board of directors of this company is responsible for establishing a mechanism for interacting with shareholders to enhance mutual understanding of the company's development goals.

Article 13-2 (Efficient Communication with Shareholders and Obtaining Support)

In addition to communicating with shareholders through shareholders' meetings, the board of directors of this company encourages shareholders' participation in shareholders' meetings. It also establishes efficient communication with shareholders, along with managers and independent directors, to understand shareholders' opinions and issues of concern, and provide a clear explanation of the company's policies to obtain shareholder support.

Section 3: Corporate Governance Relationship between the Company and Related Entities

Article 14

The management objectives and responsibilities of personnel, assets, and finances between the Company and related entities shall be clearly defined and shall implement risk assessment and establish appropriate firewalls effectively.

Article 15

Unless otherwise provided by law or authorized by the Board of Directors,

the directors and managers of the Company shall not concurrently serve as directors or managers of related entities. However, they may concurrently serve as directors or managers of subsidiaries directly or indirectly wholly owned by the Company, beneficial to the execution of the Group's business, and without conflicts of interest. The directors of the Company shall explain to the shareholders' meeting important matters related to their actions within the scope of the Company's business and obtain their approval.

Article 16

The Company shall establish sound management objectives and systems for finance, business, and accounting in accordance with relevant laws and regulations. It shall also conduct comprehensive risk assessments with its related entities regarding major transactions with banks, customers, and suppliers and implement necessary control mechanisms to reduce credit risk.

Article 17

In cases of business transactions between the Company and its related entities, written specifications shall be established based on fair and reasonable principles regarding financial and business operations between them. Contractual terms shall clearly define pricing conditions and payment methods, and irregular transactions shall be strictly prohibited.

Transactions or agreements between the Company and related parties and their shareholders shall also be handled in accordance with the principles in the preceding paragraph, and any transfer of interests shall be strictly prohibited.

Article 18

For legal shareholders with control over the Company, the following shall

be observed:

1. They shall owe a duty of good faith to other shareholders and shall not directly or indirectly cause the Company to engage in operations that deviate from normal business practices or that are detrimental to the Company.
2. Their representatives shall adhere to the rules established by the Company for the exercise of rights and participation in decision-making, and when participating in shareholder meetings, they shall exercise their voting rights in accordance with the principles of good faith and in the best interests of all shareholders, while fulfilling the fiduciary and diligence duties of directors.
3. Nominations for the Company's directors shall be made in accordance with relevant laws and the Company's articles of association and shall not exceed the scope of authority of the shareholders' meeting and the Board of Directors.
4. They shall not unduly interfere with the Company's decision-making or impede its business activities.
5. They shall not engage in unfair competition, such as monopolistic procurement or closing sales channels, to restrict or impede the Company's production and operation.
6. For legal representatives appointed as directors due to their election, they shall possess the professional qualifications required by the Company and should not be arbitrarily reassigned.

Article 19

The Company shall always be aware of the list of major shareholders who hold a larger proportion of shares and can effectively control the Company and the ultimate controllers of major shareholders.

The Company shall periodically disclose important matters related to pledged shares, increases or decreases in Company shares held by

shareholders holding more than ten percent of the shares, or other events that may cause changes in shareholding for the supervision of other shareholders.

The major shareholders referred to in the first paragraph are those with a shareholding ratio of five percent or more or those within the top ten shareholders.

Chapter III Strengthening Board Functions

Section 1: Board Structure

Article 20 (Capabilities Required for the Board as a Whole)

The Board of Directors of the Company shall provide guidance on the company's strategy, oversee the management team, and be responsible to the company and its shareholders. The various operations and arrangements of its corporate governance system should ensure that the Board of Directors exercises its powers in accordance with laws, the company's articles of association, or resolutions of the shareholders' meeting.

The structure of the Board of Directors of the Company should be determined by considering the scale of the company's business development and the shareholding situation of its major shareholders, taking into account the practical operational needs, and should have at least five appropriate director positions.

