



Corporate Governance Guidelines

Adopted by the board of directors
on October 12, 2021

Chapter I General

1. TSRC Corporation (the “**Company**”) adheres to the business philosophy of integrity and information transparency and, based on the ideas to strengthen the board of directors’ functions, protect shareholders’ rights and interests, and respect stakeholders’ rights and interests, we hereby establish these Corporate Governance Guidelines (the “Guidelines”) to strengthen its corporate governance system.
2. The Company’s corporate governance system should comply with these Guidelines, unless any applicable law or regulation, the articles of incorporation of the Company, or a shareholder resolution stipulate otherwise.
3. As required by the Regulation Governing Establishment of Internal Control Systems by Public Companies and taking into consideration the overall operational activities of the Company and its subsidiaries, the Company shall design and faithfully implement an internal control system, and conduct continuing reviews of the system, to ensure continuous effectiveness of its design and implementation in light of changes in internal and external environment.
4. The Company should appoint an adequate number of corporate governance personnel based on its business scale, business conditions, and management needs, and should also appoint a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs.
The qualifications of the foregoing chief corporate governance officer and relevant matters and requirements pertaining to corporate governance of the Company shall comply with the Taiwan Stock Exchange Corporation’s Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board’s Exercise of Powers, unless any applicable law or

regulations provide otherwise.

Chapter II Protection of Shareholders' Rights

5. The corporate governance system of the Company should protect shareholders' rights and interests and treat all its shareholders equally.
6. The Company should convene shareholders' meetings in accordance with the Company Act and relevant law and regulations, and should establish comprehensive procedural rules for the shareholders' meetings. Any matter that requires a resolution by a shareholders' meeting should strictly comply with the procedural rules for shareholders' meetings.
Any resolution of the Company's shareholders' meetings should comply with applicable law and regulations, and the articles of incorporation of the Company.
7. The board of directors of the Company should properly arrange the agenda and procedures of the shareholders' meetings and appropriately handle each proposal duly submitted by shareholders. Shareholders' meetings should be held at a convenient place with sufficient time allotted for discussion, and suitable personnel should be assigned to assist shareholders' registrations.
For a shareholders meeting convened by the board of directors, it is advisable that the chairperson of the board chair the meeting, that a majority of the directors (including at least one independent director) and the convener of the audit committee attend the meeting in person, and that at least one member of other functional committees attend the meeting as a representative. Details of shareholders' attendances should be recorded in the minutes of the shareholders meeting.
8. The shareholders are encouraged to participate in corporate governance of the Company. A professional shareholder services agent should be engaged to handle matters relating to the shareholders' meetings, so that the shareholders' meetings are conducted in a legal, effective, and safe manner.
The Company should use technologies for information disclosure to upload its annual report, annual financial statements, notice of shareholders' meetings, meeting agenda booklet, and supplemental information for the shareholders meetings. Electronic voting is adopted to increase attendance rate at the shareholders' meetings and to ensure that the shareholders may duly exercise their rights at the shareholders' meetings.
The Company may arrange for shareholders to vote on proposals in the agenda one by one at a shareholders' meeting, and, following

conclusion of the meeting, the voting results are advised to be published on the internet information reporting system designated by the Taiwan Stock Exchange (the Market Observation Post System, "MOPS") on the same day of the shareholders' meeting.

9. The minutes of a shareholders' meeting should, in accordance with the Company Act and other applicable law and regulations, specify the date and place of the meeting, the name of the Chairperson, and the method for adopting resolutions, and a summary of the essential points of the proceedings and its results. With respect to the election of directors, the meeting minutes should specify the voting method adopted therefor and the number of votes with which the directors are elected.

The minutes of the shareholders' meetings should be properly and indefinitely maintained by the Company during its legal existence, and should be fully disclosed on the Company's website.

10. The chairperson of the shareholders' meetings should comply with the applicable rules of procedure, ensure the proper progress of the meeting agenda, and should not arbitrarily announce adjournment of the meeting.

11. The Company places high importance on the shareholders' right to know and shall faithfully abide by relevant requirements for information disclosure to regularly and promptly provide its shareholders with the financial, sales, insider shareholding and corporate governance information of the Company on MOPS or the Company's website.

