

Silicon Optronics, Inc.

Corporate Governance Best-Practice Principles

Chapter 1. General Provisions

Article 1.

To establish a good corporate governance system, this Corporate Governance Code has been formulated with reference to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies jointly formulated by the Taiwan Stock Exchange Corporation (hereinafter referred to as the "TSE") and the Over-the-Counter Securities Trading Center of the Republic of China (OTC), a consortium of companies, to establish an effective corporate governance structure for compliance.

Article 2.

The company establishes a corporate governance system. In addition to complying with laws and regulations and articles of incorporation, the company shall follow the following principles:

1. Protecting shareholders' rights.
2. Strengthen the functions of the board of directors.
3. Respect the rights and interests of stakeholders.
4. Improve information transparency.

Article 3.

The company shall establish an internal control system in accordance with the rules of the public company, the company shall follow the Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies and take into consideration the overall operational activities of itself and its subsidiaries to design and fully implement an internal control system, and shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the company's internal and external environment.

In addition to the self-assessment of the company's internal control system, the Board of Directors and management shall review the results of each department's self-assessment at least annually and review the audit reports of the audit unit on a quarterly basis, and the Audit Committee shall pay attention to and monitor the results.

The Company should establish a communication channel and mechanism between the independent directors, the audit committee and the chief audit executive, and hold regular discussions with the internal auditors on the review of the deficiencies of the internal control system, and make records to track and implement improvements, and the convener of the audit committee should report to the shareholders' meeting on the communication between the audit committee members and the chief audit executive.

The management of the company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.

Appointment, dismissal, evaluation and review, salary and compensation of internal auditors of the company shall be reported to the board of directors or shall be submitted by the chief auditor to the board chairperson for approval.

Article 3-1.

The company is advised to have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs, and shall appoint in accordance with the requirements of the competent authorities, TWSE or TPEX a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs.

The corporate governance related matters in the preceding paragraph include at least the following:

1. Handling matters relating to board meetings and shareholders meetings according to laws.
2. Producing minutes of board meetings and shareholder's meetings.
3. Assisting in on boarding and continuous development of directors.
4. Furnishing information required for business execution by directors.
5. Assisting directors with legal compliance.
6. Other matters set out in the articles or corporation or contracts.

Chapter 2. Protection of Shareholders' Rights and Interests

Section 1. Encouraging Shareholders to Participate in Corporate Governance

Article 4.

The company's corporate governance system should protect shareholders' rights, treat all shareholders fairly, and ensure that shareholders.

The company has the right to fully understand, participate in and decide on major issues.

Article 5. Article 5

The company shall convene a shareholders' meeting in accordance with the company law and relevant laws and regulations, and formulate complete rules of procedure.

Should comply with laws and regulations and the company's articles of association.

Article 6.

The board of directors of the company shall properly arrange the agenda items and procedures for shareholders' meetings, and formulate the principles and procedures for shareholder nominations of directors and independent directors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders' meetings at a convenient location, with sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend.

Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.

For a shareholders meeting called by the board of directors, it is advisable that the board chairperson chair the meeting, that a majority of the directors (including at least one independent director) and convener of the audit committee attend in person, and that at least one member of other functional committees attend as representative. Attendance details should be recorded in the shareholders meeting minutes.

Article 7.

The company shall encourage its shareholders to actively participate in corporate governance. It is advisable that the company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders' meetings can proceed on a legal, effective and secure basis. The company shall seek all ways and means, including fully exploiting technologies for information disclosure, to upload annual reports, annual financial statements, notices, agendas and supplementary information of shareholders' meetings in both Chinese and English concurrently, and shall adopt electronic voting, in order to enhance shareholders' attendance rates at shareholders' meetings and ensure their exercise of rights at such meetings in accordance with laws.

The company is advised to avoid making provisional motions and amendments to the original motions at the shareholders' meeting; it is advisable to adopt the candidate nomination system for the election of directors in the current year.

The company are advised to arrange for their shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the Market Observation Post System.

Article 8.

