

C. STRUCTURE OF THE BOARD OF DIRECTORS

1. Profile of the Directors

The Company Act stipulates that corporate directors are responsible for the management of the company of which they are a director. Some of directors work full-time for the Company.

Some directors, including large shareholders of the Company, are also representatives of other legal entities. This practice is permitted under the Company Act. A director who serves as a representative of a legal entity may be removed or replaced at any time at the discretion of that particular legal entity. Currently, two directors are representatives of other legal entities.

Six out of nine directors are independent directors. They are all the members of the Audit Committee.

2. Independence of Independent Directors

All independent directors are independent as defined by the Taiwan Stock Exchange Listing Rules and NYSE Listing Standards. The board of directors, however, may waive certain independence requirements under the NYSE listing standards if the board believes that certain facts would not impair a director's exercise of his or her independent judgment.

3. Election of the Board of Directors

Directors are elected by shareholders by means of cumulative voting, for which the number of votes granted to each share is equal to the number of candidates. The shareholder can cast all of his or her votes for the same candidate or distribute them between several candidates. All registered shareholders have equal voting rights corresponding to the number of shares held. Treasury shareholders are not allowed to vote.

The directors' terms are for three years and all are elected at the same time. All directors were elected in May 2024. The next election for directors is expected to be in 2027.

4. Size and Term Limits

The Company currently has nine directors. The size of the Board of Directors will be increased or decreased to reflect the workload of the Board and the availability of qualified directors.

A director may be re-elected consecutively. There are presently no term limits for directors.

5. Directors Compensation and Ownership

Remuneration for all directors is decided at a meeting of shareholders. Compensation shall be comparable to other firms in the Company's industry and is not dependent on the Company's profitability.

According to the Company's Bylaws, compensation for all Board Directors currently is no more than 0.2% of profit in terms of cash.

There is no minimum shareholding requirement for directors of the Company since there is over 50% of independent directors and Audit Committee in the Board of the Company. The largest shareholder, Hsun Chieh Investment Company, held approximately 3.5% of issued shares.

Directors are prohibited from entering into contracts with the Company or any of its subsidiaries stipulating the receipt of benefits upon the end of their tenure.