The composition of the Board of Directors should take into account diversity. Except for directors who are also company executives, they should not exceed one-third of the director positions and should develop appropriate diversity policies based on their own operations, business models, and development needs. These policies should include, but are not limited to, two major aspects:

1. Basic Characteristics and Values: Gender, age, nationality, and culture, etc.

2. Professional Knowledge and Skills: Professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience, etc.

Board members should generally possess the knowledge, skills, and qualities necessary for the performance of their duties. To achieve the ideal goal of corporate governance, the overall capabilities required for the Board of Directors are as follows:

1. Operational judgment.
2. Accounting and financial analysis.
3. Business Management skills.
4. Crisis management skills.
5. Industry knowledge.
6. International market perspective.
7. Leadership skills.
8. Decision-making skills.

Article 21

The Company shall establish a fair, just, and transparent director nomination procedure that encourages shareholder participation, in accordance with the principles of safeguarding shareholder rights and treating shareholders equally. It shall adopt a cumulative voting system as required by the Company Act to fully reflect the opinions of shareholders.

With the exception of those approved by the competent authority, directors should not have family relationships within two degrees of affinity.

In the event of the removal of directors resulting in fewer than five directors, the Company shall conduct supplementary elections at the latest shareholders' meeting. However, if the number of vacant director positions reaches one-third of the positions specified in the articles of association, the Company shall call an extraordinary shareholders' meeting to conduct

supplementary elections within 60 days from the date of the occurrence.

The total shareholding proportion of all directors on the Company's Board of Directors should comply with legal requirements. Restrictions on share transfers, the establishment or removal of pledges, and changes in rights should be carried out in accordance with relevant regulations, and all relevant information should be fully disclosed.

Article 22 (Election of Directors through a Candidate Nomination System Stipulated in the Articles of Association)

After the Company's stocks are listed on TWSE/TPEX, the election of directors shall adopt a candidate nomination system. The qualifications and any matters stipulated in Article 30 of the Company Act related to the nominated individuals should be carefully assessed and carried out in accordance with Article 192-1 of the Company Act.

Article 23 (Clear Division of Authority and Responsibilities for Functional Committees, Chairman, and General Manager)

The responsibilities of the Chairman and General Manager of the Company should be clearly delineated.

It is not advisable for the Chairman and the General Manager, or equivalent positions, to be held by the same person. If the Chairman and General Manager are held by the same person, independent director positions should be added.

The Board of Directors of the Company should clearly define the responsibilities of functional committees.

Section 2: Independent Director System

Article 24 (Appointment of Independent Directors According to the

Articles of Incorporation)

The company shall appoint three or more independent directors in accordance with its articles of incorporation, and the number of independent directors shall not be less than one-fifth of the total number of directors. Independent directors shall not serve more than three consecutive terms. Independent directors shall possess professional knowledge, and their shareholdings shall be subject to restrictions. Except as required by relevant laws and regulations, they should not concurrently hold director or supervisor positions in more than five TWSE/TPEX-listed companies (including independent directors). Within their scope of duties, they must maintain independence and shall not have a direct or indirect interest in the company.

If this company and its group enterprises and organizations nominate a director, supervisor, or executive of the other company and its group enterprises and organizations as an independent director candidate, the company shall disclose such nomination when accepting the nomination of the independent director candidate and explain the suitability of the independent director candidate. If elected as an independent director, the number of voting rights upon election shall be disclosed.

The term "group enterprises and organizations" referred to in the preceding paragraph shall apply to a substantial control entity or legal entity that is a foundation or other entity in which the company's subsidiary, directly or indirectly, donates funds cumulatively exceeding fifty percent.

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

The qualifications of independent directors, shareholding and concurrent positions restrictions, determination of independence, nomination process, and other matters shall be handled in accordance with the Securities Exchange Act, Regulations Governing the Appointment of Independent Directors of Public Companies, and regulations of TWSE or TPEX.

Article 25

The company shall, in accordance with the provisions of the Securities Exchange Act, have the following matters resolved by the board of directors. If independent directors have objections or reservations, these shall be recorded in the minutes of the board meeting:

1. Establishment or amendment of the internal control system in accordance with Article 14-1 of the Securities Exchange Act.
2. The handling procedures for significant financial business operations related to the acquisition or disposal of assets, engaging in derivative commodity trading, lending funds to others, endorsing or providing guarantees for others, as prescribed in Article 36-1 of the Securities Exchange Act.
3. Matters involving conflicts of interest of directors themselves.
4. Significant asset or derivative commodity transactions.
5. Significant lending of funds, endorsements, or provision of guarantees.
6. Issuance, offering, or private placement of equity securities.
7. Appointment, dismissal, or compensation of certifying accountants.
8. Appointment or removal of financial, accounting, or internal audit directors.
9. Other significant matters as prescribed by the competent authority.