The company made shares in accordance with the Company Law, the Articles of Association, the Rules of Procedure for Shareholders' Meetings and related laws and regulations. The minutes of the East Conference, including the year, month, date, venue, name of the chairman, resolution method, and recorded. The election of directors shall be by ballot and the number of elected directors shall be stated.

The minutes of the shareholders' meeting mentioned in the preceding paragraph shall be kept properly and permanently during the existence of the company. It is advisable to disclose the minutes of the shareholders' meeting on the company's website.

Article 9.

The chairman of the shareholders' meeting should be fully aware of and abide by the rules of procedure, and maintain a smooth agenda, meeting.

In order to protect the interests of the majority of shareholders, if the chairman declares a meeting in violation of the rules of procedure, the board of directors Members will promptly assist the shareholders present in accordance with the statutory procedures to select one with the consent of more than half of the voting rights of the shareholders present. The chairman will continue the meeting.

Article 10.

The company values the shareholders' right to know, and strictly abides by relevant regulations on information disclosure, affairs, insider holdings and corporate governance, often and immediately using public information observation stations or company websites provide information to shareholders. It is advisable to disclose the information in English in sync.

To protect its shareholders' rights and interests and ensure their equal treatment, the company shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.

The preceding paragraph shall include measures for the control of stock trading by insiders of the company on the date when they are informed of the company's financial report or related performance. Including, but not limited to, directors shall not trade their shares 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial report during the closed period.

Article 10-1.

The remuneration received by directors shall be reported by the company at the shareholders' meetings of shareholders, including remuneration policy, the content and amount of individual remuneration and the correlation with performance evaluation results.

Article 11.

The shareholders shall be entitled to profit distributions by the company. In order to ensure the shareholders' investment interests, the shareholders' meeting may, according to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the audit reports submitted by the Audit Committee, and may decide, by resolution, profit distributions and deficit off-setting plans. In order to proceed with the above examination, the shareholders' meeting may appoint an inspector.

The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records, assets, particulars, documents and records of specific transaction of the company.

The board of directors and managers of the TSEC/GTSM listed company shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any obstruction, rejection or circumvention.

Article 12.

The company obtains or disposes of major financial business activities such as assets, loan and endorsement guarantee etc. The laws and regulations provide for handling and stipulate relevant operating procedures to report to shareholders' meetings for approval in order to safeguard shareholders' rights and interests.

In the event of a merger or public acquisition of the Company, in addition to handling the matter in accordance with relevant laws and regulations, attention should be paid to mergers and acquisitions or the fairness and rationality of public acquisition plans and transactions, and pay attention to the disclosure of information and subsequent company finances soundness of structure.

Personnel of the Company dealing with the matters related to the preceding paragraph shall pay attention to conflicts of interest and avoidance.

Section 2. Establishing a Mechanism for Interaction with Shareholders

Article 13.

In order to ensure shareholders' rights and interests, the company has relevant personnel to properly handle shareholders' suggestions, doubts and disputes.

The company's shareholders' meeting, board of directors' resolution violates laws or articles of association, or its directors and managers when the company violates the provisions of the law or the company's articles of association and causes damage to shareholders' rights and interests, the company will litigation matters must be properly handled.

The company is advised to establish internal operating procedures to properly handle the above two matters, keep written records for future reference, and incorporate them into the internal control system.

Article 13-1.

The company's board of directors has the responsibility to establish an interaction mechanism with shareholders to enhance the development of both parties' goals for the company common understanding.

Article 13-2.

In addition to communicating with shareholders through shareholders meetings and encouraging shareholders to participate in such meetings, the board of directors of the company together with officers and independent directors shall engage with shareholders in an efficient manner to ascertain shareholders' views and concerns, and expound company policies explicitly, in order to gain shareholders' support.

Section 3. Section 3 Corporate Governance Relationships Between the Company and Its Affiliated Enterprises

Article 14.

The company shall clearly identify the objectives and the division of authority and responsibility between it and its affiliated enterprises with respect to management of personnel, assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.

Article 15.

