

Articles of Tang Eng Iron Works' Practical Guidelines for Corporate Governance

Reviewed and passed by the 20th meeting of the 18th board on December 29, 2020

Official Letter Tang-Director-Finance No. 1091160321 on January 5, 2021

Chapter 1 General Principles

Article 1 (Objectives)

To establish a robust corporate governance system, the Company established these guidelines by referring to the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies put in place jointly by Taiwan Stock Exchange Corporation and Taipei Exchange.

Article 2 (Principles of corporate governance)

In addition to compliance with laws and charters as well as the contracts signed with Taipei Exchange and relevant requirements, the Company's corporate governance system should adhere to the following principles:

1. Protection of shareholders' interest
2. Strengthening of the board's functions and capabilities
3. Respect for stakeholders' interest
4. Enhancement of information transparency

Article 3 (Establishment of an internal control system)

The Company shall design and implement an internal control system by following the Regulations Governing Establishment of Internal Control Systems by Public Companies and constantly review this system to ensure the effectiveness of system design and implementation.

In addition to self-assessments on its internal control system, the Company's board and management review self-assessment results at least once per year and the audit reports issued by the board's audit offices. Audit Committee shall provide oversight accordingly.

Audit Committee and the board shall examine the deficiencies of the Company's internal control system, regularly speak with internal audit supervisors and record, follow-up and implement improvement measures. The audit unit should also report to the board the implementation of audits.

The Company should establish communication channels and mechanisms for independent

directors, Audit Committee and Audit Office supervisors and disclose relevant information at the Company's website and annual reports.

Management should empower internal audit and personnel with sufficient authority to enable thorough inspections and assessments of internal control system deficiencies and measurement of operational efficiency. This ensures the continuous effectiveness and implementation of the system, assists the board and management in fulfilling responsibilities, and realize the corporate governance system.

The appointment, dismissal, performance review and salaries of the Company's Audit Office personnel should be subject to the Company's relevant regulations, signed off by the audit supervisor and approved by Chairperson. The appointment and dismissal of Audit Office Director should first be proposed to Audit Committee and processed according to Article 5 of the Company's Audit Committee Charter.

Article 4 (**Personnel responsible for corporate governance affairs**)

The Company should designate a corporate governance supervisor as required by securities regulators. The appointment, dismissal and remuneration of the corporate governance supervisor should be reported to the board and decided according to Article 29 of the Company Act.

The corporate governance supervisor should be a qualified lawyer or accountant or have at least three years of experience in a securities, financial or futures related organization or have served as a supervisor in legal affairs, compliance, internal audit, finance, securities affairs, or corporate governance of a publicly issued company for at least three years.

The abovementioned corporate governance affairs should at least include the following:

1. Organization of board meetings and shareholders' meetings according to laws
2. Production of minutes for board meetings and shareholders' meetings
3. Assistance in the duty assumption and continuous education of board directors
4. Preparation of data required for directors to carry out tasks
5. Help in compliance of laws by board members
6. Other matters required by the Company's Articles of Association or contracts

Chapter 2 Protection of shareholders' interest

Section 1 Encouragement of shareholders' involvement in corporate governance

Article 5 (Protection of shareholders' interest)

The Company's corporate governance system should aim to protect the interest of all shareholders, equal treatment of all shareholders, and the right of shareholders to be fully informed and involved in decision making of the issues material to the Company.

Article 6 (Convening of shareholders' meetings and formulation of comprehensive rules and procedures)

The Company shall convene shareholders' meetings according to the Company Act and other relevant laws and regulations and formulate comprehensive rules and procedures for these meetings. Any issues to be decided by the shareholders' meetings should be properly processed according to the rules and procedures.

The contents of decisions reached by shareholders' meetings should comply with relevant laws, regulations and the Company's Articles of Association.

Article 7 (The board should properly facilitate the agendas and procedures for shareholders' meetings)

The Company's board should properly facilitate the agendas and procedures for shareholders' meetings by formulating the principles and procedures for nomination of directors by the shareholders' meetings and the proposals presented to the shareholders' meetings. Meanwhile, the suggestions from shareholders according to laws and regulations should be handled appropriately.

