

Stock Code : 1609

**Ta Ya Electric Wire & Cable Co., Ltd.**

## **General Shareholders Meeting 2023**

### **Agenda**

Date : Wednesday, May 31, 2023

Time : 9:00 A.M.

Place : No.27, Zhengyi St., Guanmiao Dist., Tainan City, Taiwan

(Guanmiao Shanxi Temple Activity Center)

Held by means of : Physical shareholders' meeting

## 2023 General Shareholders Meeting procedure

# Table of Contents

### Meeting Procedure and Agenda

(1) Report .....	2
(2) Ratifications .....	9
(3) Discussion and Voting Issues .....	10
(4) Extempore Motions.....	11
(5) Financial Statements and Auditors' Report .....	12
(6) Distribution of 2022 profits.....	34
(7) The Comparison Table between the revision and the original of "Articles of Incorporation" .....	35
(8) The Comparison Table between the revision and the original of "Rules of Governing Shareholders' Meeting" .....	38

### Appendices

I. Shareholding of All Directors.....	48
II. Impact of the Stock Dividend Distribution on Operating Results, Earnings per Share and Shareholders' Return on Investment.....	49
III. Rules of Governing Shareholders Meeting .....	50
IV. Articles of Incorporation.....	64
V. Rules of Procedure Directors Meeting.....	73
VI. Corporate Governance Best Practice Principles.....	78
VII. Sustainable Development Practice Principles .....	99

# **Ta Ya Electric Wire & Cable Co., Ltd.**

## **2023 General Shareholders Meeting procedure**

1. Meeting called to order
2. Addresses by Chairman

### **I. Matters to Be Reported:**

- (1) 2022 Business Report
- (2) Audit Committee's review report on the 2022
- (3) The Status of Endorsement and Guarantee
- (4) 2022 employees' profit sharing bonus and directors' compensation
- (5) The status of profit distribution of cash dividend
- (6) Amendment to the “Rules of Procedure for Directors Meetings”,  
“Corporate Governance Best Practice Principles” and “Sustainable  
Development Best Practice Principles”

### **II. Matters to Be Ratified :**

- (1) Adoption of the 2022 Business Report and Financial Statements
- (2) Adoption of the Proposal for distribution of 2022 Profits

### **III. Matters to Be Discussed**

- (1) Proposal for a new share issue through capitalization of earnings
- (2) Amendment to the Company's Articles of Incorporation
- (3) Amendment to the Rules of Procedure for Shareholder  
Meetings

### **IV. Extraordinary Motions**

### **V. Meeting Adjourned**

# Reports

## 1. 2022 Business Report

Unit : NT\$ thousand

### (1) 2022 business report is as follows:

Items	2022	2021	Difference	Difference%
Net Revenue	26,749,017	27,457,879	-708,862	-2.58%
Income After tax	841,475	1,408,768	-567,293	-40.27%
Profit Rate	3.15%	5.13%	-	-

### (2) Report of revenue and cost/expenditure

#### I. Report of Revenue

- a. In 2022, the net revenue was NT\$26,749,017 thousand, which was decreased by NT\$708,862 thousand from 2021.
- b. In 2022 non-operating income was NT\$862,482 thousand which accounted for 3.22% of sales revenue.

#### II. Report of Cost/Expenditure

- a. In 2022, the cost was NT\$24,572,112 thousand, which accounted for 91.86% of sales revenue.
- b. In 2022, the expenditure was NT\$1,328,946 thousand, which accounted for 4.97% of sales revenue.
- c. In 2022 non-operating loss was NT\$494,093 thousand which accounted for 1.85% of sales revenue.

#### III. Report of Profit

The income after tax was NT\$841,475 thousand which decreased by NT\$567,293 thousand from 2022.

(3) Financial performance and profitability in 2022

1. financial income and expenditure

Unit : NT\$ Thousand

Item	Amount
Sales Revenue	26,749,017
Gross Margin	2,175,145
Operating Income(Loss)	846,199
Non-Operating income	862,482
Non-Operating Loss	(494,093)
Income before Income Tax	1,214,588
Net Income	841,475
Earning Per share	1.24

2. Analysis of Profitability

Item	Ratio	
Return On Asset	3.92%	
Return on shareholders' equity	8.89%	
To capital(%)	operating profit margin	12.35%
	Pre-tax income	17.74%
Profit Margin	3.97%	
Earning Per share (NT\$ )	1.24	

3. Business Plan and R&D Report:

- (1) To accommodate Government's policy to expand domestic demand, the Group will endeavour to provide what the country need for economy 、transporation development by supplying the best quality products and service of power cables and telecommunication wires.

- (2) With the group total support, the Group will consolidate domestic and overseas resource and strength to increase business performance.
- (3) To enhance market competitiveness, the Group will develop new market and satisfy the needs of market, launching new product and developing new products.
- (4) The Group ensures product's performance, safety and deliverable and free of toxic material to meet customer's requirements.
- (5) To promote the solar power generator system, the Group develop cable for solar power generator system, satisfying the requirements of green power environment.

Chairperson of the Board: Shen,Shang-Hung    Manager: Shen,San-Yi    Chief Accountant: Hung, hung-Ming

## 2. Report on Audit Committee's audit report of 2022

### (1) Inspection Report of Audit Committee

#### **Ta Ya Electric Wire & Cable Co., Ltd.**

##### Inspection Report of Audit Committee

The Audit Committee has duly inspected and approved the financial statements for 2022, the business report and financial statements proposed by the Board of Directors, with the financial statements having been audited and certified by Sung-yu Liu and Zi-Yu Chen, CPAs of Solomon & Co., , hereby submit this report pursuant to Article 14 of Securities and Exchange Act and Article 219 of the Company Act.

To

General Shareholders Meeting 2023

Ta Ya Electric Wire & Cable Co., Ltd.

Audit Committee Convener : Chun-Huei Ho

Date: March 14, 2023

## (2) Proposed profit distribution Inspection Report of Audit Committee

### **Ta Ya Electric Wire & Cable Co., Ltd.**

#### Inspection Report of Audit Committee

The Audit Committee has duly inspected and approved the profit distribution plan prepared and proposed by the Board of Directors and hereby submit this report pursuant to Article 14 of Securities and Exchange Act and Article 219 of the Company Act.

To

General Shareholders Meeting 2023

Ta Ya Electric Wire & Cable Co., Ltd.

Audit Committee Convener : Chun-Huei Ho

Date: April 11, 2023

### 3. Endorsement and Guarantee

- i. The endorsement and guarantee by the Company till the end of March, 2023 is as follows:

Unit : NT\$ Thousand

Guarantor	Guarantee	Endorsement and Guarantee Balance till end of 2022	The utilized amount	The limits to single company
TA YA	TA YA (CHINA) Holding LTD.	1, 918, 161	974, 304	4, 208, 425
TA YA	TA YA (ZHANGZHOU) HOLDING LTD.	65, 461	8, 448	4, 208, 425
TA YA	HENG YA ELECTRIC LTD.	91, 341	0	4, 208, 425
TA YA	HENG YA ELECTRIC (KUNSHAN) LTD.	1, 058, 947	409, 299	4, 208, 425
TA YA	HENG YA ELECTRIC (DONGGUAN) LTD.	1, 450, 191	590, 512	4, 208, 425
TA YA	UNION STORAGE ENERGY SYSTEM LTD.	220, 500	110, 323	3, 156, 319
CUPRIME MATERIAL CO., LTD.	CUGREEN METAL TECH CO., LTD.	50, 000	0	345, 716
TA YI PLASTIC (H.K)	DONGGUAN HUI CHANG PLASTIC CO., LTD	91, 341	91, 341	143, 751
HENG YA ELECTRIC LTD.	HENG YA ELECTRIC (DONGGUAN) LTD.	133, 011	133, 011	321, 676
HENG YA ELECTRIC LTD.	HENG YA ELECTRIC (KUNSHAN) LTD.	177, 348	44, 337	321, 676
TA YA GREEN ENERGY	SIN JHONG SOLAR POWER CO., LTD.	800, 000	800, 000	4, 623, 298
TA YA GREEN ENERGY	Jhih-Guang Energy Co., LTD.	724, 200	724, 200	4, 623, 298
	Total	6, 780, 501	3, 885, 775	

- ii. 2. Based on the Company's "Procedures for Endorsement and Guarantee", the total amount of the endorsement and guarantee should not exceed 60% of the Company's net worth (NT\$6,312,638 thousand). the total amount of the endorsement and guarantee should not exceed 100% of the Company and subsidiaries' net worth (NT\$10,521,064 thousand).

#### 4. Report of 2022 Remuneration to employees and directors

Explanatory note:

- i. The remuneration distribution was conducted pursuant to the Company's Article 26.
- ii. In 2022, the remuneration for employees of the Company was 1% of profits, NT\$8,735,275, and 3%, NT\$ 26,205,826, for directors. The distribution amount was proposed by Payroll Committee and approved by the Board of Directors.

#### 5. Distribution of 2022 cash dividends from profits

Explanatory note:

- i. The Board of Directors is authorized to decide the distribution of cash dividend and report the decision to the shareholders meeting in accordance with Article 26-1 of the Articles of Incorporation.
- ii. We plan to distribute NT\$342,324,563 of cash dividends, NT\$0.50 per share, to a dollar. The distribution of cash dividends is calculated to the dollar (round up to the dollar). The total amount of the odd shares with a distribution of less than NT\$1 will be books as the other income or other expense of the company.

#### 6. Amendments to the Rules of Procedure for Directors Meetings, Corporate Governance Best Practice Principles and Sustainable Development Best Practice Principles

#### 7. Note: Please refer to Appendix 5 to 7 for the revised Rules of Procedure for Directors Meetings , Corporate Governance Best Practice Principles and Sustainable Development Best Practice Principles (pages 78-106)

# Ratification:

## **Proposal 1:** Proposed by the board of directors

Ratification of Business Report and Financial Statements for 2022

Explanatory note:

- i. The Company entrusted certified public accountants Sung-yu Liu and Zi-Yu Chen with Solomon & Co., CPAs to audit and certify the Business Report and Financial Statements (includes Consolidated Financial Statements) for 2022.
- ii. Please look pages 2-4 for the business report and pages 12-33 for the Auditors' Report and the Financial Statements.

## **Proposal 2:** Proposed by the board of directors

Distribution of 2022 profits

Explanatory note:

- i. The net income was NT\$841,474,755. The Company proposed to distribute cash dividend of NT\$342,324,563, which is NT\$0.50 per share. The Company proposed to transferred 2022 earning, NT\$68,464,910 to common stocks, which is NT\$0.10 per share. The total amount of cash dividends less than NT\$1 was adjusted from greatest to smallest in accordance with the total amount of cash dividend. The rounding difference would be recognized as other income or other expense. The distribution of earning is on page 34.
- ii. The earning distribution proposal calculates the dividend rate based on the current outstanding shares of 684,649,126 shares. Later if the outstanding shares change due to repurchase of shares by the Company, transfer or cancellation of treasury shares, or convertible corporate bonds, and thus the dividend rate changes accordingly, it is intend to request the shareholders' meeting to authorize the chairman with full power to handle such matters within the extent of the aforesaid amount and shares..
- iii. The proposal to authorize the Chairman to determine the ex-dividend date and adjust the payout ratio based on actual conditions.

## Discussion and Voting :

Proposal 1 : Proposed by the board of directors

Proposal for 2022 earning transferred to common stocks.

i. The Company proposed to transfer 2022 earning NT\$68,464,910 to issue new shares 6,846,491 as stock dividend with face value of NT\$10 per share. It is proposed that stock dividends be calculated on the basis of outstanding shares, i.e., 10 shares for each 1,000 shares held. Regarding any amount less than one share, the shareholder may register with the Company's stock agency to request to combine as one share 5 days after the record date of dividends. After the combination request, the amount is still less than one share, the dividends will be distributed in cash with minimum calculation unit of one NT dollar according to Company Law Article 240.

The Chairman of the Board will be authorized to approach specific persons of the purchase of these shares based on the face value.

ii. The earning distribution proposal calculates the share-dividend rate based on the current outstanding shares of 684,649,126 shares. Later if the outstanding shares change due to repurchase of shares by the Company, transfer or cancellation of treasury shares, or convertible corporate bonds, and thus the share-dividend rate changes accordingly, it is intend to request the shareholders' meeting to authorize the board of directors with full power to handle such matters within the extent of the aforesaid amount and shares.

iii. The rights and obligations of the new shares are identical to those of the existing shares.

iv. Upon the approval of 2023 Annual General Shareholders' Meeting and the Competent Authority, the Board Meeting is authorized to determine the distribution record date and the issuance process.

v. It is proposed to authorize the board of directors to handle any revision from the authority or any change due to the response to the business environment.

Resolution:

Proposal 2 : Proposed by the board of directors

To approve the Amendment to “Articles of Incorporation”

The proposed Amendments “Articles of Incorporation” are attached hereto as Appendix (page 35-37).

Resolution:

Proposal 3 : Proposed by the board of directors

To approve the Amendment to “Rules of Governing Shareholders’ Meeting”

The proposed “Rules of Governing Shareholders’ Meeting” are attached hereto as Appendix (Page 38-47).

Resolution:

## Extraordinary Motions

## Meeting Adjourned

## **INDEPENDENT AUDITORS' REPORT**

### English Translation of a Report Originally Issued in Chinese

The Board of Directors and Shareholders

TA YA ELECTRIC WIRE & CABLE CO., LTD.

#### **Opinion**

We have audited the accompanying consolidated financial statements of Ta Ya Electric Wire & Cable Co., Ltd and its subsidiaries (the Group), which comprise the consolidated financial balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter section of this report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's consolidated financial statements for the year ended December 31, 2022 are stated as follows:

### Loss allowance of accounts receivable

The recognition of the loss allowance of accounts receivable is based on the customer's credit quality, situation of collecting payments, and future economic conditions. Since the expected credit loss ratio involves subjective judgments and significant estimates of managements, the loss allowance of accounts receivable is identified as a key audit matter. The book value of accounts receivable please refer to Notes 10 to the consolidated financial statements.

Our audit procedures consisted of obtaining the management's assessment information of expected credit loss ratio and assess that whether such assumptions are reasonable; recalculating the appropriateness of the recognition of expected credit loss of accounts receivable based on the above expected credit loss ratio; and inspecting specific customers which amount is significant and the reason for not receiving payment. We use above procedures to confirm whether the expected credit loss of accounts receivable have recognized sufficiently.

### Inventory evaluation

The Group assesses impairment of material based on lower of cost or net realizable value evaluation, and valuation of the inventory is mainly affected by the international copper price, but the international copper market price fluctuations frequently. Since inventory evaluation involves the management's significant judgment, inventory evaluation its assessment is identified as a key audit matter.

The book value of Inventories please refer to Notes 11 to the consolidated financial statements.

Our audit procedures in response to the abovementioned key audit matter were obtaining information pertaining to the lower of cost or net realizable value (LCNRV), sampling projected pricing information and the most recent sales record to assess the reasonableness of the judgment on the LCNRV, and comparing the year-end quantity of inventory items with the inventory count reports to confirm the existence and completeness of the inventory.