Unless otherwise provided by the laws and regulations, a manager of a company may not serve as a manager of its affiliated enterprises.

A director who engages in any transaction for himself or on behalf of another person that is within the scope of the company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent.

Article 16.

The company has established sound financial, business and accounting management objectives and systems in accordance with relevant laws and regulations, and conduct comprehensive risk assessments

with affiliated companies on major banks, customers, and suppliers necessary control mechanism to reduce credit risk.

Article 17.

The company and its affiliated enterprises enter into inter-company business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions shall be prohibited.

Transactions or contractual matters between the Company and its related parties and their shareholders shall also be handled in accordance with the foregoing principles and shall be strictly forbidden benefits convey the situation.

Article 18.

A corporate shareholder having controlling power over the company shall comply with the following provisions:

1. It shall have an obligation of good faith to other shareholders, and shall not directly or indirectly make the company uncomfortable to business practices or he does not benefit the business.
2. Representatives shall follow the relevant regulations stipulated by the company for exercising rights and participating in resolutions. at the meeting, the principle of good faith and the best interests of all shareholders, exercise their voting rights, and be able to do their best Faithfulness and duty of care.
3. The nomination of company directors shall be handled in accordance with relevant laws and regulations and the company's articles of association and shall not act exceed the terms of reference of the shareholders' meeting and the board of directors.
4. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.
5. Do not restrict or obstruct the company by unfair competition such as monopoly procurement or closed sales channels production and operation.
6. The legal representative appointed by his elected director should meet the professional qualifications required by the company and should not be appropriate arbitrary reassignment.

Article 19.

The company should always in control of the major shareholders and major shareholders who can control the company list of shareholders' ultimate controllers.

The company shall periodically disclose for the supervision of other shareholder's matters concerning the pledge, increase or decrease of the company's shares, or other important matters that may cause changes in the shares of shareholders holding more than 10% of the company's shares.

The major shareholder indicated in the first paragraph refers to those who owns 5% or more of the outstanding shares of the company or the shareholding stake thereof is on the top 10 list, provided however that the company may set up a lower shareholding threshold according to the actual shareholding stake that may control the company.

Chapter 3. Enhancing the Functions of the Board of Directors

Section 1. Structure of the Board of Directors

Article 20.

The company's board of directors should guide company strategy, supervise management, and be accountable to the company and shareholders, the various operations and arrangements of the governance system are indeed performed in accordance with laws, regulations of the company's articles of association, or resolutions of the shareholders' meeting enforcement. The structure of the board of directors of the company shall determine the appropriate number of directors with more than five members based on the scale of operation and development of the company and the shareholding status of its major shareholders. The composition of the board of directors should consider diversification, and formulate appropriate plans for its own operations, operating patterns and development needs diversification policy, including but not limited to the following two major standards:

1. Basic requirements and values: Gender, age, nationality, culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, techniques, and literacy necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

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

Article 21.

The company shall according to the principles for the protection of shareholder rights and interests and equitable treatment of shareholders, establish a fair, just, and open regulation for the election of directors, encourage shareholder participation, and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views. The company shall have more than half of the seats of directors, and shall not have any kinship within the spouse or second grade.

When the number of directors falls below five due to the discharge of a director for any reason, the company shall hold a by-election for director at the following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s).

The aggregate shareholding percentage of all of the directors of the company shall comply with the laws and regulations. restrictions on the share transfer of each director and the creation, release, or changes of

any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 22.

The company shall in accordance with the laws and regulations of the competent authority, specify in the articles of association that the election of directors shall adopt the system of nomination of candidates, carefully evaluate the qualifications of the nominees and whether there are any matters listed in article 30 of the company law, etc., and handle them in accordance with the provisions of article 192 of the company law.

Article 23.

The duties of the chairman and the general manager of the company shall be clearly divided. It is inappropriate for the chairperson to also act as the general manager or an equivalent post.

The company with a functional committee shall clearly define the responsibilities and duties of the committee.

Section 2.Independent Director System

Article 24.