Rules and Procedures of Shareholders' Meetings

The Company's Chairperson should chair the shareholders' meetings convened by the board. At least half of the board directors (including at least one independent director) and the convener of Audit Committee should attend in person. Meanwhile, at least one member from each functional committee should be present on behalf of the committee. The attendance shall be recorded in the minutes of shareholders' meetings.

Article 8 (The Company should encourage shareholders to get involved in corporate governance)

The Company should encourage shareholders to participate in corporate governance and designate a professional agency to handle shareholder services, so that shareholders' meetings are convened in a compliant, effective and safe manner. Information disclosure should be processed by using technology via a variety of means and channels. Annual reports of the Chinese/English version, financial statements, shareholders' meeting notices, meeting agenda handbooks and supplementary data for the meetings should be uploaded simultaneously. Electronic voting is advised to enhance the attendance of shareholders' meetings. Efforts should be made to ensure the exercise of right by shareholders at shareholders' meetings.

Where possible, the Company should avoid extemporaneous motions and proposal changes at shareholders' meetings. It should be facilitated that shareholders vote on individual proposals at the shareholders' meetings. Finally, the results of the votes cast for, against and abstained should be entered into the Market Observation Post System (MOPS) on the day of shareholders' meeting.

Article 9 (Shareholders' meeting minutes)

The Company should produce shareholders' meeting minutes according to the Company Act, Securities and Exchange Act, and the Company's Rules and Procedures of Shareholders' Meetings. Minutes should be kept properly and permanently for the Company's duration of existence and fully disclosed at the Company's websites.

Article 10 (The chairperson for a shareholders' meeting should be fully aware of and acting according to the Company's Rules and Procedures of Shareholders' Meetings.)

The chairperson for a shareholders' meeting should be fully aware of and acting according to the Company's Rules and Procedures of Shareholders' Meetings, maintain the smooth flow of the agenda, and may not announce adjournment at will.

To protect the interest of the majority of shareholders, the Company should proceed according to Article 182-1 of the Company Act if the chairperson violates the Rules and Procedures of Shareholders' Meetings.

Article 11 (The Company should take seriously the shareholders' right to know)

The Company should take seriously the shareholders' right to know and abide by the relevant regulations on information disclosure. The information about the Company's finance, business, insider holdings, and corporate governance should be frequently and timely disclosed to shareholders via the Market Observation Post System (MOPS) or the Company's own websites.

To treat shareholders fairly, it is advised to disclose the abovementioned information in English at the same time.

To protect shareholders' interest and to treat shareholders fairly, the Company has established the Operating Procedures in Disclosure of Material Information and Prevention of Insider Trading to prohibit insiders from trading marketable securities by using the Company's undisclosed information.

Article 12 (Shareholders should have the right to share the Company's earnings)

Shareholders should have the right to share the Company's earnings. To protect the interest of shareholders' investment, the shareholders' meeting (or shareholders) may appoint inspectors to check the Company's operations according to Article 184 of the Company Act (or Article 245 of the Company Act). In such an instance, the Company's board, Audit Committee and managers should fully collaborate, and may not evade, hinder or decline.

Article 13 (Material financial and operational decisions should be approved by shareholders' meetings)

The Company should formulate its procedures for asset acquisitions or disposals according to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies. These procedures should be approved by a shareholders' meeting in order to protect the interest of shareholders.

The Company may not extend loans or provide endorsements/guarantees or other similar material financial actions.

In event of M&As or open tenders, the Company should observe relevant laws and regulations and ensure the fairness and reasonableness of the M&A proposals or open tenders. Special attention is

required for information disclosure and the Company's subsequent financial health.

The Company's personal handling the abovementioned matters should take heed of conflict of interest and seek recusal where appropriate.

Article 14 (The Company should designate personnel to properly handle suggestions from shareholders)

To protect the interest of shareholders, the Company should designate personnel dedicated to the handling of suggestions, questions and disputes raised by shareholders.