Article 26

The company shall clearly define the scope of responsibilities of independent directors and allocate the necessary human and material resources for them to exercise their powers. The company or other board members shall not obstruct, refuse, or evade the performance of independent directors' duties.

The company shall determine the remuneration of directors in accordance with relevant laws and regulations. Director remuneration shall fully reflect

individual performance and the company's long-term operational performance, and shall comprehensively consider the company's operational risks. Reasonable remuneration different from that of general directors may be provided to independent directors.

Section 3: Functional Committees

Article 27

To strengthen oversight functions and enhance management capabilities, the Board of Directors of this company may consider the company's size, business nature, and the number of directors to establish various functional committees such as audit, compensation, nomination, risk management, or other types of functional committees. Additionally, the company may establish environmental protection, corporate social responsibility, or other committees based on the principles of corporate social responsibility and sustainable operations, and clearly define them in the bylaws.

Functional committees shall be responsible to the Board of Directors and shall submit their proposals to the Board of Directors for resolution.

However, the Audit Committee exercising the supervisory powers according to Article 14-4, Paragraph 4 of the Securities and Exchange Act is not subject to this limitation.

Functional committees shall establish organizational regulations, which shall be approved by the Board of Directors. The content of the organizational regulations shall include the number of committee members, terms of office, matters of authority, rules of procedure, and the resources that the company should provide when exercising their authority.

Article 28

The Board of Directors of this company shall establish an Audit Committee, composed of all independent directors, with one of them serving as the

convener, and at least one member possessing expertise in accounting or finance.

The exercise of authority and related matters of the Audit Committee and its independent directors shall be conducted in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Public Issuing Companies' Audit Committees, and the regulations of TWSE or TPEX.

Article 28-1

This company shall establish a Compensation Committee, with a majority of its members being independent directors. The qualifications, exercise of authority by its members, formulation of organizational regulations, and related matters shall be handled in accordance with “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.”

Article 28-2 (Establishment of Nomination Committee)

This company is encouraged to establish a Nomination Committee and formulate organizational regulations. A majority of its members should be independent directors, and an independent director should serve as the chairman.

Article 28-3 (Whistleblowing System)

This company is encouraged to establish and publicize internal and external whistleblowing channels for employees and external stakeholders and establish a whistleblower protection system. The receiving unit should have independence and ensure the encryption and protection of whistleblower information, appropriately restrict access, and establish internal operating procedures that are incorporated into the internal control system.

Article 29

To enhance the quality of financial reporting, this company should appoint a designated person to act as a proxy for the Chief Accounting Officer. The proxy for the Chief Accounting Officer should undergo continuous education every year, following the example of the Chief Accounting Officer, to enhance their professional competence.

Related accounting personnel responsible for preparing financial reports should also receive at least six hours of professional training each year, and the training may be conducted through in-house education or professional courses provided by accounting training institutions.

This company should select professional, responsible, and independent certified public accountants to conduct regular audits of the company's financial condition and internal controls. The company should thoroughly review and address any abnormalities or deficiencies timely discovered and disclosed by the accountants during the audit process, as well as specific recommendations for improvement or fraud prevention. The company is encouraged to establish communication channels or mechanisms between the Audit Committee and the certified public accountants and incorporate them into the internal operating procedures of the internal control system.

This company should periodically (at least once a year) assess the independence and suitability of the appointed accountants. If the company has not changed accountants for seven consecutive years, or if any disposition or issues affecting their independence occur, the company should assess the need to change accountants and report the assessment results to the Board of Directors.

Article 30

This company should appoint a qualified attorney to provide appropriate legal advisory services to the company or assist the Board of Directors and management in enhancing their legal literacy. This is to ensure that the

company and its related personnel comply with the law and that corporate governance operates within the relevant legal framework and statutory procedures.

In the event that a director or member of the management is involved in litigation or disputes with shareholders in the course of their legal duties, the company should seek legal assistance as required.

The Audit Committee or its independent directors may appoint attorneys, accountants, or other professionals to conduct necessary audits or provide consultations regarding matters related to the exercise of their authority, with the company bearing the associated costs.