Moreover, by attending year-end inventory counting, we assessed the condition of inventory and evaluated the adequacy of inventory provisions for obsolete goods.

### **Other Matter**

Certain investments which were accounted for under the equity method based on the financial statements of the investees were audited by other independent accountants. Our audit, insofar as it related to these companies' total assets were NT 3,271,023 thousands and NT 3,142,619 thousands, which represented 8.32% and 9.16% of the total consolidated assets as of December 31, 2022 and 2021, the related shares of net operating revenue from the associates in the amount of NT 3,560,602 thousands and NT 3,340,441 thousands, which represented 13.31% and 12.17% of the total consolidated net operating revenue for the years ended December 31, 2022 and 2021; The investments accounted for under the equity method balance of NT 1,089,569 thousands and NT 969,271 thousands, which represented 2.77% and 2.82% of the total consolidated assets as of December 31, 2022 and 2021, the related shares of profit of associates and joint ventures accounted for using equity method in the amount of NT 49,876 thousands and NT 96,541 thousands, which represented 4.26% and 5.82% of the consolidated total comprehensive income (loss) for the years ended December 31, 2022 and 2021.

We have audited and expressed an unqualified opinion with other matter paragraph on the parent company only financial statements of the Company as of and for the years ended December 31, 2022 and 2021.

### **Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements**

Management is responsible for preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including supervisors, are responsible for overseeing the Group's financial reporting process.

## **Auditors' Responsibilities for the Audit of the consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements

represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

March 16, 2023

Notice to Readers

*For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language consolidated financial statements shall prevail.*

**TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Expressed in Thousands of New Taiwan Dollars)

<b>ASSETS</b>	<b>December 31, 2022</b>		<b>December 31, 2021</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (notes 4 and 6)	\$ 4,344,838	11.0	\$ 4,999,261	14.6
Financial assets at fair value through profit or loss (notes 4, 7 and 36)	1,345,424	3.4	1,130,877	3.3
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	24,339	0.1	30,531	0.1
Financial assets at amortized cost (notes 9)	384,115	1.0	385,821	1.1
Contract assets	196,472	0.5	58,869	0.2
Notes receivable, net (notes 4, 10 and 37)	262,340	0.7	309,510	0.9
Accounts receivable, net (notes 4, 10 and 37)	3,706,818	9.4	4,090,404	11.9
Other receivables	31,650	0.1	52,903	0.1
Income tax receivable	6,606	—	3,719	—
Inventories, net (notes 4 and 11)	5,585,210	14.2	4,567,901	13.3
Inventories (Construction), net (notes 4 and 11)	221,002	0.6	92,402	0.3
Prepayments	595,075	1.5	362,878	1.1
Other current assets (notes 38)	275,806	0.7	91,982	0.3
Total current assets	<u>16,979,695</u>	<u>43.2</u>	<u>16,177,058</u>	<u>47.2</u>
<b>NONCURRENT ASSETS</b>				
Financial assets at fair value through profit or loss (notes 4, 7 and 36)	3,696,935	9.4	2,860,700	8.3
Financial assets at fair value through other comprehensive income (notes 4, 8 and 38)	1,136,207	2.9	1,012,124	2.9
Investments accounted for using equity method (notes 4, 12 and 38)	1,124,608	2.9	1,019,736	3.0
Property, plant and equipment (notes 4, 13 and 38)	12,603,867	32.0	9,990,898	29.1
Right-of-use assets (notes 4, 14 and 38)	996,342	2.5	1,041,702	3.0
Investment Property, net (notes 4, 15 and 38)	1,342,944	3.4	1,352,215	3.9
Intangible assets (notes 16)	1,343	—	122	—
Deferred income tax assets (notes 2 and 26)	128,055	0.3	122,640	0.4
Prepayments for equipment	146,839	0.4	108,381	0.3
Refundable deposits (note 38)	229,411	0.6	88,750	0.3
Net defined benefit asset	70,144	0.2	19,230	0.1
Other non-current assets (notes 37 and 38)	869,258	2.2	522,984	1.5
Total noncurrent assets	<u>22,345,953</u>	<u>56.8</u>	<u>18,139,482</u>	<u>52.8</u>
<b>TOTAL</b>	<u>\$ 39,325,648</u>	<u>100.0</u>	<u>\$ 34,316,540</u>	<u>100.0</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term loans (note 17)	\$ 6,506,035	16.5	\$ 6,724,135	19.6
Short-term notes and bills payable (note 18)	1,289,550	3.3	829,831	2.4
Financial liabilities at fair value through profit or loss (notes 4, 7 and 36)	23,957	0.1	14,926	—
Contract liabilities	372,575	0.9	215,067	0.6
Notes payable (note 37)	91,074	0.2	93,069	0.3
Accounts payable (note 37)	719,575	1.8	626,636	1.8
Other payables (note 37)	807,626	2.1	710,797	2.1
Income tax payable (note 26)	136,644	0.3	157,752	0.5
Provisions (note 21)	100,000	0.3	100,000	0.3
Lease liabilities (notes 4 and 14)	34,225	0.1	34,457	0.1
Current portion of long-term loans (notes 19 and 20)	2,395,248	6.1	1,871,524	5.5
Other current liabilities	49,853	0.1	57,033	0.2
Total current liabilities	<u>12,526,362</u>	<u>31.8</u>	<u>11,435,227</u>	<u>33.4</u>
<b>NONCURRENT LIABILITIES</b>				
Financial liabilities at fair value through profit or loss (notes 7)	36,850	0.1	—	—
Bonds payable (note 19)	1,942,664	5.0	2,628,394	7.7
Long-term loans (note 20)	11,130,645	28.3	7,272,032	21.2
Provisions (note 21)	28,672	0.1	35,351	0.1
Deferred income tax liabilities (note 26)	313,119	0.8	354,481	1.0
Lease liabilities (notes 4 and 14)	755,570	1.9	765,730	2.2
Net defined benefit liability (note 22)	7,357	—	23,283	0.1
Guarantee deposits	43,164	0.1	79,150	0.2
Other noncurrent liabilities	117,865	0.3	199,541	0.6
Total noncurrent liabilities	<u>14,375,906</u>	<u>36.6</u>	<u>11,357,962</u>	<u>33.1</u>
Total liabilities	<u>26,902,268</u>	<u>68.4</u>	<u>22,793,189</u>	<u>66.5</u>
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (note 23)</b>				
Share capital	6,846,491	17.4	6,458,954	18.8
Capital surplus	1,151,543	2.9	1,136,808	3.3
Retained earnings				
Appropriated as legal capital reserve	354,255	0.9	213,846	0.6
Appropriated as special capital reserve	147,555	0.4	147,555	0.4
Unappropriated earnings (accumulated deficits)	2,109,323	5.4	1,999,744	5.8
Total retained earnings	<u>2,611,133</u>	<u>6.7</u>	<u>2,361,145</u>	<u>6.8</u>
Others	(53,778)	(0.1)	(110,704)	(0.3)
Treasury stock (notes 4 and 24)	(34,325)	(0.1)	(35,565)	(0.1)
Total equity attributable to owners of the parent	<u>10,521,064</u>	<u>26.8</u>	<u>9,810,638</u>	<u>28.5</u>
<b>NON-CONTROLLING INTERESTS (notes 23)</b>	<u>1,902,316</u>	<u>4.8</u>	<u>1,712,713</u>	<u>5.0</u>
Total equity	<u>12,423,380</u>	<u>31.6</u>	<u>11,523,351</u>	<u>33.5</u>
<b>TOTAL</b>	<u>\$ 39,325,648</u>	<u>100.0</u>	<u>\$ 34,316,540</u>	<u>100.0</u>

*The accompanying notes are an integral part of the consolidated financial statements  
(With Solomon & Co., audit report dated March 16, 2023)*

**TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
NET REVENUE (notes 28)	\$ 26,749,017	100.0	\$ 27,457,879	100.0
COST OF REVENUE (notes 11, 22, 30 and 37)	24,572,112	91.9	24,656,077	89.8
GROSS PROFIT	2,176,905	8.1	2,801,802	10.2
UNREALIZED GAIN ON THE TRANSACTIONS WITH ASSOCIATES	2,353	—	593	—
REALIZED GAIN ON THE TRANSACTIONS WITH ASSOCIATES	593	—	—	—
REALIZED GROSS PROFIT	2,175,145	8.1	2,801,209	10.2
OPERATING EXPENSES (notes 22, 25, 30 and 37)				
Sales and marketing	308,249	1.2	286,577	1.0
General and administrative	967,305	3.6	955,354	3.5
Research and development	55,379	0.2	42,445	0.1
Expected credit loss (gains)	(1,987)	—	9,635	—
Total Operating Expenses	1,328,946	5.0	1,294,011	4.6
INCOME FROM OPERATIONS	846,199	3.1	1,507,198	5.6
NON-OPERATING INCOME AND EXPENSES				
Interest income (note 31 and 37)	27,758	0.1	15,546	0.1
Other income (note 32 and 37)	221,355	0.8	218,740	0.8
Other gains and losses (note 33 and 37)	559,459	2.1	456,341	1.7
Finance costs (note 34)	(476,693)	(1.7)	(291,973)	(1.1)
Share of profit associates (note 12)	53,910	0.2	106,210	0.4
Impairment loss	(17,400)	(0.1)	(12,000)	—
Total non-operating Income and expenses	368,389	1.4	492,864	1.9
INCOME BEFORE INCOME TAX	1,214,588	4.5	2,000,062	7.5
INCOME TAX EXPENSE (notes 26)	(150,066)	(0.5)	(345,887)	(1.3)
NET INCOME	1,064,522	4.0	1,654,175	6.2
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (note 22)	37,849	0.2	(14,640)	(0.1)
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	(13,967)	(0.1)	46,612	0.2
Share of other comprehensive income (loss) of associates	460	—	(406)	—
Income tax relating to items that will not be reclassified subsequently to profit or loss (notes 26)	(10,858)	—	(8,695)	—
	13,484	0.1	22,871	0.1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	100,744	0.4	(24,047)	(0.1)
Share of the other comprehensive income of associates accounted for using the equity method	8,485	—	761	—
Income tax benefit related to items that will not be reclassified subsequently (notes 26)	(16,758)	(0.1)	3,852	—
	92,471	0.3	(19,434)	(0.1)
Other comprehensive income (loss) for the year, net of income tax	105,955	0.4	3,437	—
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	\$ 1,170,477	4.4	\$ 1,657,612	6.0
NET PROFIT ATTRIBUTABLE TO:				
Owners of the parent	\$ 841,475	3.2	\$ 1,408,768	5.1
Non-controlling interests	223,047	0.8	245,407	0.9
	\$ 1,064,522	4.0	\$ 1,654,175	6.0
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent	\$ 924,540	3.5	\$ 1,420,966	5.1
Non-controlling interests	245,937	0.9	236,646	0.9
	\$ 1,170,477	4.4	\$ 1,657,612	6.0
EARNINGS PER SHARE (NT\$,notes 27)				
Basic	\$ 1.24		\$ 2.17	
Diluted	\$ 1.18		\$ 2.16	

*The accompanying notes are an integral part of the consolidated financial statements  
(With Solomon & Co., audit report dated March 16, 2023)*

**TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES**  
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**  
(Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

	<u>Capital Stock — Common Stock</u>		<u>Retained Earnings</u>				<u>Others</u>				
	<u>Shares</u>	<u>Amount</u>	<u>Capital Surplus</u>	<u>Legal Reserve</u>	<u>Special Reserve</u>	<u>Unappropriated Earnings (Accumulated Deficit)</u>	<u>Foreign Currency Translation Reserve</u>	<u>Unrealized Gain (Loss) on Assets at Fair Value Through Other Comprehensive Income</u>	<u>Treasury Stock</u>	<u>Non-controlling Interests</u>	<u>Total Equity</u>
BALANCE AT JANUARY 1, 2021 RESTATED	595,068,022	\$ 5,950,680	\$ 602,220	\$ 137,749	\$ 147,555	\$ 1,088,298	\$ (214,024)	\$ 88,358	\$ (34,925)	\$ 1,364,133	\$ 9,130,044
Appropriation of prior year's earnings:											
Legal and Special reserve used to offset accumulated deficit	—	—	—	76,097	—	(76,097)	—	—	—	—	—
Cash dividends to shareholders	—	—	—	—	—	(208,274)	—	—	—	—	(208,274)
Stock dividends	20,827,380	208,274	—	—	—	(208,274)	—	—	—	—	—
Due to recognition of equity component of convertible bonds issued	—	—	163,671	—	—	—	—	—	—	—	163,671
Share of changes in net assets of associates accounted for using equity method	—	—	226	—	—	(1,890)	—	—	—	—	(1,664)
Net income in 2021	—	—	—	—	—	1,408,768	—	—	—	245,407	1,654,175
Other comprehensive income in 2021, net of income tax	—	—	—	—	—	(19,182)	(11,374)	42,754	—	(8,761)	3,437
Issuance of ordinary shares for cash	30,000,000	300,000	330,000	—	—	—	—	—	—	—	630,000
Purchase of the Corporation's shares by subsidiaries	—	—	—	—	—	—	—	—	(2,965)	(2,525)	(5,490)
Disposal of the Company's shares held by subsidiaries	—	—	7,121	—	—	—	—	—	2,325	—	9,446
Adjustments for dividends subsidiaries received from parent company	—	—	2,463	—	—	—	—	—	—	—	2,463
Changes in subsidiaries ownership	—	—	(618)	—	—	(23)	—	—	—	637	(4)
Share-based payments	—	—	31,725	—	—	—	—	—	—	—	31,725
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	111,843	111,843
Disposal of investments in equity instruments at fair value through other comprehensive income	—	—	—	—	—	16,418	—	(16,418)	—	—	—
Others	—	—	—	—	—	—	—	—	—	1,979	1,979
Balance at December 31, 2021	645,895,402	6,458,954	1,136,808	213,846	147,555	1,999,744	(225,398)	114,694	(35,565)	1,712,713	11,523,351
Appropriation of prior year's earnings:											
Legal and Special reserve used to offset accumulated deficit	—	—	—	140,409	—	(140,409)	—	—	—	—	—
Cash dividends to shareholders	—	—	—	—	—	(226,063)	—	—	—	—	(226,063)
Stock dividends	38,753,724	387,537	—	—	—	(387,537)	—	—	—	—	—
Share of changes in net assets of associates accounted for using equity method	—	—	9,784	—	—	(4,011)	—	—	—	—	5,773
Net income in 2022	—	—	—	—	—	841,475	—	—	—	223,047	1,064,522
Other comprehensive income in 2022, net of income tax	—	—	—	—	—	26,139	64,798	(7,872)	—	22,890	105,955
Disposal of the Company's shares held by subsidiaries	—	—	2,371	—	—	—	—	—	1,240	—	3,611
Adjustments for dividends subsidiaries received from parent company	—	—	2,550	—	—	—	—	—	—	—	2,550
Changes in subsidiaries ownership	—	—	30	—	—	(15)	—	—	—	(15)	—
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	(56,319)	(56,319)
Balance at December 31, 2022	684,649,126	\$ 6,846,491	\$ 1,151,543	\$ 354,255	\$ 147,555	\$ 2,109,323	\$ (160,600)	\$ 106,822	\$ (34,325)	\$ 1,902,316	\$ 12,423,380