If the decision from a shareholders' meeting or a board's meeting violates the laws or the Company's Articles of Association, or any of the Company's director or manager breaches the laws or the Company's Articles of Association and as a result, the interest of shareholders is compromised, the Company should properly handle any litigation pursued by shareholders according to laws.

The Company should formulate internal operating procedures to properly handle the abovementioned two issues. Written records should be kept for future reference and included into the management of the internal control system.

Section 2 Establishment of an interaction mechanism with shareholders

Article 15 (The board should establish an interaction mechanism with shareholders, and efficiently maintain communications with shareholders to obtain their support)

In addition to communicating with shareholders via shareholders' meetings and encouraging shareholders to participate in shareholders' meetings, the board should establish an interaction mechanism to efficiently maintain contacts with shareholders, so that the board can better understand opinions from shareholders and clearly explain the Company's policies in order to gain support from shareholders.

Section 3 Corporate governance between the Company and associates

Article 16 (Establishment of a firewall)

The management targets and responsibilities should be specific for the personnel, assets and finance between the Company and its associates. Risk assessments should be conducted and appropriate firewalls should be established.

Article 17 (The Company's managers should not serve as managers in associates)

Unless otherwise required by laws, the Company's managers should not serve as managers in associates.

Directors should adhere to Article 209 of the Company Act when acting for themselves or others within the scope of the Company's operations.

Article 18 (Establishment of robust management systems in finance, sales, and accounting)

The Company should establish robust management targets and systems in finance, sales, and accounting according to relevant laws and regulations. Comprehensive risk assessments should be performed on primary banks, customers, and suppliers the Company's associates deal with in order to implement a necessary control mechanism and mitigate credit risks.

Article 19 (Dealing with associates should be based on the principle of fairness and reasonableness)

The Company's business dealings with associates should be based on the principle of fairness and reasonableness. Written regulations should be put in place regarding financial and sales matters with associates. No transactions not at an arm's length are allowed.

The Company's transactions or contracts signing with related parties and shareholders should also adhere to the above principles. Any transfer of benefits is strictly prohibited.

Article 20 (Institutional shareholders who have controlling power on the Company should abide by the following)

Institutional shareholders who have controlling power on the Company should abide by the following:

1. Controlling institutional shareholders have a fiduciary duty for other shareholders and may not

directly or indirectly enable the Company to engage in operations not at an arm's length or for improper gains.

2. The representatives from controlling institutional shareholders should comply with the regulations governing the exercise of rights and the participation in discussion and voting for companies listed on Taiwan Stock Exchange or on Taipei Exchange. The exercise of voting rights at shareholders' meetings should be based on fiduciary duty and maximum benefits to all shareholders and fulfilment of duty of loyalty and duty of care as directors.
3. The nomination of director candidates should be in compliance with relevant laws and the Company's Articles of Association and may not breach the scope of responsibilities given by shareholders' meetings or the board.
4. No improper intervention of the Company's decisions or operations is allowed.
5. No restriction or obstruction of the Company's production or operation via unfair competition such as monopolizing procurement or closing sales channels.
6. The representative director should meet the Company's professional requirements and may not be changed at will.

Article 21 (Staying on top of the list of major shareholders and ultimate controllers of major shareholders)

The Company should, at all times, stay on top of the shareholders with at least 5% stakes or the top ten shareholders, and shareholders with controlling power on the Company and ultimate controllers of such shareholders, and should periodically disclose the pledging, increase or decrease of shares by shareholders with at least 10% stakes, or other important matters that may trigger change in shareholdings.

Chapter 3 Strengthening of the board's functions and capabilities

Section 1 Structure of the board

Article 22 (Capability the board should be collectively equipped with)

The board should be held responsible to the Company and shareholders. All operations and

arrangements of the corporate governance system should aim to ensure the board to exercise its power according to laws and the Company's Articles of Association or decisions from shareholders' meetings.

The structure of the Company's board should consist of an appropriate number of director seats according to practical requirements and relevant laws and regulations.