Section 4: Rules of Board Meetings and Decision-Making Procedures

Article 31

The company's board of directors shall convene at least once every quarter and may be called at any time in case of emergencies. The notice of convening the board shall state the purpose of the meeting and shall be sent to each director at least seven days in advance, along with sufficient meeting materials. If the meeting materials are insufficient, directors have the right to request additional materials or postpone the review, as decided by the board of directors.

The company shall establish rules for board meetings, including the main topics of discussion, operating procedures, matters to be included in the minutes, announcements, and other procedures to be followed, in accordance with the regulations for board meetings of publicly traded companies.

Article 32

Directors shall exercise a high degree of self-discipline. In cases where a

director has a material interest in a matter listed on the board's agenda, either personally or on behalf of a legal entity they represent, they shall explain the essential details of their interest at the current board meeting. If there is a risk of harm to the company's interests, they shall not participate in the discussion and voting on the matter and should recuse themselves. They are also not allowed to vote on behalf of other directors.

The matters for which directors should recuse themselves shall be clearly defined in the rules for board meetings.

Article 33

Independent directors of the company, in matters specified in Article 14-3 of the Securities Exchange Act, shall attend the board meetings in person and may not delegate non-independent directors to represent them. If independent directors have objections or reservations, they shall be recorded in the board meeting minutes. If an independent director cannot attend the board meeting to express objections or reservations, except for legitimate reasons, they should provide written opinions in advance, which shall be recorded in the board meeting minutes.

Decisions made by the board of directors shall be announced and reported on the Market Observation Post System (MOPS) at least two hours before the start of trading on the next business day if any of the following circumstances occur:

1. An independent director expresses objections or reservations and has records or written statements.
2. In a company with an audit committee, matters not approved by the audit committee receive approval from more than two-thirds of all directors.

During board meetings, non-director executives may be notified to attend the meeting, report on the company's current business situation, and answer questions raised by the directors. If necessary, accountants, lawyers, or

other professionals may also be invited to attend the meeting to assist the directors in understanding the company's status, but they should leave during discussions and voting.

Article 34

The board meeting participants of the company shall accurately record meeting reports and the deliberation summaries, decision-making methods, and results of each agenda item in accordance with relevant regulations.

Board meeting minutes shall be signed or stamped by the meeting chairman and the record-keeping personnel and distributed to all directors within 20 days after the meeting. The attendance record book of the board of directors is part of the board meeting minutes and should be kept in the company's important files for permanent storage.

The production, distribution, and preservation of meeting minutes may be carried out electronically.

The company should record the entire board meeting process through audio or video recording and keep it for at least five years, which can be done electronically.

In cases where the preservation period specified in the preceding paragraph has not yet expired, if litigation arises regarding matters related to the board's decisions, the relevant audio or video recording materials shall continue to be preserved, and the provisions of the preceding paragraph do not apply.

For board meetings held through video conferencing, the meeting recording and video materials are part of the meeting minutes and shall be permanently retained.

When the board of directors' decisions violate laws, regulations, or shareholder meeting resolutions and result in damage to the company, directors who have expressed objections with records or written statements shall be exempt from liability.

Article 35

The company should submit the following matters for discussion by the board of directors:

1. The company's operational plans.
2. Annual financial reports and semi-annual financial reports. However, for semi-annual financial reports that are not required to be audited and certified by a certified public accountant as specified by laws and regulations, this requirement does not apply.
3. The establishment or amendment of internal control systems as specified in Article 14-1 of the Securities Exchange Act, and the assessment of the effectiveness of internal control systems.
4. The processing procedures for significant financial transactions such as acquiring or disposing of assets, engaging in derivative transactions, lending funds to others, endorsing or providing guarantees for others, as specified in Article 36-1 of the Securities Exchange Act.
5. Raising capital, issuing shares, or conducting private placements of equity securities.
6. The performance assessment and remuneration standards for executives.
7. The remuneration structure and system for directors.
8. The appointment or removal of the heads of finance, accounting, or internal audit.
9. Donations to related parties or significant donations to non-related parties. However, for donations of a charitable nature due to major natural disasters, they may be submitted for subsequent recognition at the next board meeting.
10. Other significant matters specified by laws, regulations, articles of incorporation, or competent authorities that should be resolved by the shareholders' meeting or the board of directors.