In accordance with the Articles of Incorporation, the Company shall have at least three independent directors and no less than one-third of the total number of directors.

The company and group companies and organizations, and other companies and group companies and organizations, nominate each other Directors, supervisors or managers who are candidates for independent directors should accept nominations for independent director candidates Disclosed at the time, and explained the eligibility of the independent director candidate, shall disclose the number of votes cast in favor of the elected independent director.

Group companies and organizations referred to in the preceding paragraph, their scope of application, and direct or indirect donations from the company's subsidiaries Consortium and other legal entities with a substantial control capacity of more than 50% of the fund people.

Independent directors and non-independent directors shall not change their status during their term of office. Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings. Applicable laws and regulations shall be observed and, in addition, it is not advisable for an independent director to hold office concurrently as a director (including independent director) or supervisor of more than five other listed companies. Independent directors shall also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the company. The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the Taiwan Stock Exchange.

Article 25.

The company shall submit the following matters to the board of directors for approval by resolution as provided in the Securities and Exchange Act; when an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:

1. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
3. Matters in which a director is an interested party.
4. A material asset or derivatives transaction.
5. A material monetary loan, endorsement, or provision of guarantee.
6. The offering, issuance, or private placement of any equity-type securities.
7. The hiring, discharge, or compensation of an attesting CPA.
8. The appointment or discharge of a financial, accounting, or internal auditing officer.
9. Any other material matter so required by the competent authority.

Article 26.

The company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The company or other board members shall not obstruct, reject or circumvent the performance of duties by the independent directors. The company shall stipulate the remuneration of the directors according to applicable laws and regulations, the remuneration of the directors shall fully reflect the personal performance and the long-term management performance of the company, and shall also take the overall operational risks of the company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.

Section 3.Functional committee

Article 27.

For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of the company in consideration of the company's scale and type of operations and the number of its board members, may set up functional committees for various functions.

Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval.

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

Article 28.

The Company has established Audit Committee, which is composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

The exercise of power by audit committee and independent directors and related matters shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE or TPEX.

Article 28-1.

The company establish a remuneration committee, and it is advisable that more than half of the committee members be independent directors. The professional qualifications for the committee members, the exercise of their powers of office, the adoption of the organizational charter, and related matters shall be handled pursuant to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.

Article 28-2.

The company is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those procedures into the company's internal control system for management purposes.

Article 29.

In order to improve the quality of financial reports, the company has established a position of the chief accountant.

The agent of the accountant in charge of the preceding paragraph shall continue the annual training in accordance with the accountant in order to strengthen the professional ability of the accountant in charge. Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses for 6 hours or more each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers.

The Company shall select a professional, responsible and independent CPA to perform regular audits of the Company's financial position and internal controls. The auditors shall review and improve the abnormalities or deficiencies identified and disclosed in the audit process, and make specific suggestions for improvement or prevention of deficiencies.

The Company shall periodically (at least once a year) evaluate the independence and suitability of the appointed accountants. The company shall periodically (at least once a year) evaluate the independence and suitability of the accountant. If the company has not replaced an accountant for seven consecutive years, or if it has been subject to disciplinary action, or if it has compromised or compromised its independence, it shall assess whether it is necessary to replace an accountant, and shall report the assessment results to the board of directors.

Article 30.

The company appoints a professionally qualified lawyer to provide the company with appropriate legal consulting services or assist the board of directors and management improves their legal literacy, avoids violation of laws by companies and related personnel, and promotes corporate governance operate under relevant legal framework and legal procedures.

In the case of directors or management who are involved in lawsuits or disputes with shareholders in the execution of business according to law, the company the Division shall, as the case may be, seek the assistance of a lawyer.

The audit committee or an independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their power, at the expense of the company.

Section 4.Rules for the Proceedings and Decision-Making Procedures of Board Meetings

Article 31.

The Board of Directors shall meet at least once a quarter, and may be convened at any time in case of emergency. To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director no later than 7 days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the board of directors.

The company shall adopt rules of procedure for board meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.

Article 32.