The composition of board members should be diversified. The number of executive directors is advised to be below 1/3 of the board. It is necessary to establish guidance in Procedures for Election of Directors for an appropriate level of board diversity according to the Company's operation, business model and development requirement.

To achieve the desired target for corporate governance, the board collectively should be equipped with the following capability:

1. Capability in business judgement
2. Capability in accounting and financial analysis
3. Capability in operational management
4. Capability in crisis management
5. Industry knowledge
6. International market outlook
7. Leadership
8. Decision-making capability

Article 23 (Fair, just, and open procedures should be established for election of boards)

The Company should elect boards according to the Procedures for Election of Directors, adopt the cumulative voting system according to the Company Act, and specify it in the election procedures.

Unless approved by regulators, more than half of the Company's directors may not have relations as a spouse or a relative within two degrees to each other.

In case of a vacancy for the number of seats required by the Company's Articles of Association due to dismissal of a director, the Company should elect a replacement in the most immediate shareholders' meeting. However, if the number of director vacancies reaches one third of the seats required by the Company's Articles of Association, the Company should convene an extraordinary

shareholders' meeting to elect replacements within 60 days of the event.

The percentage of aggregate shareholdings by the Company's board should comply with relevant laws and regulations. The limitation of transfers and the setup, lifting or change of pledges of shares owned by directors should be processed according to relevant regulations. Information should be fully disclosed.

Article 24 (Specification of the nomination system for director election in the Company's Articles of Association)

The Company should specify in its Articles of Association the nomination system for director election. The nominated candidates shall not have any circumstances described by Article 30 of the Company Act. The Company shall review nominations according to Article 192-1 of the Company Act.

Article 25 (The authorization and responsibilities assigned by the board to functional committees, Chairperson and General Manager should clearly defined)

The duties to be carried out by the board, Chairperson and General Manager should be clearly defined. It is not advised to have Chairperson and General Manager (or an equivalent position) served by the same person.

Functional committees should be established with specific responsibilities.

Section 2 Independent director system

Article 26 (The Company should establish independent directors according to its Articles of Association)

The Company should establish at least three independent directors according to the requirements set forth by its Articles of Association. Independent directors should account for at least one fifth of the board seats.

The qualifications, shareholdings, limitation on other roles, determination of independence, nomination methods, identification and job transfer of independent directors should observe the Securities and Exchange Act, Regulations Governing Appointment of Independent Directors and

Compliance Matters for Public Companies, and relevant requirements set by Taipei Exchange. Independent directors should remain independent within the scope of their duties and may not have direct or indirect interest with the Company.

If the Company or any of its affiliated companies and organizations within the same group nominates the same director, supervisor or manager within the group as an independent director candidate, the Company should disclose this when accepting the nomination for independent director candidates and explain the suitability of the independent director candidate concerned. If the candidates concerned is elected as an independent director, the election vote count should be disclosed.

The company and organization within the same group abovementioned refers to the Company's subsidiaries, legal entities who have received donations from the Company directly or indirectly for at least 50% of the funds, and any organizations or legal persons over which the Company exercises substantial controlling power.

Article 27 (The Company should clearly define the responsibilities of independent directors)

The Company should clearly define the responsibilities of independent directors in the Rules for Board Meetings and charters for functional committees and provide the manpower and resources required to exercise powers.

The Company should clearly define remunerations for directors according to relevant laws and regulations and may provide reasonable remunerations to independent directors different from those to non-independent directors.

Section 3 Functional committees

Article 28 (Functional committees should be established)

The Company's board may establish audit, remuneration, nomination, risk management or other functional committees to strength the supervisory and management functions, and committees in environmental protection, corporate social responsibility or others to fulfill corporate social responsibility and pursue sustainable operations. The establishment of these committees should be

clearly defined in the Company's Articles of Association.

Functional committees should be accountable to the board and submit proposals to the board for decisions. However, the above stated is not applicable to the exercise of a supervisor's powers by Audit Committee according to the fourth paragraph of Article 14-4 of the Securities and Exchange Act.