To protect the shareholders' rights and interests and ensure their equal treatment, the Company should set up an internal regulation prohibiting all insiders of the Company from using non-public information for trading securities.

12. The shareholders are entitled to share profits of the Company. To protect the rights of the shareholders in relation to their investments in the Company, the shareholders' meeting may, in accordance with the law, inspect the statements and books prepared by the board of directors and the audit reports submitted by the audit committee and decide the distribution of profits or plans to offset deficits of the Company. The shareholders' meeting may appoint an inspector to conduct the foregoing inspections.

13. The Company should conduct material financial and business transactions such as acquisition or disposal of assets, monetary loans, endorsements and guarantees in accordance with the applicable law and regulations. Relevant SOP should be established and submitted for

approval by the shareholders' meeting in order to protect the rights and interests of the shareholders. In the event that the Company is involved in any merger, acquisition or public tender offer, in addition to compliance with applicable law and regulations, the Company should pay attention to the fairness, reasonableness, and disclosure of information of the transaction, as well as the soundness of the financial structure of the Company following the transaction.

Any personnel of the Company involved in the abovementioned matters should beware of conflict of interest and the need for recusals.

14. To protect the rights and interests of the shareholders, the Company may appoint personnel responsible for any suggestions, inquiries, or comments from shareholders.

If any right or interest of the shareholders were damaged due to violation of any law, regulations, or the articles of incorporation of the Company by any resolution of the shareholders or the board of directors, or by any director or officer when performing their duties, the Company should properly handle any lawsuit duly filed by the shareholder.

Chapter III Corporate Governance between the Company and Affiliates

15. The Company should clearly specify the objectives and the division of authorities and responsibilities between it and its affiliates with respect to management of personnel, assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.
16. Any officer of the Company should not serve as an officer for other business enterprises unless the board of directors of the Company approves otherwise. Any director shall not engage in any act within the business scope of the Company for the benefit of himself or herself or others without explaining the major content of such act to the shareholders' meeting and obtaining approval by shareholder resolution.
17. The Company should establish robust financial, business and accounting management objectives and systems in accordance with applicable law and regulations, and should work with its affiliates to appropriately conduct comprehensive risk assessment on major banks, customers, and suppliers and implement necessary internal control mechanisms so as to reduce credit risks.
18. The Company should, based on the principles of fairness and

reasonableness, establish written regulations governing the financial and business operations between the Company and its affiliates with which it has business dealings. The agreement regarding any transactions among them should clearly specify the pricing conditions and payment term, and non-arm's length transactions are strictly prohibited.

Any transaction or contract between the Company and its related party or shareholder(s) should be conducted in accordance with the foregoing principle, and tunneling is strictly prohibited.

19. Any corporate shareholder having controlling power over the Company should comply with the following provisions:
 - (1) It should not, directly or indirectly, cause the Company to conduct any business which is contrary to normal business practice or not in the interest of the Company.
 - (2) Its representative(s) should comply with the regulations of the Company relating to the exercise of right and participation in the resolution process of the Company.
 - (3) It should nominate director candidates in accordance with the applicable law, regulations, and the articles of incorporation of the Company.
 - (4) It should not improperly intervene in any decision-making of the Company or hinder any business activity of the Company.
 - (5) It should not engage in any unfair competition such as monopolization of procurement or limiting distribution channels to restrict or hinder the production and operation of the Company.

20. The Company should regularly disclose the name, shareholding amount and percentage of its shareholders holding 5% or more of the outstanding shares of the Company or of the top ten majority shareholders so as to allow monitoring by the other shareholders of the Company.

Chapter IV Enhancing the Functions of the Board of Directors

Section 1 Organization of the Board of Directors

21. Members of the board of directors should possess the knowledge, experiences and abilities required to perform their duties. The composition of the board of directors should be diverse and be formed in accordance with law and regulations, taking into account the business nature, operation, market, and future growth needs of the Company. The board of directors as a whole should possess the capabilities for operational judgement, accounting and financial

analysis, operational management, crisis management, industry knowledge, and the leadership, decision-making acumen, and international perspectives required for multinational operation.