*The accompanying notes are an integral part of the consolidated financial statements*  
(With Solomon & Co., audit report dated March 16, 2023)

**TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,214,588	\$ 2,000,062
Adjustments for :		
Depreciation expense	644,427	614,952
Amortization expense	393	200
Expected credit loss	(1,987)	9,635
Net gain of financial assets and liabilities at fair value through profit or loss	(256,194)	(724,333)
Finance costs	476,693	291,973
Interest income	(27,758)	(15,546)
Dividend income	(117,852)	(119,361)
Shared-based payment expenses recognized	—	31,725
Share of profits of associates	(53,910)	(106,210)
Gain on disposal of property, plant and equipment	(14,602)	(1,138)
Property, plant and equipment transferred to expenses	16,060	12,615
Gain on disposal of investments	(98,643)	(116,168)
Gains on disposal of associates	(1,253)	—
Impairment loss on financial assets	10,173	12,000
Impairment loss on non-financial assets	7,227	—
Unrealized gain on the transactions with associates	2,353	593
Realized gain on the transactions with associates	(593)	—
Income and expense adjustments	<u>584,534</u>	<u>(109,063)</u>
Changes in operating assets and liabilities:		
Financial assets and liabilities at fair value through profit or loss	(625,029)	(454,104)
Contract assets	(137,603)	(9,097)
Notes receivable	47,170	(153,026)
Accounts receivable	384,065	(649,711)
Other receivables	21,730	(1,406)
Inventories	(1,145,909)	(1,499,194)
Prepayments	(226,889)	(139,646)
Other current assets	(7,839)	86,746
Contract liabilities	157,508	73,748
Notes payable	(1,995)	7,150
Accounts payable	92,939	45,092
Other payables	64,407	(16,492)
Provisions	(7,154)	(966)
Other current liabilities	(7,180)	26,666
Net defined benefit liability	(28,991)	(31,684)
Total changes in operating assets and liabilities	<u>(1,420,770)</u>	<u>(2,715,924)</u>
Total adjustments	<u>(836,236)</u>	<u>(2,824,987)</u>
Cash (used in) generated from operations	378,352	(824,925)
Interest received	27,694	15,544
Interest paid	(458,597)	(289,427)
Income tax paid	(242,515)	(175,693)
Net cash (used in) generated from operating activities	<u>(295,066)</u>	<u>(1,274,501)</u>

(Continued)

**TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial asset at fair value through other comprehensive income	(140,232)	(94,794)
Proceeds from disposal of financial asset at fair value through other comprehensive income	—	28,900
The capital reduction on financial asset at fair value through other comprehensive income	14,610	14,043
Financial assets at amortized cost	1,706	(52,790)
Purchase of associates under the equity method	(141,717)	(88,564)
Proceeds from disposal of associates under the equity method	31,419	—
Net cash flow from acquisition of subsidiaries (exclude cash obtained)	—	(419,024)
Acquisition of property, plant and equipment (including prepayments for equipment)	(3,313,673)	(2,546,126)
Proceeds from disposal of property, plant and equipment	44,385	28,176
Decrease (increase) in refundable deposits	(140,661)	12,909
Acquisition of intangible assets	(1,446)	—
Payments for right-of-use assets	—	(16,527)
Acquisition of investment properties	—	(110,467)
Increase in other non-current assets	(23,305)	(9,382)
Dividend received	184,994	163,481
Decrease (increase) in mortgage demand deposits	(461,167)	(37,680)
Net cash (used in) generated from investing activities	<u>(3,945,087)</u>	<u>(3,127,845)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term loans	(218,100)	2,201,429
Increase (decrease) in short-term notes and bills payable	459,719	374,901
Issuance of bonds payable	—	1,296,071
Proceeds from long-term bank loans	4,725,724	6,399,338
Repayment of long-term bank loans	(1,120,359)	(4,284,088)
Increase (decrease) in guarantee deposits	(35,986)	49,365
Repayment of principal of lease liabilities	(48,462)	(55,926)
Cash dividends	(223,513)	(205,811)
Issuance of ordinary shares for cash	—	630,000
Increase in treasury stock	—	(5,490)
Proceeds from disposal of treasury shares	3,611	9,446
Increase (decrease) in non-controlling interests	(56,269)	113,822
Net cash generated from financing activities	<u>3,486,365</u>	<u>6,523,057</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	99,365	(28,074)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(654,423)	2,092,637
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>4,999,261</u>	<u>2,906,624</u>
CASH AND CASH EQUIVALENTS, ENDING OF YEAR	<u>\$ 4,344,838</u>	<u>\$ 4,999,261</u>

(Concluded)

*The accompanying notes are an integral part of the consolidated financial statements  
(With Solomon & Co., audit report dated March 16, 2023)*

## **INDEPENDENT AUDITORS' REPORT**

### English Translation of a Report Originally Issued in Chinese

The Board of Directors and Shareholders

TA YA ELECTRIC WIRE & CABLE CO., LTD.

#### **Opinion**

We have audited the accompanying parent company only financial statements of Ta Ya Electric Wire & Cable Co., Ltd (the Company), which comprise the parent company only balance sheets as of December 31, 2022 and 2021, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (as set out in the Other Matter section of our report), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2022 are stated as follows:

### Loss allowance of accounts receivable

The recognition of the loss allowance of accounts receivable is based on the customer's credit quality, situation of collecting payments, and future economic conditions. Since the expected credit loss ratio involves subjective judgments and significant estimates of managements, the loss allowance of accounts receivable is identified as a key audit matter.

The book value of accounts receivable please refer to Notes 9 to the parent company's financial statements.

Our audit procedures consisted of obtaining the management's assessment information of expected credit loss ratio and assess that whether such assumptions is reasonable; recalculating the appropriateness of the recognition of expected credit loss of accounts receivable based on the above expected credit loss ratio; and inspecting specific customers which amount is significant and the reason for not receiving payment. We use above procedures to confirm whether the expected credit loss of accounts receivable have recognized sufficiently.

### Inventory evaluation

The company assesses impairment of material based on lower of cost or net realizable value evaluation, and valuation of the inventory is mainly affected by the international copper price, but the international copper market price fluctuations frequently. Since inventory evaluation involves the management's significant judgment, inventory evaluation its assessment is identified as a key audit matter.

The book value of Inventories please refer to Notes 10 to the parent company's financial statements.

Our audit procedures in response to the abovementioned key audit matter were obtaining information

pertaining to the lower of cost or net realizable value (LCNRV), sampling projected pricing information and the most recent sales record to assess the reasonableness of the judgment on the LCNRV, and comparing the year-end quantity of inventory items with the inventory count reports to confirm the existence and completeness of the inventory. Moreover, by attending year-end inventory counting, we assessed the condition of inventory and evaluated the adequacy of inventory provisions for obsolete goods.

### **Other Matter**

We did not audit the financial statements of certain investments accounted for under the equity method that are included in the parent company only financial statements. Those financial statements were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the parent company only financial statements and the information, is based solely on the audit reports of other independent accountants. Total assets of these subsidiaries and investments amounted to NT \$2,181,228 thousand and NT \$1,991,966 thousand, representing 9.17% and 9.67% of the related totals, as of December 31, 2022 and 2021, respectively, and total operating revenues of NT \$221,378 thousand and NT \$210,472 thousand, constituting 23.94% and 14.81% of the related totals for the years then ended, respectively.

### **Responsibilities of Management and Those Charged with Governance for the Parent Company**

#### **Only Financial Statements**

Management is responsible for preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to

liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including supervisors, are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

7. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
8. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
9. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
10. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going

concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

11. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

March 16,2023

Notice to Readers

*For the convenience of readers, the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language parent company only financial statements shall prevail.*

**TA YA ELECTRIC WIRE & CABLE CO., LTD.**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
(Expressed in Thousands of New Taiwan Dollars)

<u>ASSETS</u>	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (notes 4 and 6)	\$ 1,983,281	8.3	\$ 2,044,752	9.9
Financial assets at fair value through profit or loss (notes 4, 7 and 32)	1,327,885	5.6	1,111,282	5.4
Contract assets	131,873	0.6	33,432	0.2
Notes receivable, net (notes 4, 9 and 33)	212,431	0.9	182,504	0.9
Accounts receivable, net (notes 4, 9 and 33)	1,415,883	6.0	1,517,704	7.4
Other receivables (note 33)	17,756	0.1	61,792	0.3
Inventories, net (notes 4 and 10)	3,593,690	15.1	2,474,769	12.0
Inventories (Construction), net (notes 4 and 10)	221,002	0.9	92,402	0.4
Prepayments (note 33)	134,233	0.5	110,328	0.5
Other current assets (note 33 and 34)	5,925	—	4,062	—
Total current assets	<u>9,043,959</u>	<u>38.0</u>	<u>7,633,027</u>	<u>37.0</u>
<b>NONCURRENT ASSETS</b>				
Financial assets at fair value through profit or loss (notes 4, 7 and 32)	555,243	2.3	614,838	3.0
Financial assets at fair value through other comprehensive income (notes 4, 8, 32 and 34)	1,052,454	4.4	911,981	4.4
Investments accounted for using equity method (notes 4, 11 and 34)	9,417,059	39.6	7,893,770	38.3
Property, plant and equipment (notes 4, 12 and 34)	2,356,207	9.9	2,271,680	11.0
Right-of-use assets (notes 4 and 13)	45,460	0.2	19,871	0.1
Investment Property, net (notes 4, 14 and 34)	894,656	3.8	897,287	4.4
Prepayments for equipment	97,742	0.4	76,562	0.4
Refundable deposits (note 34)	28,523	0.1	32,182	0.2
Net defined benefit asset (note 19)	69,978	0.3	19,230	0.1
Other non-current assets (note 34)	229,310	1.0	225,465	1.1
Total noncurrent assets	<u>14,746,632</u>	<u>62.0</u>	<u>12,962,866</u>	<u>63.0</u>
<b>TOTAL</b>	<u>\$ 23,790,591</u>	<u>100.0</u>	<u>\$ 20,595,893</u>	<u>100.0</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term loans (note 15)	\$ 3,367,954	14.2	\$ 2,113,116	10.3
Short-term notes and bills payable (note 16)	800,000	3.4	500,000	2.4
Financial liabilities at fair value through profit or loss (notes 4 and 7)	20,108	0.1	9,545	—
Contract liabilities (note 33)	327,986	1.4	190,242	0.9
Notes payable	4,333	—	7,072	—
Accounts payable (note 33)	591,027	2.5	469,673	2.3
Other payables (note 33)	392,463	1.6	409,429	2.0
Income tax payable (note 23)	62,495	0.3	41,350	0.2
Lease liabilities (notes 4 and 12)	7,835	—	7,288	—
Receipts in advance (note 33)	1,679	—	2,187	—
Current portion of long-term loans (notes 17 and 18)	2,047,352	8.6	900,000	4.4
Other current liabilities	42,159	0.1	47,817	0.2
Total current liabilities	<u>7,665,391</u>	<u>32.2</u>	<u>4,697,719</u>	<u>22.7</u>
<b>NONCURRENT LIABILITIES</b>				
Bonds payable (note 17)	1,942,664	8.2	2,628,394	12.8
Long-term loans (note 18)	3,271,515	13.8	3,035,000	14.7
Deferred income tax liabilities (note 23)	308,851	1.3	353,669	1.7
Lease liabilities (notes 4 and 12)	38,476	0.2	12,657	0.1
Guarantee deposits (note 33)	41,918	0.1	57,173	0.3
Other noncurrent liabilities	712	—	643	—
Total noncurrent liabilities	<u>5,604,136</u>	<u>23.6</u>	<u>6,087,536</u>	<u>29.6</u>
Total liabilities	<u>13,269,527</u>	<u>55.8</u>	<u>10,785,255</u>	<u>52.3</u>
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (note 20)</b>				
Share capital	6,846,491	28.8	6,458,954	31.5
Capital surplus	1,151,543	4.8	1,136,808	5.5
Retained earnings				
Appropriated as legal capital reserve	354,255	1.5	213,846	1.0
Appropriated as special capital reserve	147,555	0.6	147,555	0.7
Unappropriated earnings	2,109,323	8.9	1,999,744	9.7
Total retained earnings	<u>2,611,133</u>	<u>11.0</u>	<u>2,361,145</u>	<u>11.4</u>
Others	(53,778)	(0.2)	(110,704)	(0.5)
Treasury stock (notes 4 and 21)	(34,325)	(0.2)	(35,565)	(0.2)
Total equity	<u>10,521,064</u>	<u>44.2</u>	<u>9,810,638</u>	<u>47.7</u>
<b>TOTAL</b>	<u>\$ 23,790,591</u>	<u>100.0</u>	<u>\$ 20,595,893</u>	<u>100.0</u>

*The accompanying notes are an integral part of the parent company only financial statements  
(With Solomon & Co., audit report dated March 16, 2023)*

**TA YA ELECTRIC WIRE & CABLE CO., LTD.**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

	<u>2022</u>		<u>2021</u>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
NET REVENUE (notes 25)	\$ 14,313,201	100.0	\$ 13,419,090	100.0
COST OF REVENUE (notes 10, 19, 26, and 33)	13,429,573	93.8	12,314,789	91.8
GROSS PROFIT	883,628	6.2	1,104,301	8.2
UNREALIZED GAIN ON THE TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	14,121	0.1	24,269	0.1
REALIZED GAIN ON THE TRANSACTIONS WITH SUBSIDIARIES	9,051	0.1	2,480	—
REALIZED GROSS PROFIT	878,558	6.2	1,082,512	8.1
OPERATING EXPENSES (notes 19, 26, and 33)				
Sales and marketing	165,551	1.2	142,300	1.1
General and administrative	464,448	3.2	523,710	3.9
Research and development	55,379	0.4	42,445	0.3
Expected credit loss (gains)	—	—	10,000	0.1
Total Operating Expenses	685,378	4.8	718,455	5.4
INCOME FROM OPERATIONS	193,180	1.4	364,057	2.7
NON-OPERATING INCOME AND EXPENSES				
Interest income (note 27 and 33)	5,913	—	1,897	—
Other income (note 28 and 33)	196,459	1.4	194,372	1.4
Other gains and losses (note 29 and 33)	(193,801)	(1.4)	171,949	1.3
Finance costs (note 30)	(159,289)	(1.1)	(93,799)	(0.7)
Share of profit associates (note 11)	796,125	5.6	892,337	6.7
Total non-operating Income and expenses	645,407	4.5	1,166,756	8.7
INCOME BEFORE INCOME TAX	838,587	5.9	1,530,813	11.4
INCOME TAX EXPENSE (notes 23)	2,888	—	(122,045)	(0.9)
NET INCOME	\$ 841,475	5.9	\$ 1,408,768	10.5
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (note 19)	29,306	0.2	(6,800)	(0.1)
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	1,758	—	34,803	0.3
Share of other comprehensive income (loss) of associates	(7,112)	(0.1)	1,949	—
Income tax relating to items that will not be reclassified subsequently to profit or loss (notes 23)	(5,685)	—	(6,380)	—
	18,267	0.1	23,572	0.2
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	54,934	0.4	(10,223)	(0.1)
Share of the other comprehensive income of associates accounted for using the equity method	20,851	0.2	(3,195)	—
Income tax benefit related to items that will not be reclassified subsequently (notes 23)	(10,987)	(0.1)	2,044	—
	64,798	0.5	(11,374)	(0.1)
Other comprehensive income (loss) for the year, net of income tax	83,065	0.6	12,198	0.1
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	\$ 924,540	6.5	\$ 1,420,966	10.6
EARNINGS PER SHARE (NT\$, notes 24)				
Basic	\$ 1.24		\$ 2.17	
Diluted	\$ 1.18		\$ 2.16	