Functional committees should establish their own organizational charters and have such charters approved by the board. The organizational charters should include the number and tenure of committee members, duties and responsibilities of the committees, rules for committee meetings and resources required from the Company for exercise of powers.

Article 29 (The Company establishes Audit Committee)

The Company establishes Audit Committee. The inception of Audit Committee, the exercise of powers by independent directors and relevant matters should observe the Securities and Exchange Act, Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, regulations set by Taipei Exchange, and the Company's Audit Committee Charter.

Article 30 (Remuneration Committee should be established)

The Company establishes Remuneration Committee. The inception and exercise of powers of Audit Committee
tors and relevant matters should observe the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Listed on the Taiwan Stock Exchange or the Taipei Exchange and the Company's Remuneration Audit Committee Charter.

The Company has not set it up due to practical considerations.

Article 31 (Whistleblowing system)

The Company should publish the channels for whistleblowing by internal and external parties and establish a system to protect whistleblowers. The unit responsible for receiving whistleblowing reports should be independent. The files provided by whistleblowers should be protected with encryption and access control. This should be incorporated into internal operating procedures and

managed by the internal control system.

Article 32 (Strengthening and improvement of financial reporting quality)

The Company should set up a deputy for Chief Accounting Officer.

The abovementioned deputy should continue with training and education each year in the same manner as Chief Accounting Officer according to the Regulations Governing the Qualification Requirements and Professional Development of Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges. This is intended to enhance the professional competence of the deputy for Chief Accounting Officer.

The Company should select professional, responsible, and independent publicly certified accountants to periodically inspect the Company's financial status and internal control. The Company should properly examine the abnormalities or deficiencies identified and disclosed by publicly certified accountants during the inspection process and respond to the suggestions for improvement or fraud prevention proposed by the accountants. A communication channel or mechanism is advised to facilitate dialogues among independent directors, Audit Committee and publicly certified accountants. This should be incorporated into internal operating procedures and managed by the internal control system.

The Company should periodically (at least once per annum) assess the independence and suitability of the publicly certified accountants it hires. It is necessary to assess the necessity of changing accountants if the same accountants have been in service for seven consecutive years or there are punitive measures against these accountants or incidents that compromise their independence. The assessment results should be reported to the board.

Article 33 (Seeking appropriate legal services)

The Company is advised to hire professionally and suitable lawyers to provide legal consultation to the Company, the board and management. This will help the Company and relevant personnel from violating laws and regulations and ensure the corporate governance operations to function in the relevant legal framework and according to statutory procedures.

In event of any litigation concerning directors or management in the course of carrying out tasks

according to laws or any dispute with shareholders, the Company should hire lawyers to provide assistance where necessary.

Audit Committee or its independent director members may hire, on behalf of the Company and according to organizational charters of the functional committee, lawyers, accountants or other professionals to conduct necessary inspections or provide consultation for the exercise of powers. The expenses shall be borne by the Company.

Section 4 Rules of Board Meetings and Decision-Making Procedures

Article 34 (Convening of board meetings)

The Company's board should convene meetings at least once every two months. Important agendas, operational procedures, required items for minutes, public announcements and other matters for compliance should adhere to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies and the Company's Rules of Board Meetings.

Article 35 (Directors should maintain a high level of self-regulation)

Directors should maintain a high level of self-regulation for the issues on the board's agenda. In case of any interest involved with directors themselves or the legal person they represent, it is necessary to seek recusal according to the Company's Rule of Board Meetings.

Article 36 (Independent directors and board meetings)

The attendance of board meetings by independent directors and the objections and reserved opinions from independent directors should be handled according to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies and the Company's Rules of Board Meetings.

If required by the agenda, board meetings may inform relevant managers who are not directors to attend meetings to report the Company's business and answer questions from directors. Where necessary, the board may also invite accountants, lawyers or other professionals to attend meetings, in order to assist in the understanding of the Company's current status and contribute to appropriate decision-making. However, they should leave the meeting when the board is engaged

in discussion and voting.