In addition to the matters to be discussed by the board of directors as

specified in the preceding paragraph, during the recess of the board of directors, the board may authorize a specific person or entity to exercise the board's powers as specified by laws, regulations, or the company's articles of incorporation. The authorization level, content, and matters shall be clearly defined and shall not be granted in a general manner.

Article 36

The company shall clearly assign the matters resolved by the board of directors to the appropriate executing units or personnel, requiring them to carry out the matters in accordance with the planned schedule and goals. These matters shall also be included in tracking management to ensure the proper execution of these matters.

The board of directors shall fully understand the progress of execution and report on it at the next meeting, so that the board's operational decisions can be effectively implemented.

Section 5: Duties and Responsibilities of Directors

Article 37 (Duty of Faithful Performance by Board Members)

Board members shall faithfully carry out their duties and exercise due care of a good administrator, demonstrating a high degree of self-discipline and prudence. They shall execute the company's operations in accordance with board resolutions, except for matters that should be decided by the shareholders' meeting as required by laws or the company's articles of incorporation.

The company should establish a performance evaluation method and procedure for the board of directors. In addition to conducting regular self-assessments and peer assessments of the board of directors and individual directors, external professional organizations may be appointed or other appropriate methods may be used for performance evaluations. The

evaluation of the board of directors' performance shall include the following aspects, taking into account the company's needs in defining appropriate evaluation indicators:

1. Participation in the company's operations.
2. Enhancement of the quality of board decisions.
3. Composition and structure of the board of directors.
4. Selection and continuous education of directors.
5. Internal controls.

The performance review (self or peer) of director shall include the following aspects, and shall be adjusted appropriately according to the company's needs:

1. Understanding of the company's goals and missions.
2. Awareness of director responsibilities.
3. Participation in the company's operations.
4. Management of internal relationships and communication.
5. Director's expertise and continuous education.
6. Internal controls.

The company should conduct performance evaluations of functional committees. The evaluation content should include the following aspects, and should be adjusted appropriately according to the company's needs:

1. Participation in the company's operations.
2. Awareness of the responsibilities of the functional committee.
3. Enhancement of the quality of decisions by the functional committee.
4. Composition and selection of members of the functional committee.
5. Internal controls.

The results of the performance evaluation should be reported to the board of directors and used as a reference for individual director compensation and reappointment.

Article 37-1

The company should establish a succession plan for the management team and the board of directors should regularly evaluate the development and execution of this plan to ensure sustainable operation.

Article 37-2 (Establishment of Intellectual Property Management System)

The board of directors shall assess and oversee the company's direction and performance in managing intellectual property in the following areas to ensure that the company establishes an intellectual property management system within the management cycle of "plan, execute, check, and act":

1. Formulation of intellectual property management policies, objectives, and systems related to business strategies.
2. Establishment, implementation, maintenance of systems for the acquisition, protection, maintenance, and utilization of intellectual property according to the scale and type of the company.
3. Determination and provision of resources necessary for effective implementation and maintenance of the intellectual property management system.
4. Monitoring internal and external risks or opportunities related to intellectual property management and taking necessary measures.
5. Planning and implementing mechanisms for continuous improvement to ensure that the intellectual property management system operates and achieves the expected results according to the company's needs.

Article 38

If a resolution of the board of directors violates laws or the company's articles of incorporation, and it has been requested by a shareholder holding shares continuously for more than one year or by independent directors to notify the board of directors to stop the implementation of the resolution,

board members should handle or stop the implementation of the relevant resolution as soon as possible.

When a board member discovers a risk of significant damage to the company, they should follow the provisions of the preceding paragraph and immediately report to the audit committee or the independent directors of the audit committee.

Article 39

The company shall take out directors' liability insurance during the directors' tenure to reduce and distribute the risk of significant damage to the company and shareholders caused by the directors' errors or omissions. After the company has taken out or renewed directors' liability insurance, it shall provide the important details of the insurance, including the insured amount, coverage scope, and insurance premium rates, in the most recent board report.

