

## Implementation of directors' avoidance of motions in conflict of interest

### 1. Operation of the Board of Directors

#### 1.1.

The company elected the 19<sup>th</sup> Board of Director on the shareholders' meeting on June 12, 2019, including 9 directors (with 3 independent directors). The member of the board of directors shall base on the premise of loyal, cautious and highly aware of the company's interest. The members of the board of directors shall perform their duties on significant matters, such as evaluating the company's operating strategies, risk management, annual budget, business performance and invigilating major capital expenditure, merger, acquisitions, investment, disposal and others. The member of the board of directors shall ensure the accuracy of the accounting system and financial statements to prevent the behavior of the board members to harm the company or the board members' interest conflicts with the shareholders. The board of directors shall elected carefully, invigilating the management team, make objective judgement to the company affairs and elected the suitable internal audit supervisor to ensure the effectiveness of the internal control system, and to prevent any abuses and corruption.

The company convenes a board of directors' meeting at least once per quarter, currently. The management team report to the board of directors with regards to the operating performance and the board of directors making decisions on the company's future operating directions and major policies. Under the board of directors, there are audit office, audit committee and remuneration committee of reviewing the senior managers' compensation. With the review and suggestions of audit office, audit committee and remuneration committee, reported to the board of directors and assisting the board of directors in decision-making.

#### 1.2 The principle of avoiding interest conflicts

The company enacted Rules of Procedure in accordance to the Regulation Governing Procedure for Board of Directors Meetings of Public Company. Directors were avoided themselves within discussions and voting related to their interest.

##### A. Information on the operating condition of the Board of Directors

A total of 5 meetings of the Board of Directors were held in 2021.

The attendances of directors were shown in the following table:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%) (Note)	Remarks
Chairman	Shu-Chyuan Yeh	5	0	100%	
Director	Tse-Sung Tsai	5	0	100%	
Director	Ming-Te Tu	5	0	100%	
Director	Sheunn-Ching Yang	5	0	100%	
Director	Shu-Hsun Yeh	5	0	100%	
Director	Pin-Wen Fang	5	0	100%	
Independent Director	Feng-Hsien Shih	5	0	100%	
Independent Director	Wan-Ping Chen	5	0	100%	
Independent Director	Pin-Chi Wei	5	0	100%	

Other Matters to be recorded:

1. If any of the following circumstances occurs in the operation of the Board of Directors' meeting, please indicate the date of the Board of Directors' meeting, the session number, the contents of the motion, the opinions of all independent directors and the company's handling of the opinions of the Independent Director:
  - (1) Matters listed in Article 14-3 of the Securities and Exchange Act :  
The company established the Audit Committee according to the law, therefore not applicable.
  - (2) Other than the aforementioned matters, any other matters approved by the Board of Directors which an independent director expresses an objection or reservation that has been included in records or stated in writing: None
2. For the situation where a director avoids a motion related to his/her own interest, please specify the directors' name, the contents of the motion, the reason for the avoidance of interest and the voting result : Please refer to Note 2 for details.
3. The evaluation cycle and period of the board's self-evaluation, scope, method and content of the self-evaluation of the Board of Directors, please refer to the execution situation of assessment of the Board of Directors : Please refer to Note 3 for details.
4. The goals for strengthening the board's functions in the current and the recent year (e.g. establishment of an Audit Committee, promotion for information transparency, etc.) and assessment of the implementation:  
The board members continuously attending training courses related to corporate governance to strengthening the functions of the board and to promote communication and interaction. Training courses attending by the Board of Directors please refer to Page 47 of this annual report.

**Note1** : The actual attendance rate (%) is calculated by the number of Board of Director's meeting convened and the numbers of actual meeting attend when in position.

**Note2** : Implementation of directors' avoidance of motions in conflict of interest

Date/Term of the Board meeting	Content of motion	Name of directors	Causes for avoidance	Participation in voting
2021.03.18 The 9th meeting of the 19th Term	Submitted for approval of the 2021 salary adjustment of the company Managers.	•Shu-Chyuan Yeh •Tse-Sung Tsai •Ming-Te Tu	Related persons. They are the receivers of the Content.	The concerning director did not participate in discussions and voting. The remaining directors unanimously approved it.
2021.05.06 The 10th meeting of the 19th Term	The proposal of the company's distribution of the 1 <sup>st</sup> operating performance bonus for managers f of the year 2021	•Shu-Chyuan Yeh •Tse-Sung Tsai •Ming-Te Tu	Related persons. They are the receivers of the Content.	The concerning director did not participate in discussions and voting. The remaining directors unanimously approved it.
2021.11.05 The 13th meeting of the 19th Term	The proposal of the company's distribution of the 2nd operating performance bonus for managers f of the year 2021	•Shu-Chyuan Yeh •Tse-Sung Tsai •Ming-Te Tu	Related persons. They are the receivers of the Content.	The concerning director did not participate in discussions and voting. The remaining directors unanimously approved it.