Article 37 (Board meeting minutes)

Staff personnel for board meetings should observe relevant regulations and produce in detail meeting minutes, summarize proposals, decision methods and results.

Board meeting minutes must be signed or stamped by the chairperson and attendants. The production, distribution and filing of these meetings should adhere to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies and the Company's Rules of Board Meetings.

If the decision by the board violates laws, the Company's charters or decision by shareholders' meetings and consequently causes damages to the Company, the directors who have opposed to such decisions as evidenced by record or in writing shall be exempted for liabilities.

Article 38 (Matters to be forwarded to the board for discussion)

The Company's following matters should be forwarded to the board for discussion:

1. Operational plans
2. Annual financial reports
3. Formulation or modification of the internal control system and review on the effectiveness of the internal control system
4. Formulation or modification of the procedures for asset acquisitions or disposals, transaction of derivations, significant financial dealings such as lending to others and providing endorsements or guarantees for others
5. Offering, issuance or private placement of marketable securities of equity nature
6. Performance reviews and remunerations of managers
7. Remuneration structure and system of the board
8. Appointment and dismissal of supervisors in finance, accounting or internal audit
9. Any donation to related parties or significant donations to non-related parties However, emergency donations to emergency aids in the event of major natural disasters may be acknowledged by the next board meeting.

10. Any matters to be decided by a shareholders' meeting or forwarded to the board for decision according to Article 14-3 of the Securities and Exchange Act, other laws or charter requirements or significant matters as defined by regulators

Except for the abovementioned matters for discussion by the board, the board must be specific in terms of authorized levels, contents or matters for the authorized exercise of the board's powers between board meetings, subject to applicable laws or the Company's Articles of Association. No general authorization is allowed.

Article 39 (Specific appointment of suitable implementation units or personnel for matters determined by the board)

The Company should appoint suitable implementation units or personnel for matters determined by the board. Project timetables and targets must be met. The implementation should be followed up for management and performance reviews should be conducted accordingly.

The Company should report to the board in a timely manner regarding the progress of implementation for the matters designated by the board, so that the management decisions by the board can be realized.

Section 5 Directors' duty of loyalty and duty of care

Article 40 (Board members should adhere to duty of loyalty in carrying out tasks and duty of care as a good administrator)

Board members should carry out tasks by exercising duty of loyalty and serve as a good administrator by exercise duty of care, as well as exercise powers with a high degree of self-regulation and caution.

The Company should conduct annual performance reviews on the board and functional committees according to Guidelines for Board Performance Reviews. Assessment contents, indicators and results should be processed according to these guidelines.

Article 41 (Notification from shareholders or independent directors to the board to stop the implementation of decided matters)

If a decision by the board violates the laws or the Company's Articles of Association and subsequently shareholders (who have held the Company's shares for at least one year) demand or independent directors notify the board to stop the implementation of the decided matter, board members should immediately and appropriately handle the issue or stop the implementation of the decision.

If the board members identify the risk of the Company incurring material damages, they should proceed pursuant to the abovementioned requirements, and immediately report to Audit Committee or independent directors of Audit Committee.

Article 42 (Liability insurance for directors)

The Company should purchase liability insurance for directors in service to cover legal liabilities within the scope of the duties, in order to mitigate and diversify the risks of material losses incurred by the Company and shareholders due to error or negligence of directors.

After the purchase or renewal of liability insurance for directors, the Company should report to the most immediate board meeting regarding the amount insured, scope covered, and insurance premiums.

Article 43 (Board members participate in training programs)

Board members are advised to, soon after onboarding or whilst in service, continue with training and education in finance, risk management, business, commerce, accounting, law or corporate social responsibility in the institutions designated by the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies and urge employees at different levels to enhance professional and legal knowledge.

Chapter 4 Respect for stakeholders' interest

Article 44 (The Company should maintain communication with stakeholders and protect the interest of stakeholders)

The Company should maintain smooth communication channels with banks and other creditors, employees, consumers, suppliers, communities or other stakeholders and respect and protect the

due and legal rights of stakeholders. A section dedicated to stakeholders should be set up on the Company's website.