Article 40

Board members shall continuously participate in education and training programs covering topics related to corporate governance, finance, risk management, business, commerce, accounting, law, or corporate social responsibility, as designated by “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies,” either when they are newly appointed or during their tenure. Board members should also ensure that employees at all levels strengthen their professional and legal knowledge.

Chapter IV Respecting Stakeholders' Rights and Interests

Article 41 (Communication and Preservation of Stakeholders' Rights)

The company shall maintain open channels of communication with

stakeholders such as banks and other creditors, employees, consumers, suppliers, the community, and other relevant stakeholders. The company should respect and preserve their legitimate rights and interests and establish a dedicated stakeholder section on the company's website.

When the legitimate rights and interests of stakeholders are infringed upon, the company should handle the matter appropriately, following the principle of integrity.

Article 42

For banks and other creditors, the company should provide sufficient information for them to assess the company's operations and financial condition and make informed decisions. In cases where their legitimate rights and interests are compromised, the company should respond positively and adopt a responsible attitude to provide creditors with appropriate avenues for compensation.

Article 43

The company should establish communication channels for employees, encouraging direct communication between employees and management, as well as the board of directors. This allows employees to express their opinions regarding the company's operations, financial conditions, or decisions that significantly affect their interests.

Article 44

While maintaining normal business development and maximizing shareholder interests, the company should also pay attention to issues such as consumer rights, environmental protection in the community, and public welfare, and prioritize the company's social responsibility.

Chapter V Enhancing Information Transparency

Section 1: Strengthening Information Disclosure

Article 45

The company shall faithfully fulfill its obligations in accordance with relevant laws, regulations of TWSE/TPEX.

After the company's stock is listed on TWSE/TPEX, it should announce and submit annual financial reports within two months after the end of the fiscal year and announce and submit quarterly financial reports for the first, second, and third quarters, as well as monthly operational reports, within the prescribed time limits.

The company shall establish an online information disclosure system, appoint a dedicated person responsible for collecting and disclosing company information, and establish a spokesperson system to ensure that information that may affect shareholders and stakeholders' decisions is disclosed promptly and appropriately.

Article 46

To improve the accuracy and timeliness of significant information disclosure, the company should appoint individuals who have a comprehensive understanding of the company's financial, operational, and coordination among departments, and who can represent the company in external communications, as the company's spokesperson and deputy spokesperson.

The company should have more than one deputy spokesperson, and in the event that the spokesperson cannot perform their duties, a deputy spokesperson should be able to act as the spokesperson individually. The sequence of deputy spokespersons should be confirmed to prevent confusion.

To implement the spokesperson system, the company should establish a standardized procedure for speaking and require management and employees to safeguard financial and business confidentiality, preventing unauthorized dissemination of information.

When there is a change in the spokesperson or deputy spokesperson, information disclosure should be promptly conducted.

Article 47

The company should take advantage of the convenience of the internet to set up a website, where it provides information related to the company's financial and business affairs, as well as corporate governance information for reference by shareholders and stakeholders. An English version of financial, corporate governance, or other related information should also be provided.

The website should be maintained by a dedicated person, and the information listed should be accurate, detailed, and regularly updated to avoid misleading information.

Article 48

When holding corporate briefings, the company should follow the regulations of TWSE/TPEX and maintain recordings or videos. Financial and business information provided during corporate briefings should be input into Market Observation Post System (MOPS) in accordance with the regulations of TWSE/TPEX, and made available for inquiry through the company's website or other appropriate channels.

Section 2: Corporate Governance Information Disclosure

Article 49 (Disclosure of Corporate Governance Information)

The company's website should have a dedicated section for disclosing the following corporate governance-related information and continuously update it:

1. Board of Directors: Information about board members, including their profiles, responsibilities, diversity policies, and implementation status.
2. Functional Committees: Information about members of functional committees and their responsibilities.
3. Corporate governance-related regulations: Company charter, board meeting procedures, and organizational regulations of functional committees, among other corporate governance-related regulations.
4. Important corporate governance-related information: Information about the corporate governance officer, among other relevant information.

Chapter VI Supplementary Provisions

Article 50

The company shall constantly monitor the development of domestic and international corporate governance systems and use them as a basis to review and enhance the corporate governance system established by the company in order to improve the effectiveness of corporate governance.

Article 51

The company's corporate governance principles shall be implemented after approval by the board of directors, and any amendments shall also be subject to the same process.