Board members should faithfully execute their business and take care of their managers with due diligence, and be highly disciplined and prudent Attitude to exercise its powers, the execution of the company's business shall be subject to the shareholders 'meeting Except for the matters to be resolved, it shall be done in accordance with the resolution of the board of directors. Directors who have an interest in the motions listed on the board of directors, or themselves or the legal person they represent, should the event will explain the important content of its interests. If it is harmful to the interests of the company, it must not join the discussion and voting shall be avoided during discussions and voting, and shall not act on behalf of other directors to exercise their voting rights.

Directors' avoidance matters should be clearly set at the board meeting

Article 33.

When a board meeting is convened to consider any matter submitted to it pursuant to Article 14-3 of the Securities and Exchange Act, an independent director of the company shall attend the board meeting in person, and may not be represented by a non-independent director via proxy. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the board of directors meeting; if

the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the board of directors meeting.

The resolutions of the board of directors, if any of the following matters, shall be stated in the proceedings, and shall be announced at the MOPS information observation station two hours before the trading day of the next business day from the date of the board of directors:

1. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.
2. A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of this Corporation.

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

Article 34.

Staff personnel of the company attending board meetings shall collect and correctly record the meeting minutes in detail, as well as a summary, the method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations.

The minutes of the board of directors' meetings shall be signed by the chairperson and secretary of the meeting and sent to each director within 20 days after the meeting. The director attendance records shall be made part of the meeting minutes, treated as important corporate records, and kept safe permanently during the life of the company.

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

A company shall record on audio or video tape the entire proceedings of a board of directors meeting and preserve the recordings for at least 5 years, in electronic form or otherwise.

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

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

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

Article 35.

The company shall submit the following matters to its board of directors for discussion:

1. Corporate business plans.

2. Annual and semi-annual financial statements signed or sealed by the Chairman, managerial officers, and accounting officer. Semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be CPA audited and attested.
3. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and evaluation of effectiveness of an internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. The performance assessment and the standard of remuneration of the managerial officers.
7. The structure and system of director's remuneration.
8. The appointment or discharge of a financial, accounting, or internal audit officer.
9. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.
10. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or to be approved by resolution at a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.

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

Article 36.

The company shall clearly deliver the resolution matters of the board of directors to the appropriate executing units or personnel, which shall be required to execute according to the schedule and objectives, and shall be included in the tracking management, so as to evaluate the performance of the resolutions. The board of directors shall fully control the progress of the implementation and shall make a report at the next meeting for the implementation of the operating decisions of the board of directors.

Section 5. Fiduciary Duty, Duty of Care and Responsibility of Directors

Article 37.

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

The company is advised to establish the methods and procedures for assessing the performance of the board of directors. In addition to conducting annual self-or peer reviews of the board of directors and individual directors, the company may also appoint external professional bodies or other appropriate means for performance evaluation; The evaluation of board performance should include the following aspects and consider the needs of the company to establish appropriate evaluation indicators:

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

It is advisable that performance assessments of board members (self-assessments or peer-to-peer assessments) is required to include the following aspects, with appropriate adjustments made on the basis of the company's needs:

1. Grasp the company's objectives and tasks.
2. Recognition of directors' duties.
3. Participation in the operation of the company.
4. Internal relationship management and communication.
5. Professional and continuing education for directors.
6. Internal control.

The company shall evaluate the performance of the functional committee, which shall include the following aspects and shall consider appropriate adjustments to the company's needs:

1. Participation in the operation of the company.
2. Functional committee's responsibility cognition.
3. Improve the decision-making quality of the functional committee.
4. Composition of the functional committee and election of members.
5. Internal control.

The company shall report the results of the performance appraisal to the board of directors and shall use them for the reference of individual directors' remuneration and nomination for renewal.

Article 37-1.

The company should succession plan for the management, the development and implementation of such plan shall be periodically evaluated by the board of directors to ensure sustainable operation.

Article 37-2.