*The accompanying notes are an integral part of the parent company only financial statements  
(With Solomon & Co., audit report dated March 16, 2023)*

**TA YA ELECTRIC WIRE & CABLE CO., LTD.**  
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**  
(Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

	<i>Capital Stock – Common Stock</i>		<i>Retained Earnings</i>				<i>Others</i>			<i>Treasury Stock</i>	<i>Total Equity</i>
	<i>Shares</i>	<i>Amount</i>	<i>Capital Surplus</i>	<i>Legal Reserve</i>	<i>Special Reserve</i>	<i>Unappropriated Earnings (Accumulated Deficit)</i>	<i>Foreign Currency Translation Reserve</i>	<i>Unrealized Gain (Loss) on Assets at Fair Value Through Other Comprehensive Income</i>			
Balance at January 1, 2021	595,068,022	\$ 5,950,680	\$ 602,220	\$ 137,749	\$ 147,555	\$ 1,088,298	\$ (214,024)	\$ 88,358	\$ (34,925)	\$ 7,765,911	
Appropriation of prior year's earnings:											
Legal reserve used to offset accumulated deficit	—	—	—	76,097	—	(76,097)	—	—	—	—	
Cash dividends to shareholders	—	—	—	—	—	(208,274)	—	—	—	(208,274)	
Stock dividends	20,827,380	208,274	—	—	—	(208,274)	—	—	—	—	
Due to recognition of equity component of convertible bonds issued	—	—	163,671	—	—	—	—	—	—	163,671	
Share of changes in net assets of associates accounted for using equity method	—	—	226	—	—	(1,890)	—	—	—	(1,664)	
Net income in 2021	—	—	—	—	—	1,408,768	—	—	—	1,408,768	
Other comprehensive income in 2021, net of income tax	—	—	—	—	—	(19,182)	(11,374)	42,754	—	12,198	
Issuance of ordinary shares for cash	30,000,000	300,000	330,000	—	—	—	—	—	—	630,000	
Purchase of the Corporation's shares by subsidiaries	—	—	—	—	—	—	—	—	(2,965)	(2,965)	
Disposal of the Company's shares held by subsidiaries	—	—	7,121	—	—	—	—	—	2,325	9,446	
Adjustments for dividends subsidiaries received from parent company	—	—	2,463	—	—	—	—	—	—	2,463	
Changes in subsidiaries ownership	—	—	(618)	—	—	(23)	—	—	—	(641)	
Share-based payments	—	—	31,725	—	—	—	—	—	—	31,725	
Disposal of investments in equity instruments at fair value through other comprehensive income	—	—	—	—	—	16,418	—	(16,418)	—	—	
Balance at December 31, 2021	645,895,402	6,458,954	1,136,808	213,846	147,555	1,999,744	(225,398)	114,694	(35,565)	9,810,638	
Appropriation of prior year's earnings:											
Legal reserve used to offset accumulated deficit	—	—	—	140,409	—	(140,409)	—	—	—	—	
Cash dividends to shareholders	—	—	—	—	—	(226,063)	—	—	—	(226,063)	
Stock dividends	38,753,724	387,537	—	—	—	(387,537)	—	—	—	—	
Share of changes in net assets of associates accounted for using equity method	—	—	9,784	—	—	(4,011)	—	—	—	5,773	
Net income in 2022	—	—	—	—	—	841,475	—	—	—	841,475	
Other comprehensive income in 2022, net of income tax	—	—	—	—	—	26,139	64,798	(7,872)	—	83,065	
Disposal of the Company's shares held by subsidiaries	—	—	2,371	—	—	—	—	—	1,240	3,611	
Adjustments for dividends subsidiaries received from parent company	—	—	2,550	—	—	—	—	—	—	2,550	
Changes in subsidiaries ownership	—	—	30	—	—	(15)	—	—	—	15	
Balance at December 31, 2022	684,649,126	\$ 6,846,491	\$ 1,151,543	\$ 354,255	\$ 147,555	\$ 2,109,323	\$ (160,600)	\$ 106,822	\$ (34,325)	\$ 10,521,064	

*The accompanying notes are an integral part of the parent company only financial statements*  
(With Solomon & Co., audit report dated March 16, 2023)

**TA YA ELECTRIC WIRE & CABLE CO., LTD.**  
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**  
(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 838,587	\$ 1,530,813
Adjustments for :		
Depreciation expense	147,329	123,896
Expected credit loss	—	10,000
Net gain of financial assets and liabilities at fair value through profit or loss	284,322	(437,712)
Finance costs	159,289	93,799
Interest income	(5,913)	(1,897)
Dividend income	(77,026)	(78,400)
Shared-based payment expenses recognized	—	31,725
Share of profits of associates	(796,125)	(892,337)
Gain on disposal of property, plant and equipment	(2,760)	(1,486)
Property, plant and equipment transferred to expenses	13,969	3,731
Gain on disposal of investments	(22,063)	(113,365)
Unrealized gain on the transactions with subsidiaries and associates	14,121	24,269
Realized gain on the transactions with subsidiaries	(9,051)	(2,480)
Income and expense adjustments	<u>(293,908)</u>	<u>(1,240,257)</u>
Changes in operating assets and liabilities:		
Financial assets and liabilities at fair value through profit or loss	(408,704)	(300,948)
Contract assets	(98,411)	9,286
Notes receivable	(29,927)	(98,153)
Accounts receivable	101,821	(395,755)
Other receivables	14,483	(11,954)
Inventories	(1,247,521)	(564,761)
Prepayments	(18,486)	(83,698)
Other current assets	(2,392)	(507)
Contract liabilities	137,744	64,884
Notes payable	(2,739)	5,718
Accounts payable	121,354	(16,381)
Other payables	(20,317)	105,524
Advance receipts	(508)	1,077
Other current liabilities	(5,658)	23,850
Net defined benefit liability	<u>(21,442)</u>	<u>(21,109)</u>
Total changes in operating assets and liabilities	<u>(1,480,703)</u>	<u>(1,282,927)</u>
Total adjustments	<u>(1,774,611)</u>	<u>(2,523,184)</u>
Cash (used in) generated from operations	(936,024)	(992,371)
Interest received	5,877	2,340
Interest paid	(141,668)	(91,729)
Income tax paid	<u>(36,929)</u>	<u>(5,736)</u>
Net cash (used in) generated from operating activities	<u>(1,108,744)</u>	<u>(1,087,496)</u>

(Continued)

**TA YA ELECTRIC WIRE & CABLE CO., LTD.**  
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<i>2022</i>	<i>2021</i>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial asset at fair value through other comprehensive income	(138,715)	(94,550)
Proceeds from disposal of financial asset at fair value through other comprehensive income	—	28,900
Purchase of associates under the equity method	(121,717)	(88,564)
Acquisition of property, plant and equipment (including prepayments for equipment)	(260,669)	(174,384)
Proceeds from disposal of property, plant and equipment	3,454	3,781
Decrease (increase) in refundable deposits	3,659	(3,007)
Decrease in other receivables	30,000	70,000
Dividend received	236,270	221,756
Increase in mortgage demand deposits	(3,845)	(175,817)
Net cash used in investing activities	(251,563)	(211,885)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	1,254,838	533,829
Increase in short-term notes and bills payable	300,000	100,000
Issuance of bonds payable	—	1,296,071
Proceeds from long-term bank loans	786,759	2,100,000
Repayment of long-term bank loans	(102,892)	(1,148,334)
Increase (decrease) in guarantee deposits	(15,255)	29,863
Repayment of principal of lease liabilities	(9,041)	(7,413)
Cash dividends	(226,063)	(208,274)
Issuance of ordinary shares for cash	—	630,000
Acquisition of subsidiaries	(689,480)	(1,238,765)
Net cash generated from financing activities	1,298,866	2,086,977
NET INCREASE IN CASH AND CASH EQUIVALENTS	(61,441)	787,596
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,044,752	1,257,156
CASH AND CASH EQUIVALENTS, ENDING OF YEAR	\$ 1,983,311	\$ 2,044,752

(Concluded)

*The accompanying notes are an integral part of the parent company only financial statements  
(With Solomon & Co., audit report dated March 16, 2023)*

# Ta Ya Electric Wire & Cable Co., Ltd.

## Earnings Distribution Proposal for 2022

Unit: NTD

Beginning of Period Retained Earnings	\$ 1,245,734,870	
Net Income	841,474,775	
Retained Earnings Adjusted Due to Adoption of Equity Method in Investments	(4,026,356)	
Remeasurements of Defined Benefit Plans Recognized in Retained Earnings	26,139,507	
After-tax net income for the period and other profit items adjusted to the current year's undistributed earnings other than after-tax net income for the period	863,587,926	
Less: Legal Reserve	(86,358,793)	<small>(In accordance with the Company's Articles of Incorporation.)</small>
Retained earnings available for distribution as of 2022	2,022,964,003	
Distribution item:		
1.Cash dividend (NT\$0.50/share)	(342,324,563)	(Note 1)
2.Stock dividends (NT\$0.10/share)	(68,464,910)	(Note 2)
Total Distribution	(410,789,473)	
End of Period Retained Earnings	\$1,612,174,530	

NOTE : 1、The Company proposed to distribute cash dividend of NT\$342,324,563, which is NT\$0.50 per share.

2、The Company proposed to transferred 2022 earning, NT\$68,464,910 to common stocks, which is NT\$0.10 per share.

Chairperson of the Board: Shen,Shang-Hung    Manager: Shen,San-Yi    Chief Accountant: Hung, Chung-Ming

## Taya Electric Wire & Cable Co., Ltd.

### The Comparison Table of the Amended Articles of the Articles of Incorporation

After Amendment	Current Article	Notes
<p>Article 26-1: Paragraph 1 to 2: omitted In line with current and future development plans, investment environment considerations, capital demands, mid- and long-term financial planning, and consideration of shareholder rights and interests, 20% to 90% of the Company's earnings may be allocated as dividends <u>of the year</u>. Cash dividends shall make up a minimum 10% of total dividends. The remainder may be issued as stock dividends.</p>	<p>Article 26-1: Paragraph 1 to 2: omitted In line with current and future development plans, investment environment considerations, capital demands, mid- and long-term financial planning, and consideration of shareholder rights and interests, 20% to 90% of the Company's earnings may be allocated as dividends <u>every year</u>. Cash dividends shall make up a minimum 10% of total dividends. The remainder may be issued as stock dividends.</p>	<p>The third item revision is made in order to cooperate with practical operation.</p>
<p>Article 30: They were first amended on May 27, 1966 and subsequently amended on December 15, 1966 (2nd amendment), May 1, 1967 (3rd amendment), February 20, 1968 (4th amendment), August 2, 1968 (5th amendment), December 12, 1970 (6th amendment), December 4, 1971 (7th amendment), December 31, 1972 (8th amendment), December 27, 1973 (9th amendment), October 19, 1974</p>	<p>Article 30: They were first amended on May 27, 1966 and subsequently amended on December 15, 1966 (2nd amendment), May 1, 1967 (3rd amendment), February 20, 1968 (4th amendment), August 2, 1968 (5th amendment), December 12, 1970 (6th amendment), December 4, 1971 (7th amendment), December 31, 1972 (8th amendment), December 27, 1973 (9th amendment), October 19, 1974</p>	<p>To list the date of current amendment</p>

<p>(10th amendment), October 18, 1975 (11th amendment), October 22, 1976 (12th amendment), October 31, 1977 (13th amendment), November 17, 1979 (14th amendment), June 22, 1980 (15th amendment), January 20, 1981 (16th amendment), February 20, 1982 (17th amendment), May 20, 1984 (18th amendment), April 12, 1986 (19th amendment), May 14, 1986 (20th amendment), March 15, 1987 (21st amendment), June 15, 1987 (22nd amendment), November 7, 1987 (23rd amendment), May 2, 1988 (24th amendment), July 3, 1988 (25th amendment), May 20, 1989 (26th amendment), May 31, 1990 (27th amendment), May 31, 1991 (28th amendment), May 23, 1992 (29th amendment), June 4, 1993 (30th amendment), May 12, 1994 (31st amendment), May 25, 1995 (32nd amendment), May 23, 1996 (33rd amendment), June 3, 1997 (34th amendment), May 31st, 2000 (35th amendment), June 5, 2001 (36th amendment), June 14, 2002 (37th amendment), June 5, 2003 (38th amendment), June 9, 2006 (39th amendment), October 26, 2006 (40th amendment), June 13, 2007 (41st amendment), June 9, 2010 (42nd</p>	<p>(10th amendment), October 18, 1975 (11th amendment), October 22, 1976 (12th amendment), October 31, 1977 (13th amendment), November 17, 1979 (14th amendment), June 22, 1980 (15th amendment), January 20, 1981 (16th amendment), February 20, 1982 (17th amendment), May 20, 1984 (18th amendment), April 12, 1986 (19th amendment), May 14, 1986 (20th amendment), March 15, 1987 (21st amendment), June 15, 1987 (22nd amendment), November 7, 1987 (23rd amendment), May 2, 1988 (24th amendment), July 3, 1988 (25th amendment), May 20, 1989 (26th amendment), May 31, 1990 (27th amendment), May 31, 1991 (28th amendment), May 23, 1992 (29th amendment), June 4, 1993 (30th amendment), May 12, 1994 (31st amendment), May 25, 1995 (32nd amendment), May 23, 1996 (33rd amendment), June 3, 1997 (34th amendment), May 31st, 2000 (35th amendment), June 5, 2001 (36th amendment), June 14, 2002 (37th amendment), June 5, 2003 (38th amendment), June 9, 2006 (39th amendment), October 26, 2006 (40th amendment), June 13, 2007 (41st amendment), June 9, 2010 (42nd</p>	
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<p>amendment), June 9, 2011 (43rd amendment), June 6, 2012 (44th amendment), June 6, 2014 (45th amendment), June 8, 2016 (46th amendment), June 5, 2018 (47th amendment) June 12, 2019 (48th amendment) ,June 11, 2020 (49th amendment) ,August 13,, 2021 (50th amendment) ,June 10, 2022 (51th amendment) ,<u>May 31, 2023</u> (52th amendment)implemented subject to resolutions by shareholders' meetings.</p>	<p>amendment), June 9, 2011 (43rd amendment), June 6, 2012 (44th amendment), June 6, 2014 (45th amendment), June 8, 2016 (46th amendment), June 5, 2018 (47th amendment) June 12, 2019 (48th amendment) ,June 11, 2020 (49th amendment), August 13, 2021 (50th amendment) ,June 10, 2022 (51th amendment)implemented subject to resolutions by shareholders' meetings.</p>	
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**Taya Electric Wire & Cable Co., Ltd.**  
**Rules of Governing Shareholders' Meeting**