If the legal rights of any stakeholder are damaged, the Company should handle appropriately in the principle of honesty and integrity.

Article 45 (Sufficient information should be provided to banks and other creditors)

The Company should provide sufficient information to its banks and other creditors, so that they can make informed decisions based on the Company's operational and financial status. If their legal rights are damaged, the Company should respond positively and responsibly, so that creditors can be compensated through appropriate means.

Article 46 (Communication channel with employees should be established)

The Company should establish a communication channel with employees and encourage employees to directly speak with management and directors, in order to appropriately reflect the opinions from employees about the Company's operation and finance or important policies to employees' interest.

Article 47 (The company's social responsibility)

Whilst maintaining the normal course of business and seeking the maximization of shareholders' interest, the Company should pay attention to consumers' rights, community environmental protection and public benefits and emphasize its social responsibility.

Chapter 5 Enhancement of information transparency

Section 1 Better information disclosure

Article 48 (Information disclosure and online reporting system)

Information disclosure is the Company's important responsibility. The Company should observe relevant laws and requirements by Taipei Exchange regarding all the public announcements.

The Company should designate dedicated personnel for collection and disclosure of the

Company's information. In addition to the online reporting for information disclosure, the Company establishes the spokesperson system to ensure the timely and appropriate disclosure of the information that may affect decisions by shareholders and stakeholders.

Article 49 (Appointment of Spokesperson)

The Company should appoint a spokesperson and deputy spokespersons who have an overall understanding of the Company's finance and business or who can coordinate different departments for relevant information and speak on his/her own to external parties on behalf of the Company. There should be at least one deputy spokesperson. If the spokesperson cannot carry out the speaking task, any deputy spokesperson should be able to speak on his/her own to external parties. However, it is necessary to confirm the next-in-line.

To define and implement the spokesperson system, the Company should formulate the Operating Procedures in Disclosure of Material Information and Prevention of Insider Trading. Management and employees are required to keep financial and business information confidential and may not distribute information at will and unauthorized.

Article 50 (Establishment of corporate governance webpages)

The Company should set up a website with information about its finance, business and corporate governance and for the reference of shareholders and stakeholders. It is advised to provide an English version with the same information.

The abovementioned website should be maintained by dedicated personnel. The information provided should be detailed, accurate and updated timely, in order to avoid misleading.

Article 51 (Methods of organizing capital market events)

The Company's capital market events should be organized according to the requirements set forth by Taipei Exchange and the events should be audio or video recorded. All the financial and business information provided at capital market events should be, as required, uploaded onto the Market Observation Post System (MOPS) and published on the Company's website.

Section 2 Disclosure of corporate governance information

Article 52 (Disclosure of corporate governance information)

The Company should, in compliance with relevant laws and requirements set forth by Taipei Exchange, disclose and update on an ongoing basis the following corporate governance information during the year:

1. Corporate governance structure and rules
2. Equity structure and shareholders' equity (including a specific dividend policy)
3. Board structure, members' professionalism and independence
4. Board's and management's responsibilities
5. Audit Committee's composition, responsibility and independence
6. Composition, responsibility and functioning of Remuneration Committee and other functional committees
7. Remunerations paid to directors, General Manager and Vice Presidents during the most recent two years; these remunerations as a percentage of net incomes in individual or consolidated financial reports; remuneration policy, standard and combination; procedures of remuneration determination; and linkage with operating performances and future risks Under special circumstances, it is necessary to disclose remunerations paid to individual directors.
8. Directors' training and education
9. Rights, relations and complaining channels of stakeholders, issues of concern and appropriate responding mechanisms
10. Details of information disclosure according to laws and regulations
11. Gap and reason for such a gap between the Company's corporate governance functioning and the Company's corporate governance guidelines and these guidelines
12. Other relevant corporate governance information

Depending on the implementation of corporate governance, the Company is advised to disclose the plans and measures for improvement of corporate governance in an appropriate manner.

Chapter 6 Supplementary Provisions

Article 53 (Attention to domestic and overseas development)