The board of directors is advised to evaluate and monitor the following aspects of the company's direction of operation and performance in connection with intellectual properties, to ensure the company develops an intellectual property regulatory system in accordance with the Plan-Do-Check-Act cycle:

1. Formulate intellectual property regulatory policies, objectives and systems that are slightly associated with the operational strategies.
2. Develop, implement and maintain on the basis of scale and form its regulatory systems governing the procurement, protection, maintenance and utilization of intellectual properties.

3. Determine and provide resources necessary for the effective implementation and maintenance of the intellectual property management system.
4. Observe internal and external risks or opportunities related to intellectual property management and take corresponding measures.
5. Plan and implement the continuous improvement mechanism to ensure that the operation and effectiveness of the intellectual property management system meet the company's expectations.

Article 38.

If a resolution of the board of directors violates law, regulations or the company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible. Upon discovering a likelihood that the company would suffer material injury, members of the board of directors shall immediately report to the audit committee, an independent director member of the audit committee in accordance with the foregoing paragraph.

Article 39.

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

The company shall report the insured amount, coverage, premium rate, and other important contents of the directors liability insurance it has obtained or renewed for directors, at the most recent board meeting.

Article 40.

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

Chapter 4. Respecting Stakeholders' Rights

Article 41.

The company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the company, respect and safeguard their legal rights and interests, and designate a stakeholders' section on its website.

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

Article 42.

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

Article 43.

The company shall establish channels of communication with employees and encourage employees to reflect their opinions about the management, financial conditions, and material decisions of the company concerning employee welfare.

Article 44.

In developing its normal business and maximizing the shareholders' interest, the company shall pay attention to consumers' interests, environmental protection of the community, and public interest issues, and shall give serious regard to the company's social responsibility.

Chapter 5. Improving Information Transparency
Section 1. Enhancing Information Disclosure

Article 45.

The Company shall faithfully fulfill its obligation to disclose information in accordance with the relevant laws and regulations and the regulations of the stock exchange.

The company should publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.

The company shall establish an online reporting system for public information, assign a person to be responsible for the collection and disclosure of company information, and establish a spokesman system to ensure timely disclosure of information that may affect the decisions of shareholders and interested parties.

Article 46.

In order to improve the accuracy and timeliness of the disclosure of major information, the company shall appoint a representative to fully understand the company's financial and business, or to coordinate with various departments to provide relevant information, and be able to act as the company's spokesperson and acting spokesperson on behalf of the company.

The company shall appoint one or more acting spokespersons who shall represent the company, when the spokesperson cannot perform his/her duties, in making statements independently, provided that the order of authority is established to avoid any confusion.

In order to implement the spokesperson system, the company shall unify the process of making external statements, it shall require the management and employees to maintain the confidentiality of financial and operational secrets and no unauthorized dissemination of information.

The company shall disclose the relevant information immediately whenever there is any change to the position of a spokesperson or acting spokesperson.

Article 47.

In order to keep shareholders and stakeholders fully informed, the company shall utilize the convenience of the Internet and set up a website containing the information regarding the company's finances, operations, and corporate governance.

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

Article 48.

The company shall hold an investor conference in compliance with the regulations of the TWSE and TPEx, and shall keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on the Market Observation Post System and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE rules.

Section 2. Disclosure of Information on Corporate Governance

Article 49.

The company's website shall set up a special area to expose the following information related to corporate governance and keep it updated:

1. Board of Directors: Resumes of board members and their rights and responsibilities, as well as policies and implementation of diversity of board members.
2. Functional committees: Resumes of members of functional committees and their rights and responsibilities.
3. Corporate governance regulations: Such as the articles of association, procedures of the board of directors, organizational rules of functional committees and other corporate governance regulations.
4. Important information related to corporate governance: For example, information of corporate governance supervisor.

Chapter 6. Supplementary Provisions

Article 50.

The company shall at all times monitor domestic and international developments in corporate governance as a basis for review and improvement of the company's own corporate governance mechanisms, so as to enhance their effectiveness

Article 51.

This Corporate Governance is effective for implementation after approved by the board of director. The same procedures apply for amendments.