After Amendment	Current Article	Notes
<p>Article 3:            (Convening shareholders meetings and shareholders meeting notices )            Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.</p> <p><u>To convene virtual shareholders meetings, unless provided by the Regulations Governing the Administration of Shareholder Services of Public Companies, it is required to be specified in the Articles of Incorporation, and resolved by the Board of Directors; virtual shareholders meetings shall be convened with the approval of the attending directors in a board meeting attended by two-third or more directors.</u></p> <p>Paragraph 3 to 10: omitted.</p>	<p>Article 3:            (Convening shareholders meetings and shareholders meeting notices )            Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.</p> <p>Omitted below</p>	<p>Paragraph 2 is added to cope with the regulations. Others are not amended.</p>
<p>Article 6:            (Preparation of documents such as the attendance book )</p> <p>The company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.            The time during which shareholder</p>	<p>Article 6:            (Preparation of documents such as the attendance book )</p> <p>The company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention. <u>If the shareholders' meeting is held by</u></p>	<p>Partial provisions in Paragraph 1 are moved to Article 6-1. Others are not amended.</p>

<p>attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</p> <p>Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors of powers of attorney shall also bring identification documents for verification.</p> <p>This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. This Corporation shall furnish attending shareholders with the meeting agenda book, annual</p>	<p><u>video conference, the following shall be recorded: How shareholders attend the virtual meeting and exercise their rights, actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to force majeure events, the date and other matters needing attention to which the meeting is postponed or on which the meeting will resume. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</u></p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</p> <p>Shareholders shall attend</p>	
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<p>report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.</p> <p>Where the shareholder is the government or a juristic person, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p> <p>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the company two days before the meeting date.</p> <p>In the event of a virtual shareholders meeting, the company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</p>	<p>shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors of powers of attorney shall also bring identification documents for verification.</p> <p>This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.</p> <p>Where the shareholder is the government or a juristic person, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p> <p>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with</p>	
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	<p>the company two days before the meeting date.</p> <p>In the event of a virtual shareholders meeting, the company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</p>	
<p><u>Article 6-1</u>  <u>To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:</u></p> <p><u>I. How shareholders attend the virtual meeting and exercise their rights.</u></p> <p><u>II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u></p> <p><u>(I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u></p> <p><u>(II) Shareholders not having</u></p>	<p>The article is newly added.</p>	<p>The article is newly added to cope with the amended regulations.</p>

<p><u>registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u></p> <p><u>(III) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p><u>(IV) Actions to be taken if the</u></p>		
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<p><u>outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></p> <p><u>III. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. Other than the circumstances provided in Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, at least the connection equipment and necessary assistance shall be provided to the shareholders, and specify that the period when shareholders may apply for such and other matters to be paid attention to.</u></p>		
<p>Article 21 (Handling the <u>disconnection</u>)</p> <p>In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</p> <p>In the event of a virtual shareholders meeting, when declaring the meeting open, the</p>	<p>Article 21 (Handling of disconnection and digital divide)</p> <p>In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</p> <p>In the event of a virtual shareholders meeting, when declaring the meeting open, the</p>	<p>1. Paragraphs 3, 4, 7 are newly added, and the order is adjusted.</p> <p>2. Paragraph 7 of the original provision is moved to Article 22.</p>

<p>chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to <u>natural disasters, accidents or other</u> force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date <u>within five days</u>, in which case Article 182 of the Company Act shall not apply. <u>Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session specified in the preceding paragraph.</u> <u>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be</u></p>	<p>chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply. During a postponed or resumed session of a shareholders meeting held under the previous paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors <u>and supervisors.</u> When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder</p>	
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counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall

Services of Public Companies, and shareholders who are listed on the register of shareholders whose transfer of ownership was originally scheduled to be closed at the shareholders' meeting shall have the right to attend the shareholders' meeting.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

When the company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof

<p><u>be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p>When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</p> <p>For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</p>	<p><u>under the second paragraph is required.</u></p> <p><u>When convening a virtual-only shareholders meeting, the company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</u></p>	
<p><u>Article 22</u></p> <p><u>When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online. Other</u></p>	<p>The article is newly added.</p>	<p>The article is newly added to cope with the regulations.</p>

<p><u>than the circumstances provided in Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, at least the connection equipment and necessary assistance shall be provided to the shareholders, and specify that the period when shareholders may apply for such and other matters to be paid attention to.</u></p>		
<p><u>Article 23</u>  These rules and all amendments thereof shall take effect upon ratification by a shareholders meeting. These rules were formulated on May 31, 1990. Six amendments were made on May 25, 1995, June 2, 1998, June 9, 2006, June 6, 2012, June 11, 2015, and June 5, 2018, , June 10, 2022, and <u>May 31, 2023</u> respectively.</p>	<p><u>Article 22</u>  These rules and all amendments thereof shall take effect upon ratification by a shareholders meeting. These rules were formulated on May 31, 1990. Six amendments were made on May 25, 1995, June 2, 1998, June 9, 2006, June 6, 2012, June 11, 2015, and June 5, 2018, and June 10, 2022, respectively.</p>	<p>The order of articles is adjusted to cope with the regulations, with the date of amendment added.</p>

## Appendix 1

### **Taya Electric Wire & Cable Co., Ltd. Shareholdings of All Directors**

- A. Paid in Capital NT\$ 6,846,491,260 with total common shares 684,649,126.
- B. Based on Securities and Exchange Act Article 26, the minimum shareholding requirements for all directors should be 21,908,772 common shares.
- C. Total common shares held by each director as of Period of suspension of share transfer, April 2th 2023, are as follows:

Title	Name	Date Elected	Term of office	Number of shares held recorded in the shareholders roster as of the date of suspension of share transfer	
				Current Shareholding (Shares)	Percentage
Chairman	Shen, Shang-Hung	2021.08.13	3 years	6,647,496	0.97
Director	Shen, Shang-Pang	2021.08.13	3 years	10,201,491	1.49
Director	Shen, San-Yi	2021.08.13	3 years	17,480,704	2.55
Director	Shen, Shang-Tao	2021.08.13	3 years	3,132,957	0.46
Director	Hornng, Lan-Hornng	2021.08.13	3 years	239,334	0.03
Independent Director	Chang, Lee-Chiou	2021.08.13	3 years	0	0
Independent Director	Wei, Chun-Hsien	2021.08.13	3 years	0	0
Independent Director	Cheng, Duen-Chian	2018.06.05	3 years	0	0
Total number of shares held by all Directors				37,701,982	5.50

Appendix 2

## Impact of the Stock Dividend Distribution on Operating Results, Earnings per Share and Shareholders' Return on Investment

Item / Year		2023 (estimated)
Beginning Capital (unit: 1,000)		6,846,491
2022 Dividend Policy	Cash dividend per share (dollars)	0.50 (Note)
	Retained earnings transferred to common stock (dollars)	0.10 (Note)
	Capital surplus transferred to common stock	-
Business Performance	Operating profit (thousands)	As the Company did not disclose the financial forecast for 2023, we did not need to disclose the information on the forecast for this year.
	Operating profit growth (YoY)	
	Net profit (thousands)	
	Net profit growth (YoY)	
	Earnings per share (dollars)	
	Earnings per share growth (YoY)	
	Average annual return on investment (Reciprocal of average P/E ratio)	
Pro forma EPS and P/E ratio	If all retained earnings are transferred to cash dividends	Pro forma earnings per share (dollars)
		Pro forma average annual return on investment
	If capital surplus is not transferred to	Pro forma earnings per share (dollars)

	common stock	Pro forma average annual return on investment	
	If capital surplus is not transferred to common stock and all retained earnings are transferred to cash dividends	Pro forma earnings per share(dollars)	
		Pro forma average annual return on investment	

Note: the cash and share dividend are calculated based on the number of shares at the end of December 2022, which is 684,649,126 shares; The share-dividend rate is subject to any change in the number of the common shares; in such case, the equal distribution will be made based on the

### Appendix 3

## **Taya Electric Wire & Cable Co., Ltd.**

### **Rules of Governing Shareholders' Meeting**

Article 1 To establish strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to the regulations set forth in Article 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Article 2 The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law or the articles of incorporation, shall be as provided in these Rules.

Article 3 (Convening shareholders meetings and shareholders meeting notices )

Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials

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

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

Election or dismissal of directors, amendments to the articles of incorporation, the dissolution, merger, or spin-offs of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Shareholder's constructive proposal to promote the Company's public interests and social responsibility may be included in the meeting based on Article 172-1, paragraph 4 of the Company Act but shall be limited to one proposal and any extra one shall be excluded from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals shall not be less than 10 days.

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

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

#### Article 4 (Attendance by proxy and authorization)

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

A shareholder may issue only one power of attorney and appoint only one proxy for any given shareholders meeting, and shall deliver the power of attorney to this Corporation at least 5 days before the date of the shareholders meeting. When duplicate powers of attorney are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a power of attorney has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation at least 2 days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

After a power of attorney has been delivered to this Corporation, if the shareholder intends to attend the shareholders' meeting through video conference, a written notice of proxy cancellation shall be submitted to this Corporation at least 2 days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

#### Article 5 (Principles determining the time and place of a shareholders meeting )

The venue for a shareholders meeting shall be the premises of this

Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual shareholders meeting.

Article 6 (Preparation of documents such as the attendance book )

The company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention. If the shareholders' meeting is held by video conference, the following shall be recorded: How shareholders attend the virtual meeting and exercise their rights, actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to force majeure events, the date and other matters needing attention to which the meeting is postponed or on which the meeting will resume. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors of powers of attorney shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed

ballots shall also be furnished.

Where the shareholder is the government or a juristic person, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the company two days before the meeting date.

In the event of a virtual shareholders meeting, the company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

**Article 7 (The chair and non-voting participants of a shareholders meeting)**

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

Where a director serves as chair, as stipulated in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene other than the board of directors, the convening party shall chair the meeting. Where there are two or more such convening parties, they shall mutually select a chair from among themselves.

This Corporation may appoint its attorneys, certified public accountants, or related persons to attend a shareholders meeting in a non-voting capacity.

**Article 8 (Documentation of a shareholders meeting by audio or video)**

This Corporation, beginning from the time it accepts shareholder attendance

registrations, shall create an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, the company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

#### Article 9 (Calculation of shares in attendance and meeting conditions)

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and announce the shares of non-voting shares and the shares of attendance.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as stipulated in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another

shareholders meeting shall be convened within 1 month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the company in accordance with Article 6.

Where, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

#### Article 10(Discussion of proposals)

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph shall apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda as specified in the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

#### Article 11(Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak shall be determined by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

Where an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

#### Article 12(Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may

not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13(Voting procedures, monitoring, and vote counting)

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

Where this Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the

attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

#### Article 14(Election of directors)

The election of directors shall be in accordance with the Company's relevant voting rules. The results of the election, including the elected names and the number of their voting shares, should be announced by the Chairman at the

meeting. So are the names and the number of the voting shares of candidates who fail to be elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Taiwan Company Act, the ballots shall be retained until the conclusion of the litigation.

Shareholders meeting suggestions shall be compiled into the meeting minutes which shall specify meeting dates, locations, number of shareholders in attendance, represented equity and voting rights, name of the chair, resolutions, and voting methods. The chair shall affix his/her seal and signature together with the attendance book and powers of attorney for proxies. Meeting minutes, attendance books, and powers of attorney shall be preserved in accordance with relevant regulations. The meeting minutes shall be distributed to shareholders within 20 days after meetings. Meetings minutes may also be distributed by public announcement.

#### Article 15(Meeting minutes and signature procedures)

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of this Corporation.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to force majeure events, and how issues are dealt with shall also be included in the minutes.

#### Article 16(Public disclosure)

On the day of a shareholders meeting, the company shall compile in the prescribed format a statistical statement of the number of shares obtained by

solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

#### Article 17(Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

#### Article 18(Recess and resumption of a shareholders meeting)

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have

been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19(Disclosure of information at virtual meetings)

In the event of a virtual shareholders meeting, the company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20(Location of the chair and secretary of virtual-only shareholders meeting)

When the company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 21(Handling of disconnection and digital divide)

In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

During a postponed or resumed session of a shareholders meeting held under the previous paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and

shareholders who are listed on the register of shareholders whose transfer of ownership was originally scheduled to be closed at the shareholders' meeting shall have the right to attend the shareholders' meeting.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporation shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

When the company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

When convening a virtual-only shareholders meeting, the company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

Article 22 These rules and all amendments thereof shall take effect upon ratification by a shareholders meeting. These rules were formulated on May 31, 1990. nine amendments were made on May 25, 1995, June 2, 1998, June 9, 2006, June 6, 2012, June 11, 2015, June 5, 2018, June 11, 2020, August 13, 2021, and June 10, 2022, respectively..

## Appendix 4

# Taya Electric Wire & Cable Co., Ltd. Articles of Incorporation

### Chapter 1 General Provisions

Article 1 : This Company has been organized pursuant to the regulations governing Companies Limited by Shares set forth in the Company Act under the name of Taya Electric Wire & Cable Co., Ltd.

Article 2 : The company's business scope shall be defined as follows :

1. CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing
2. CC01020 Electric Wires and Cables Manufacturing
3. CC01060 Wired Communication Equipment and Apparatus Manufacturing
4. CC01070 Telecommunication Equipment and Apparatus Manufacturing
5. CC01080 Electronic Parts and Components Manufacturing
6. CD01020 Tramway Cars Manufacturing
7. E599010 Pipe Lines Construction
8. E601010 Electric Appliance Construction
9. E603010C Cables Construction
10. E603040 Fire Fighting Equipment Construction
11. E603080 Traffic Signals Construction
12. E605010 Computing Equipment Installation Construction
13. E701020 Channel KU and C of Satellite TV Equipment and Materials Construction
14. E701030 Restrained Telecom Radio Frequency Equipment and Materials Construction
15. EZ99990 Other Construction
16. C801060 Synthetic Rubber Manufacturing
17. C801100 Synthetic Resin & Plastic Manufacturing
18. C801990 Other Chemical Materials Manufacturing
19. C802200 Paints, Varnishes, Lacquers, Dyeing Mills and Dyestuff

- Manufacturing
20. C802990 Other Chemical Products Manufacturing
  21. C804020 Industrial Rubber Products Manufacturing
  22. C804990 Other Rubber Products Manufacturing
  23. C805010 Plastic Sheets, Pipes and Tubes Manufacturing
  24. C805020 Plastic Sheets & Bags Manufacturing
  25. C805030 Plastic Made Grocery Manufacturing
  26. C805050 Industrial Plastic Products Manufacturing
  27. C805060 Plastic Leathers Manufacturing
  28. C805070 Strengthened Plastic Products Manufacturing
  29. C805990 Other Plastic Products Manufacturing
  30. CA01060 Steel Wires and Cables Manufacturing
  31. CA01090 Aluminum Casting Manufacturing
  32. CA01100 Aluminum Material Rolls over Extends and Crowding
  33. CA01120 Copper Casting
  34. CA01130 Copper Material Rolls over Extends and Crowding
  35. CA01990 Other Non-ferrous Metal Basic Industries
  36. CA02010 Metal Architectural Components Manufacturing
  37. F106010 Wholesale of Ironware
  38. F107170 Wholesale of Industrial Catalyst
  39. F113010 Wholesale of Machinery
  40. F113070 Wholesale of Telecom Instruments
  41. F113090 Wholesale of Traffic Signal Equipment and Materials
  42. F119010 Wholesale of Electronic Materials
  43. F206010 Retail Sale of Ironware
  44. F207170 Retail Sale of Industrial Catalyst
  45. F219010 Retail Sale of Electronic Materials
  46. F401010 International Trade
  47. H701010 Residence and Buildings Lease Construction and Development
  48. H701040 Specialized Field Construction and Development
  49. H701060 New County and Community Construction and Investment
  50. H703100 Real Estate Rental and Leasing
  51. IF02010 Electricity Equipment Checking and Maintenance
  52. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
  53. IG03010 Energy Technical Services

- Article 2-1 : In accordance with actual needs, the reinvested capital may exceed 40% of the paid-up capital.
- Article 3 : Company HQ has been set up in Tainan City. Subsidiaries may be established domestically or internationally subject to board resolution if deemed necessary.
- Article 4 : Public announcements shall be made pursuant to the regulations set forth in the Company Act and other relevant laws.

## Chapter 2 Shares

- Article 5 : The total capital of the Company is NT\$ 8 billion divided into 800 million shares. The par value is NT\$ 10. Non-issued shares may be issued by the board in a piecemeal fashion.
- Article 6 : The Company's share certificates shall all be in non-bear form and shall be issued only after they have been signed and sealed by at the directors representing the Company, and affixed with the Company's seal, and duly certified by the competent authorities or its authorized registration institution.
- Article 7 : Shareholders shall register their names, designations, legal residences, seal specimens, and changes thereof on the Shareholders List of the Company. Where a name change is requested due to inheritance, the heir shall present legal documentation. Where shareholders acquire dividends or exercise their shareholder rights in writing, the company shall conduct verification based on the retained specimens. Stock transfer registration shall be suspended within 60 days prior to regular shareholders meetings, within 30 days prior to extraordinary shareholders meetings, or within 5 days prior to the base date of dividend, bonus, or profit distribution decided by the Company.
- Article 8 : Where stock is lost or damaged, the shareholder shall notify the Company in writing. Stock may be reissued upon proper handling pursuant to the regulations set forth in the Company Act and relevant laws.
- Article 9 : In case of share transfer or pledge setting, the transferor and transferee or pledger and pledgee shall submit a joint application form with affixed seals and signatures to the Company or a registrar agency designated by

the Company to request transfer registration. Prior to transfer registration, transfer of shares shall not be contestable.

The Company shall be authorized to charge a processing fee for reissue or issue of new shares in case of transfer or loss/damage.

Article 9-1 : Taiwan Depository & Clearing Corporation may request joint reissue of securities of a high par value and coordinated operations to facilitate stock handling.

### Chapter 3 Shareholders Meeting

Article 10 : The Company may convene regular and extraordinary shareholders meetings :

(a) Regular shareholders meetings shall be convened by the board within 6 months after the end of fiscal years.

(b) Extraordinary shareholders meetings may be convened as required in accordance with relevant laws.

The meetings can be held by video conference or other methods announced by the competent authority.

Article 11 : Where shareholders are unable to attend shareholders meetings, they may commission a proxy to attend the meeting on their behalf by issuing a power of attorney printed by the Company with the affixed Company seal. Every shareholder may only issue one power of attorney and commission only one proxy. Powers of attorney shall be sent to the Company or a shareholder services agent at least 5 days prior to the meeting. Where the same person is commissioned by two or more shareholders, the voting rights represented by that person shall not exceed 3% of the voting rights for all issued shares. Voting rights in excess of this prescribed quota shall not be counted.

Article 12 : Shareholders shall have one vote for each share held.

Article 13 : Shareholders meetings shall be chaired by the Chairperson of the Board. Where the Chairperson is absent, the Vice Chairperson shall act in lieu of him/her. Where the Chairperson and Vice Chairperson are both absent, they shall designate a director to act in lieu of them. Where no acting chair has been designated, the directors shall elect a suitable candidate from among themselves.

Shareholders shall be notified of regular and extraordinary shareholders meetings 30 days and 15 days in advance, respectively. Notices shall specify meetings dates, locations, and reasons for convening.

Shareholders meeting resolutions require attendance of shareholders representing a majority of the issued shares unless stipulated otherwise in relevant laws. Resolutions shall be subject to approval by a majority of the voting rights in attendance.

Article 14 : Shareholders meeting resolutions shall be compiled into the meeting minutes which shall specify meeting dates, locations, number of shareholders in attendance, represented equity and voting rights, name of the chair, resolutions, and voting methods. The chair shall affix his/her seal or signature Meeting minutes attendance books, and powers of attorney shall be preserved in accordance with relevant regulations. The meeting minutes shall be distributed to shareholders within 20 days after meetings. Meetings minutes may also be distributed by public announcement.

#### Chapter 4 Directors and Audit Committee

Article 15 : The Company shall appoint 6-9 directors elected by a shareholders meeting from candidates with legal capacity. At least three of the aforementioned directors shall be independent directors.

The total amount of registered stock held by directors shall meet the criteria set forth in regulations of competent authorities.

A candidate nomination system shall be adopted pursuant to the regulations set forth in Article 192-1 of the Company Act. Matters pertaining to the handling and public announcement of candidate nominations shall be handled pursuant to relevant regulations set forth in the Company Act and Securities and Exchange Act. Elections for independent and non-independent directors shall be held together and quotas shall be calculated separately.

Article 15-1 : The Company shall establish an Audit Committee pursuant to the regulations set forth in Article 14-4 of the Securities and Exchange Act. The Audit Committee shall be composed of independent directors. Exercise of powers and other matters pertaining to the Audit Committee shall be handled pursuant to regulations and laws enacted by competent authorities.

Article 16 : Directors shall serve for a term of three years and may be reelected. Vacancies shall be filled through by-elections. Directors elected in by-elections shall serve until the term of the originally elected director expires.

Article 17 : The directors shall elect a Chairperson and Vice Chairperson from among

themselves. The directors constitute the board which shall have the following functions and powers:

- (a) Formulation of business plans.
- (b) Formulation of earnings distribution or loss-makeup proposals.
- (c) Formulation of capital increase/decrease proposals.
- (d) Review and approval of key rules and contracts.
- (e) Appointment/dismissal of executives of the rank of Assistant Vice President and above.
- (f) Subsidiary establishment and dissolution of subsidiaries.
- (g) Review of budgets and final accounts.
- (h) Decisions on other key matters.

Article 18 : The Chairperson shall represent the Company and preside over all services assisted by the directors.

Article 19 : The Chairperson shall chair the board. Where the Chairperson is on leave or unable to exercise his/her powers, the Vice Chairperson shall act in lieu of him/her. Where the Chairperson and Vice Chairperson are both unable to exercise their powers, they shall designate a director to act in lieu of them. Where no acting chair has been designated, the directors shall elect a suitable candidate from among themselves. Convening notices shall be sent out by e-mail or fax.

Article 20 : Performance of services shall be subject to board resolution except matters prescribed by the Company Act or the Articles of Incorporation which shall be subject to resolution by shareholders meetings.

Article 21 : Board resolutions require attendance of a majority of the board members and approval by a majority of the board members in attendance unless stipulated otherwise in the Company Act. The chair shall affix seal and signature to the board meeting minutes shall. Board members may commission other members to attend board meetings on their behalf.

Article 22 : The Audit Committee shall have the following functions and powers :

- (a) Auditing of account tables, books, and reports submitted to shareholders meetings by the board
- (b) Auditing of budgets and final accounts
- (c) Verification of ledgers, documents, expenditures, revenues, and all assets
- (d) Inspection of Company services
- (e) Other functions and powers bestowed by the Company Act

Article 23 : Directors shall be entitled to compensation and reimbursement of travel

expenses for performance of their duties in accordance with industry standards.

Article 24: The Company shall appoint a President and several managers. Their appointment, dismissal, and compensation shall be approved by a majority of directors in board meetings attended by a majority of board members.

#### Chapter 5 Accounting

Article 25 : The fiscal year shall begin on January 1 and end on December 31. Accounts shall be settled once a year. Upon final settlement, the board shall compile a business report, financial report, and earnings distribution and loss-makeup proposal submitted to a Shareholders meeting for ratification.

Article 26: Where the Company earns an annual profit, 1% shall be allocated as employee compensation and no more than 3% shall be allocated as director compensation. Where the Company has accumulated losses, an amount sufficient to make up losses shall be retained prior to allocation of compensations.

Employee dividend or cash compensation shall be approved by two thirds of the Board of Directors attendance and over one and half of such attendance to agree upon the compensation. The compensation shall be Reported to the shareholders' meeting. The above mentioned compensation shall be provided to the employees in affiliated companies with specified conditions. (Employees may have compensation from parent company and its affiliates).

Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, entitled to receive the transfer of company treasury stocks, share subscription warrant, new bought stocks and issued restricted stocks for employees, the relevant conditions or distribution method shall be authorized by the board of directors to determine.

Article 26-1 : Where the Company records a surplus upon final settlement of accounts, a sufficient amount shall be allocated for payment of income taxes and making up of accumulated losses, followed by allocation of 10% as a legal reserve.

This regulation shall not apply where the legal reserve has already reached

the amount set forth in relevant laws and regulations. This shall be followed by appropriation of special reserves pursuant to relevant laws or regulations of competent authorities. The board shall then formulate a distribution proposal for the remaining surplus and non-distributed earnings of the preceding year subject to shareholders meeting resolution. If the distribution of dividends or bonus dividend is paid by cash, it is authorized to the resolution of the board by two thirds attendance and over one half of the attendance and the resolution shall be reported to the shareholders' meeting.

In line with current and future development plans, investment environment considerations, capital demands, mid- and long-term financial planning, and consideration of shareholder rights and interests, 20% to 90% of the Company's earnings may be allocated as dividends every year. Cash dividends shall make up a minimum 10% of total dividends. The remainder may be issued as stock dividends.

#### Chapter 6 Guarantees

Article 27 : The Company shall be authorized to grant guarantees to same-industry/ businesses.

#### Chapter 7 Supplementary Provisions

Article 28 : Organizational rules and detailed provisions for this company shall be formulated separately by board resolution

Article 29 : Matters not specifically covered in these articles shall be handled pursuant to regulations set forth in the Company Act and other relevant laws.

Article 30 : These articles were formulated on October 30, 1962

They were first amended on May 27, 1966 and subsequently amended on December 15, 1966 (2<sup>nd</sup> amendment), May 1, 1967 (3<sup>rd</sup> amendment), February 20, 1968 (4<sup>th</sup> amendment), August 2, 1968 (5<sup>th</sup> amendment), December 12, 1970 (6<sup>th</sup> amendment), December 4, 1971 (7<sup>th</sup> amendment), December 31, 1972 (8<sup>th</sup> amendment), December 27, 1973 (9<sup>th</sup> amendment), October 19, 1974 (10<sup>th</sup> amendment), October 18, 1975 (11<sup>th</sup> amendment), October 22, 1976 (12<sup>th</sup> amendment), October 31, 1977 (13<sup>th</sup> amendment), November 17, 1979 (14<sup>th</sup> amendment), June 22, 1980 (15<sup>th</sup> amendment).

amendment), January 20, 1981 (16<sup>th</sup> amendment), February 20, 1982 (17<sup>th</sup> amendment), May 20, 1984 (18<sup>th</sup> amendment), April 12, 1986 (19<sup>th</sup> amendment), May 14, 1986 (20<sup>th</sup> amendment), March 15, 1987 (21<sup>st</sup> amendment), June 15, 1987 (22<sup>nd</sup> amendment), November 7, 1987 (23<sup>rd</sup> amendment), May 2, 1988 (24<sup>th</sup> amendment), July 3, 1988 (25<sup>th</sup> amendment), May 20, 1989 (26<sup>th</sup> amendment), May 31, 1990 (27<sup>th</sup> amendment), May 31, 1991 (28<sup>th</sup> amendment), May 23, 1992 (29<sup>th</sup> amendment), June 4, 1993 (30<sup>th</sup> amendment), May 12, 1994 (31<sup>st</sup> amendment), May 25, 1995 (32<sup>nd</sup> amendment), May 23, 1996 (33<sup>rd</sup> amendment), June 3, 1997 (34<sup>th</sup> amendment), May 31<sup>st</sup>, 2000 (35<sup>th</sup> amendment), June 5, 2001 (36<sup>th</sup> amendment), June 14, 2002 (37<sup>th</sup> amendment), June 5, 2003 (38<sup>th</sup> amendment), June 9, 2006 (39<sup>th</sup> amendment), October 26, 2006 (40<sup>th</sup> amendment), June 13, 2007 (41<sup>st</sup> amendment), June 9, 2010 (42<sup>nd</sup> amendment), June 9, 2011 (43<sup>rd</sup> amendment), June 6, 2012 (44<sup>th</sup> amendment), June 6, 2014 (45<sup>th</sup> amendment), June 8, 2016 (46<sup>th</sup> amendment), June 5, 2018 (47<sup>th</sup> amendment), June 12, 2019 (48<sup>th</sup> amendment), June 11, 2020 (49<sup>th</sup> amendment), August 13, 2021 (50<sup>th</sup> amendment), June 10, 2022 (51<sup>th</sup> amendment) implemented subject to resolutions by shareholders' meetings.

## **Taya Electric Wire & Cable Co., Ltd.**

Chairman Shen, Shang-Hung

## Appendix 5

### **Ta Ya Electric Wire & Cable Co., Ltd.**

#### **Rules of Procedure for Board of Directors Meetings**

- Article 1 These Regulations are adopted pursuant to Article 26-3, paragraph 8, of the Securities and Exchange Act
- Article 2 Unless the laws and regulations specify otherwise, the Company's procedure of board meetings shall comply with the Rules.
- Article 3 The board of directors shall meet at least quarterly  
The reasons for calling a board of directors meeting shall be notified to each director and supervisor at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.  
All matters set out in the subparagraphs of Article 7, paragraph 1, shall be specified in the notice of the reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion.
- Article 4 A board meeting shall be held at the location and during the business hours of the Company, or at a place and time convenient to all directors and suitable for holding such a meeting.
- Article 5 The agenda working group of a board meeting, shall be instructed by the chairman based on the report and discussions of that meeting. The agenda working group shall prepare agenda items for board of directors meetings and provide comprehensive pre-meeting materials, to be sent together with the notice of the meeting. A director of the opinion that the pre-meeting materials provided are insufficiently comprehensive may request the agenda working group to supplement the materials. If a director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the board of directors.
- Article 6 Agenda items for regular board of directors meetings shall include at least the following:  
I. Report Items:  
(I) Minutes of the last meeting and actions arising.  
(II) Reporting on important financial and business matters.  
(III) Reporting on internal audit activities.  
(IV) Other important matters to be reported.  
II. Discussions:  
(I) Items discussed and continued from the last meeting.  
(II) Items for discussion at this meeting.  
III. Extraordinary motions.
- Article 7 The Company shall submit the following items for discussion by the board of directors:  
I. Corporate business plan.  
II. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA).  
III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and an assessment of the effectiveness of the internal control system.  
IV. 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, and endorsements or guarantees for others.

- V. The offering, issuance, or private placement of any equity-type securities.
- VI. The election or discharge of the chairman of the board of directors.
- VII. The appointment or discharge of a financial, accounting, or internal audit officer.
- VIII. 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 following board of directors meeting for retroactive recognition.
- IX. Where the remunerations of directors and managerial officers suggested by the Remuneration Committee are rejected, or amended, such rejection or amendment shall be approved by the majority of the attending directors in a meeting attended by two third or more of the directors. In the resolution, whether the remunerations approved by the board are better than the suggestions of the Remuneration Committee shall be described.
- X. 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 board of directors meeting, or any such significant matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

At least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

Article 8 When a meeting of the board of directors is held, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.

All board directors shall attend board meetings in person; if attendance in

- person is not possible, they may, pursuant to the company's articles of incorporation, appoint another director to attend as their proxy. Attendance via tele- or video-conference is deemed as attendance in person.
- A director appointing another director to attend a board meeting in his or her place shall in each case give to that director a written proxy stating the scope of authorization with respect to the reasons for meeting.
- A proxy under paragraph 2 may accept a proxy from one person only.
- Article 9 Where a board meeting is called by the chairman of the board, the meeting shall be chaired by the chairman. However, where the first meeting of each newly elected board of directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.
- Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.
- When the chairman of the board is on leave or for any reason is unable to exercise the powers of the chairman, the vice chairman shall do so in place of the chairman, or, if there is no vice chairman or the vice chairman also is on leave or for any reason is unable to act, by a managing director designated by the chairman, or, if there is no managing director, by a director designated thereby, or, if the chairman does not make such a designation, by a managing director or director elected by and from among themselves.
- Article 10 When holding a board meeting, the Company may, as necessary for the agenda items of the meeting, notify personnel of relevant departments or subsidiaries to attend the meeting as nonvoting participants.
- When necessary, the Company may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.
- Article 11 When the time of a meeting has arrived and one-half all board directors are not present, the meeting chair may announce postponement of the meeting time, provided that only two postponements may be made. If the quorum is still not met after two such delays, the chair shall re-call the meeting following the procedures provided in Article 3, paragraph 2. The term "all board directors " as used in the preceding paragraph and in Article 17, paragraph 2, subparagraph 2 shall be calculated as the number of directors then in office.
- Article 12 A board meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting. The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting.
- If at any time during the proceeding of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case paragraph 1 of the preceding article shall apply mutatis mutandis.
- Article 13 When the chair at a board of directors meeting is of the opinion that a

matter has been sufficiently discussed to a degree of putting to a vote, the chair may announce the discussion closed and bring the matter to vote. When a proposal comes to a vote at a board meeting, if the chair puts the matter before all directors present at the meeting and none voices an objection, the matter is deemed approved. In case of any objection, ballots shall be casted for a vote. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be the directors. Vote counting for proposal shall be conducted in public at the place of the board meeting. The results of the voting shall be announced on-site at the meeting, and a record made of the vote.

Article 14 Except as otherwise stated in the Act or in the Company Act, a resolution on a matter at a board of directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors.

Article 15 If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, the director may state his/her opinions and answer questions, but not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.

Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.

The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding two paragraphs from exercising voting rights.

Article 16 Minutes shall be prepared of the discussions at board of directors meetings. The meeting minutes shall record the following:

- I. Session (or year), time, and place of meeting.
- II. Name of the meeting chair.
- III. Attendance of directors at the meeting, specifying the names and number of members present, excused, and absent.
- IV. Names and titles of those attending the meeting as nonvoting participants.
- V. Name of minutes taker.
- VI. Report Items.
- VII. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing

objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Article 7, paragraph 4.

VIII. Extraordinary motions: the name of the mover; the method of resolution and the result for each motion; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.

IX. Other matters required to be recorded.

Any of the following matters in relation to a resolution passed at a meeting of the board of directors shall be stated in the meeting minutes and within two days of the meeting be published on an information reporting website designated by the competent authority:

- I. Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.
- II. Any matter that has not been passed by the audit committee, but has been adopted with the approval of two-thirds or more of all board directors without having been passed by the Audit Committee.
- III. Remunerations approved by the board that are better than the suggestions of the Remuneration Committee.

The attendance book forms a part of the minutes for each board of directors meeting and shall be well preserved during the existence of the Company. The minutes of a board of directors meeting shall bear the signature or seal of both the meeting chair and the minutes taker; a copy of the minutes shall be distributed to each director within 20 days after the meeting and well preserved as important company records during the existence of the Company.

The production and distribution of the meeting minutes referred to in paragraph 1 may be done in electronic form.

Article 17 The Company shall record on audio or video tape the entire proceedings of a board of directors meeting, and preserve the recordings for at least five years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph any litigation arises in connection with a resolution of a board of directors meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.

Where a board meeting is held via tele- or video conferencing, the audio and visual documentation of the meeting form a part of the meeting minutes and shall be well preserved during the existence of the company.

Article 18 The Rules are reported to the shareholders' meeting after being approved by the board of directors. The board of directors is authorized for resolving any future amendment. The Rules were established on April 12, 2006, and enforced on January 1, 2007. The 1st amendment was made on March 24, 2008; the 2nd amendment was made on March 19, 2012; the third amendment was made on December 20, 2012; the fourth amendment was made on March 15, 2018; the 5th amendment was made on March 12, 2020; the 6th amendment was made on December 12, 2022.

# **Taya Electric Wire & Cable Co., Ltd.**

## **Corporate Governance Best Practice Principles**

2023.3.14 approved by the board of directors

### Chapter 1 General

#### Article 1 (Purpose)

To establish sound corporate governance systems and improve the Company's management, the Company is advised to formulate its own corporate governance principles with reference to Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and relevant legal regulations, and to establish an effective corporate governance framework and disclose them through the Market Observation Post System (MOPS).

#### Article 2 (Corporate Governance Principle)

When setting up the corporate governance system, in addition to complying with relevant laws, regulations, articles of incorporation, contracts signed with the TWSE or GTSM, and other relevant regulations, the Company shall follow the following principles:

1. Protect the rights and interests of shareholders.
2. Strengthen the powers of the board of directors.
3. Fulfill the function of supervisors.
4. Respect the rights and interests of stakeholders.
5. Enhance information transparency.

#### Article 3 (Establishment of Internal Control Procedures and Policy)

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.

The Company shall perform full self-assessments of its internal control system.

Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The audit committee or supervisors shall also attend to and supervise these matters. The Company is advised to establish channels and mechanisms of communication between its independent directors, audit committees or supervisors, and chief internal auditors. Directors and supervisors shall periodically hold discussions with its internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors and the convener of the audit committee shall report the communications between members of the audit committees and chief internal auditors at the shareholders' meeting.

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 (Personnel responsible for corporate governance affairs)

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.

It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:

1. Handling matters relating to board meetings and shareholders meetings according to laws.
2. Producing minutes of board meetings and shareholders meetings.
3. Assisting in onboarding and continuous development of directors and supervisors.
4. Furnishing information required for business execution by directors and supervisors.
5. Assisting directors and supervisors with legal compliance.
6. Report to the Board about the results of the review on whether the qualifications of independent directors comply with relevant laws and regulations at the time of nomination, election and during their office.
7. Handle matters related to the change of directors.
8. Other matters described or established in the articles of incorporation or under contract, among other things.

Chapter 2 Protection of Shareholders' Rights and Interests

Section 1 Encouraging Shareholders to Participate in Corporate Governance

Article 4 (Taking the protection of shareholders' rights and interests as its foremost goal)

When implementing the corporate governance system, the Company shall take the protection of shareholders' rights and interests and treat all shareholders fairly.

The Company shall establish a corporate governance system which ensures shareholders' rights of being fully informed of, participating in and making decisions over important matters of the company.

- Article 5 (Convening shareholders meetings and relevant laws and regulations)  
The Company shall convene shareholders meetings in accordance with the Company Act and relevant laws and regulations, and provide comprehensive rules for such meetings. The Company shall faithfully implement resolutions adopted by shareholders meetings in accordance with the rules for the meetings.  
Resolutions adopted by shareholders meetings of the Company shall comply with laws, regulations and articles of incorporation.
- Article 6 (The board of directors shall properly arrange the agenda items and procedures for shareholders meetings)  
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 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 and shall be supplemented by video conference, 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 (and at least one supervisor), the convener of the audit committee attend in person, and that at least one member of each functional committee attend as representative. Attendance details should be recorded in the shareholders meeting minutes.
- Article 7 (Encouraging its shareholders to actively participate in corporate governance)  
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, to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with law.  
The Company is advised to avoid raising extraordinary motions and amendments to original proposals.  
The Company is advised to arrange for its 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, through the Market Observation Post System.

Article 8 (Minutes of shareholders' meeting)

The Company, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders meeting minutes the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of directors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected directors. The shareholders meeting minutes shall be properly and perpetually kept by the Company during its legal existence, and should be sufficiently disclosed on the Company's website.

Article 9 (The chairperson of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the Company)

The chairperson of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the Company. The chairperson shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at will.

In order to protect the interests of most shareholders, if the chairperson declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it is advisable for the members of the board of directors other than the chairperson of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a new chairperson of the shareholders meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.

Article 10 (Shall place high importance on the shareholder right to know, and prevent insider trading)

The Company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the Company.

To treat all shareholders equally, it is advisable that the Company concurrently disclose the information under the preceding paragraph in English.

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

It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of the company become aware of the contents of the company's financial reports or relevant results, including (but not limited to) directors shall not trade their shares during the 30 days before the announcement of the annual financial reports and the

closed period of 15 days before the announcement of the quarterly financial reports.

- Article 10-1 (Report the remuneration of the directors at general shareholders' meeting)  
The company shall report the remuneration received by directors at the general meeting of shareholders, including the policy of remuneration, the content of the individual remuneration, amount and the correlation with the performance evaluation results.
- Article 11 (The shareholders shall be entitled to profit distributions by the Company)  
The shareholders shall be entitled to profit distributions by the Company. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee or supervisors, and may decide profit distributions and deficit off-setting plans by resolution. 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 and assets of the Company.  
The board of directors, audit committee or supervisors, and managers of the Company shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any obstruction, rejection or circumvention.
- Article 12 (Material financial and business transactions shall be approved by the shareholders meeting)  
In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.  
When the Company is involved in a merger, acquisition or public tender offer, in addition to proceeding in accordance with the applicable laws and/or regulations, it shall not only pay attention to the fairness, rationality, etc. of the plan and transaction of the merger, acquisition or public tender offer, , but information disclosure and the soundness of the company's financial structure thereafter.  
Where any management member or major shareholder of the Company involves in the merger and acquisition, the legal opinions from lawyer with

independence shall be presented regarding whether the audit committee members deliberating the merger and acquisition in the preceding paragraph meet the requirements in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and they are not the related parties to the counterparties of the transaction, or have any interest in the transaction that will compromise their independence, whether their design and implementation of the related procedures comply with the related laws and regulations, and whether the information is disclosed pursuant to the related laws and regulations.

The qualifications of the lawyer in the preceding paragraph shall meet the requirements in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and the lawyer is not the related parties to the counterparties of the transaction, or have any interest in the transaction that will compromise their independence.

The relevant personnel of the Company handling the matters related to merger and acquisition and public tender offer, shall pay attention to the occurrence of any conflicts of interest and the need for recusal.

## Section 2 Establishing a Mechanism for Interaction with Shareholders

Article 13 (it is advisable that the Company designate personnel exclusively dedicated to handling shareholder proposals)

In order to protect the interests of the shareholders, it is advisable that the Company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.

The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the Company's articles of incorporation, or that such damage was caused by a breach of applicable laws, regulations or the Company's articles of incorporation by any directors, supervisors or managers in performing their duties.

It is advisable that the Company adopts internal procedures for appropriate handling of matters referred to in the preceding two paragraphs, and that it keep relevant written records for future reference and incorporate the procedures in its internal control system for management purposes.

Article 13-1 (The board of directors is responsible for establishing a mechanism for interaction with shareholders)

The board of directors of the Company is responsible for establishing a mechanism for interaction with shareholders to enhance mutual understanding of the development of company's objectives.

Article 13-2 (Efficient communication with shareholders to gain their support)

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 Corporate Governance Relationships Between the Company and Its Affiliated Persons

- Article 14 (Establishing firewalls)  
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 (A manager of the company may not serve as a manager of its affiliated enterprises)  
Unless otherwise provided by the laws and regulations, a manager of the 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 (Establishing sound objectives and systems for management of finance, operations, and accounting)  
The Company shall establish sound objectives and systems for management of finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with and customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.
- Article 17 (When the Company and its affiliated persons and shareholders enter into financial and business dealings or transactions, such shall be made in accordance with the principle of fair dealing and reasonableness)  
When the Company and its affiliated persons and shareholders enter into financial and business dealings or 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 and improper channeling of profits shall be prohibited.  
The content of the written agreements in the preceding paragraph shall include the managerial procedures for transactions of purchase and sales, acquisition or disposal of assets, loaning of funds, and endorsement and guarantee and other transactions; the related material transactions shall be submitted to the board of directors for approval, and submitted to the shareholders for consent, or report to the same.
- Article 18 (A corporate shareholder having controlling power over the Company shall comply with the provisions)  
A corporate shareholder having controlling power over the Company shall comply with the following provisions:
1. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the company to conduct any business which is contrary to normal business practice or not profitable.
  2. Its representative shall follow the rules implemented by its company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director or supervisor.

3. It shall comply with relevant laws, regulations and the articles of incorporation of the company in nominating directors or supervisors and shall not act beyond the authority granted by the shareholders meeting or board meeting.
4. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.
5. It shall not restrict or impede the management or production of the company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.
6. The representative that is designated when a corporate shareholder has been elected as a director shall meet the company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.

Article 19 (Retaining a register of major shareholders and the persons with ultimate control over those major shareholders)

The Company shall retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders.

The Company shall disclose periodically important information about its shareholders holding more than 10 percent of the outstanding shares of the company relating to the pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in the ownership of their shares.

### Chapter 3 Enhancing the Function of Board of Directors

#### Section 1 Structure of Board of Directors

Article 20 (The abilities of the board of directors shall possess)

The board of directors of the Company shall guide the company strateg, supervise management and be responsible to the Company and shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.

The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.

The composition of the board of directors shall be determined by taking diversity into consideration, except for directors who are also managers of the company shall not exceed one third of the number of directors, and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture, etc. The ratio of female directors shall reach one-third of the board of directors.
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, skills, and experience 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 establish a fair, just, and open procedure for the election of directors)

The Company shall establish a fair, just, and open procedure for the election of directors to encourage its shareholders to actively participate for taking the protection of shareholders' rights and interests and treating all shareholders fairly, and shall adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views. Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company. 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 adopts the candidate nomination system for elections of directors pursuant to the Company Act.)

The Company shall specify in its articles of incorporation in accordance with the laws and regulations of the competent authorities that it adopts the candidate nomination system for elections of directors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.

Article 23 (The board of directors shall draw clear distinctions of the authorities and responsibilities of the functional committees, chairperson of the board and general manager)

Clear distinctions shall be drawn between the responsibilities and duties of the chairperson of the board of the Company and those of its general manager.

It is inappropriate for the chairperson to also act as the general manager. The company with a functional committee shall clearly define the

responsibilities and duties of the committee.

## Section 2 Independent Director System

- Article 24 (The Company shall appoint independent directors in accordance with its articles of incorporation )  
The company shall appoint independent directors in accordance with its articles of incorporation. They shall be not less than two in number and not less than one-third of the total number of directors and the consecutive term of independent directors shall not exceed three terms.  
Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings and the positions they may concurrently hold. 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 TWSE/TPEX 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.  
If the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director, supervisor or managerial officer as a candidate for an independent director of the other, the Company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the Company shall disclose the number of votes cast in favor of the elected independent director.  
The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the Company, any foundation to which the Company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the company.  
Change of status between independent directors and non-independent directors during their term of office is prohibited.  
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 or Taipei Exchange.
- Article 25 (The matters of the Company shall submit to the board of directors for approval by resolution)  
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. A matter bearing on the personal interest of a director or a supervisor.
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)

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 under its articles of incorporation, or by resolution of its shareholders meeting. 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 Audit Committee and Other Functional Committees

Article 27 (Setting up functional committees)

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 auditing, remuneration, nomination, risk management or any other functions, and based on concepts of corporate social responsibility and sustainable operation, may set up environmental protection, corporate social responsibility, or other committees, and expressly provide for them in the articles of incorporation.

Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval, provided that the performance of supervisor's duties by the audit committee pursuant to Article 14-4, paragraph 4 of the Securities and Exchange Act shall be excluded.

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 shall establish an audit committee)

The Company establishes an audit committee.

The audit committee shall be 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 shall establish a remuneration committee)

1 The Company establishes 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 a nomination committee)

The Company is advised to establish a nomination committee and its articles of association. It is advisable that a majority of the members of said committee be independent directors and an independent director be its chairperson.

Article 28-3 ( A whistleblowing system)

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 (Enhancing and improving the quality of financial reports)

To improve the quality of its financial reports, the Company shall establish the position of deputy to its principal accounting officer.

To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the schedule of the principal accounting officer.

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 as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the company shall faithfully implement improvement actions. It is advisable that the company establish channels and mechanisms of communication between the independent directors, the audit committee, and the attesting CPA, and to incorporate procedures for that purpose into the company's internal control system for management purposes.

The Company shall evaluate the independence and suitability of the CPA engaged by the company regularly, and no less frequently than once annually, by referring to the Audit Quality Indicators (AQIs).. In the event that the company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.

**Article 30 (Providing adequate legal services to the company)**

It is advisable that the Company engage a professional and competent legal counsel to provide adequate legal consultation services to the company, or to assist the directors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.

When, as a result of performing their lawful duties, directors or the management are involved in litigation or a dispute with shareholders, the company shall retain a legal counsel to provide assistance as circumstances require.

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 (Convening the board of directors)**

The board of directors of the Company shall meet at least once every quarter, or convene 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 (Directors shall exercise a high degree of self-discipline)

The Company directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter. Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings.

Article 33 (Independent director and the board of directors)

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. In any of the following circumstances, decisions made by the board of directors shall be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS two hours before the beginning of trading hours on the first business day after the date of the board meeting:

1. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.
2. The matter was not approved by the audit committee (if the company has set up an audit committee), but had the consent of more than two-thirds of all directors.

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 (The minutes of the board of directors meetings)

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 and supervisor 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 matters of the Company shall submit to its board of directors for discussion)

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

1. Corporate business plans.
2. Annual and 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, to the 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, and 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 ask the appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions)

The company shall ask the appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions in a manner consistent with the planned schedule and objectives. It shall also follow up on those matters and faithfully review their implementation.

The board of directors shall remain informed of the progress of implementation and receive reports in subsequent meetings to ensure the actual implementation of the board's management decisions.

#### 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)

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.

It is advisable that the Company formulate rules and procedures for board of directors performance assessments. Each year, in respect of the board of directors and individual directors, it shall conduct regularly scheduled performance assessments through self-assessments or peer-to-peer assessments, and may also do so through outside professional institutions or in any other appropriate manner. A performance assessment of the board of directors shall include the following aspects, and appropriate assessment indicators shall be developed in consideration of the company's needs:

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.

The performance assessments of board members (self-assessments or peer-

to-peer assessments) shall include the following aspects, with appropriate adjustments made on the basis of the company's needs:

1. Their grasp of the company's goals and missions.
2. Their recognition of director's duties.
3. Their degree of participation in the company's operations.
4. Their management of internal relationships and communication.
5. Their professionalism and continuing professional education.
6. Internal controls.

It is advisable that the Company conduct performance assessments of a functional committee, covering the following aspects, with appropriate adjustments made on the basis of the company's needs:

1. The degree of participation in the company's operations.
2. Their recognition of the duties of the functional committee.
3. Improvement in the quality of decision making by the functional committee.
4. The composition of the functional committee, and election and appointment of committee members.
5. Internal controls.

The Company is advised to submit the results of performance assessments to the board of directors and use them as reference in determining compensation for individual directors, their nomination and additional office term.

Article 37-1 (Establishment a succession plan for the management)

It is advisable for the Company to establish a 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 (Establishment of an intellectual property regulatory system)

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. Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property regulatory system.
4. Observe internally and externally the risks and opportunities that intellectual property regulation may present and adopt corresponding measures.
5. Plan for and implement a continuous improvement mechanism to ensure

the operation and effects of the intellectual property regulatory regime meet the company's expectations.

- Article 38 (The request of shareholders or independent director to discontinue the implementation of the resolution)  
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 (Directors liability insurance)  
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 major contents of the liability insurance it has taken out or renewed for directors, at the next board meeting.
- Article 40 (Members of the board of directors participating in training courses)  
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 communication with stakeholders and safeguard their rights and interests)  
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)  
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 (Establishing channels of communication with employees)

The Company shall establish channels of communication with employees and encourage employees to communicate directly with the management and directors, so as to reflect employees' opinions about the management, financial conditions, and material decisions of the company concerning employee welfare.

Article 44 (The company's social responsibility)

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 (Internet-based reporting system for public information)

The Company shall establish an Internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing the information, and establish a spokesperson system in accordance with the relevant laws and the related TWSE and TPEX rules, so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.

The Company is advised to 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.

Article 46 (Appointing the spokesperson)

In order to enhance the accuracy and timeliness of the material information disclosed, the Company shall appoint a spokesperson and acting spokesperson(s) who understand thoroughly the company's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the company in making statements independently.

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 prohibit their disclosure of any such information at will.

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

Article 47 (Setting up the corporate governance website)

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. It is also advisable for the company to furnish the financial, corporate governance, and other relevant information in English. 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 method of holding the investor conference)

The Company shall hold an investor conference in compliance with the regulations of the TWSE, 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 (Disclosing the information regarding corporate governance)

The company website shall set up a special area to disclose and update from time to time the following information regarding corporate governance.

1. The board of directors: The CVs of board members and their responsibilities, the diversity policy of board members, and the implementation, etc.
2. The functional committees: The CVs of committees members and their responsibilities, etc.
3. Rules and regulations of corporate governance: The company's articles of association, the procedures of the board of directors and organizational regulations of the functional committees and other corporate governance related regulations.
4. Important information related to corporate governance: The info of the supervisor of setting up corporate governance, etc.

Chapter 6 Supplementary Provisions

Article 50 (Monitoring domestic and international developments)

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 (Enforcement)

The Corporate Governance Best Practice Principles of the Company shall be implemented after the board of directors grants the approval. The same procedure shall be followed when the principles have been amended. These principles were formulated on December 16, 2014. They were first amended on November 10, 2015 and subsequently amended on March 15, 2018 (2nd amendment), March 21, 2019 (3rd amendment), March 12, 2020 (4th amendment) , March 08, 2022 (5th amendment) , Apr 25, 2022 (6th

mendment) ,Dec 12, 2022 (7th mendment) ) ,Mar 14, 2023 (8th mendment).

# **Taya Electric Wire & Cable Co., Ltd.**

## **Sustainable Development Best Practice Principles**

2023.3.14 approved by the board of directors

### **Chapter 1 General Principles**

Article 1 In order to fulfill Corporate Social Responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the Company hereby adopted the Principles to be followed.

Article 2 The Principles apply to the entire operations of the Company and its business group.

The Principles encourage the Company to actively fulfill its Corporate Social Responsibility in the course of its business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on Sustainable Development.

Article 3 In fulfilling Sustainable Development initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.

The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.

Article 4 To implement Sustainable Development initiatives, the Company is advised to follow the principles below:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of Sustainable Development information.

Article 5 The company shall take into consideration the correlation between the development of domestic and international Sustainable Development principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for Sustainable Development programs,

which shall be approved by the board of directors and then reported to the shareholders meeting.

When a shareholder proposes a motion involving Sustainable Development, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.

## **Chapter 2 Exercising Corporate Governance**

Article 6 The Company is advised to follow the Corporate Governance Best Practice Principles, the Ethical Corporate Management Best Practice Principles, and the Code of Ethical Conduct to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 7 The directors of the Company shall exercise the due care of good administrators to urge the company to perform its Sustainable Development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its Sustainable Development policies.

The board of directors of the company is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's performance of its Sustainable Development initiatives:

1. Identifying the company's Sustainable Development mission or vision, and declaring its Sustainable Development policy, systems or relevant management guidelines;
2. Making Sustainable Development the guiding principle of the company's operations and development, and ratifying concrete promotional plans for Sustainable Development initiatives; and
3. Enhancing the timeliness and accuracy of the disclosure of Sustainable Development information.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 8 The Company is advised to, on a regular basis, organize education and training on the implementation of Sustainable Development initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 9 For the purpose of managing Sustainable Development initiatives, the Company is advised to establish a governance structure to promote sustainable development, an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the Sustainable Development policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

The Company is advised to adopt reasonable remuneration policies, to

ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.

It is advised that the employee performance evaluation system be combined with Sustainable Development policies, and that a clear and effective incentive and discipline system be established.

Article 10 The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important Sustainable Development issues which they are concerned about.

### **Chapter 3 Fostering a Sustainable Environment**

Article 11 The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12 The Company endeavors to utilize energy more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 13 The Company establishes proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation on a regular basis.

Article 14 The Company establishes a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for their managerial officers and other employees on a periodic basis.

Article 15 The Company takes into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:

1. Reduce resource and energy consumption of their products and services.
2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.

3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve efficiency of products and services.

Article 16 To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.

The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17 The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt climate related measures.

The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.
2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.
3. Indirect emission: The emission generated from the company's activities, are not the indirect emission from energies, but the emission sources owned or controlled by other companies.

The Company is advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The company's carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.

#### **Chapter 4 Preserving Public Welfare**

Article 18 The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handling processes.
3. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.

4. In the event of any infringement of human rights, the company shall disclose the processes for handling of the matter with respect to the stakeholders involved. The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. A company shall respond to any employee's grievance in an appropriate manner.

Article 19 The Company shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the company has business operations.

Article 20 The Company provides safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

The Company organizes training on safety and health for its employees on a regular basis.

Article 21 The Company creates an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills.

The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article 22 The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decisions.

The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives.

The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article 22-1 The Company is advised to treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. Said company shall also develop the relevant strategies and specific measures for implementation.

Article 23 The Company shall take responsibility for its products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the company shall ensure the transparency and safety of its products and services. It further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 24 The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industries.

The Company shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 25 The Company evaluates and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.

The Company provides a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 26 The Company assesses the impact its procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with its suppliers to jointly implement the Corporate Social Responsibility initiative.

The Company is advised to establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, The Company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against Corporate Social Responsibility policy.

When the Company enters into a contract with any of their major

suppliers, the content should include terms stipulating mutual compliance with Corporate Social Responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative.

Article 27 The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

The Company is advised to, through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

Article 27-1 The Company is advisable to continuously infuse resources to cultural or art events, or culture creative industry, through donation, sponsorship, investment, procurement, strategic cooperation, voluntary corporate technology service, or other supporting models, to enhance the cultural development.

## **Chapter 5 Enhancing Disclosure of Sustainable Development Information**

Article 28 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles and shall fully disclose relevant and reliable information relating to their Sustainable Development initiatives to improve information transparency.

Relevant information relating to Sustainable Development which the Company shall disclose includes:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for Sustainable Development initiatives, as resolved by the board of directors.
2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
3. Goals and measures for realizing the Sustainable Development initiatives established by the company, and performance in implementation.
4. Major stakeholders and their concerns.
5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
6. Other information relating to Sustainable Development initiatives.

Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing Sustainable Development reports, to disclose the status of its implementation of the Sustainable Development policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability

of the information in the reports. The reports are advised to include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing Sustainable Development initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
4. Future improvements and goals.

### **Chapter 6 Supplementary Provisions**

Article 30 The Company shall at all times monitor the development of domestic and foreign Sustainable Development standards and the change of business environment so as to examine and improve its established Sustainable Development framework and to obtain better results from the implementation of the Sustainable Development policy.

Article 31 The principles shall be implemented after the board of directors grants the approval. The same procedure shall be followed when the principles have been amended.

These principles were formulated on August 11, 2015. They were 1th amended on March 15, 2018 ,The 2th amended on March 12, 2020,The 3th amended on April 25, 2022. , The 4th amended on March 14, 2023.