22. The Company should establish a fair, just, and open procedure for the election of board directors and encourage the shareholders' participation. Cumulative voting should be adopted in accordance with the Company Act to fully reflect the shareholders' views.
23. The total shareholding percentage of the board directors should satisfy the relevant statutory requirements. Restriction on the share transfer of the board directors, and the creation, release, or changes of any pledges over the shares held by directors shall be subject to relevant law and regulations, and relevant information should be disclosed accordingly.
The responsibilities and duties of the Chairman and the CEO of the
24. Company should be clearly separated. It is inadvisable for the Chairperson to also act as the CEO. Every functional committee set up by the Company should be assigned with clear roles and responsibilities.

Section 2 Independent Directors

25. The Company should appoint independent directors in accordance with the articles of incorporation of the Company. The independent directors' credentials, the restrictions on independent director's shareholding and holding concurrent position(s), qualifications of independence, nomination method and other requirements should comply with the requirements in the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, other applicable law and regulations, and regulations of the Taiwan Stock Exchange.
Independent directors and non-independent directors should not switch roles during the term of office.

Section 3 Functional Committees

26. To develop robust supervisory functions and strengthen management mechanisms of the Company, the Company shall establish an audit committee and a remuneration committee, and other functional committees under the board of directors to enhance the effectiveness and quality of its supervision and decision-making.
Functional committees should report to the board of directors and submit all proposals to the board of directors for approvals, except that the audit committee may exercise the supervisor's powers in accordance with Paragraph 4 of Article 14-4 of the Securities and

Exchange Act without the board of directors' approval.

Each functional committee should adopt its own organizational charter, which should be approved by the board of directors, and such charter should set forth the number of its members, the term of office, its powers and responsibilities, procedural rules for meetings, and the resources to be provided by the Company to carry out its duties.

27. The exercise of powers, responsibilities and other relevant matters of the audit committee and its independent director members should be governed by the Securities and Exchange Act and the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies and other regulations of the Taiwan Stock Exchange.
28. The members' qualifications, exercise of powers and responsibilities, organization charter and other relevant matters for the remuneration committee should comply with the Securities and Exchange Act, and the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange, and other regulations of the Taiwan Stock Exchange.
29. The Company should appoint a professional, responsible, and independent CPA to audit the financial conditions and internal control of the Company regularly. If any irregularity or deficiency is found and disclosed during the audit process, the Company should review and take improvement actions based on the recommendations or anti-fraud measures suggested by the CPA. The Company should maintain open communication channels among the independent directors, audit committee and the CPA. The audit committee should regularly evaluate the independence and competence of the CPA. If the Company has not changed the CPA for consecutive 7 years, or such CPA is subject to any disciplinary action or there is any other circumstances prejudicial to the CPA's independence, the Company should assess whether it is necessary to change the CPA and then report the assessment result to the board of directors.

Section 4 Rules of Procedure and Decision-Making Process of the Board Meeting

30. The meeting of the board of directors should be convened at least once every quarter and may be convened at any time in case of emergencies. °

The Company should adopt rules of procedures for board meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the main agenda contents, procedures, matters required to be recorded in the

meeting minutes, public announcement and other requirements.

31. The directors should maintain a high degree of self-discipline. In board meetings, if any director or any of his or her spouse, next of kin (i.e. parents, grandparents, siblings, children and grandchildren), or any entity represented by the director or controlling, controlled by, or under common control with the director, has any conflict of interest in any agenda item, the director should explain important aspects of such interests at the relevant meeting. Where such conflict of interest may cause risk to prejudice the interests of the Company, the director should not participate in any relevant discussion or voting, and should recuse from any such discussion or voting, and may not act as a proxy to vote on behalf of other directors on that matter. Matters regarding recusal of the directors should be stipulated in the procedural rules for board meetings.
32. When convening a board meeting, the board may, based on the agenda items, notify personnel of relevant departments or its subsidiaries to attend the meeting. Where necessary, the board may invite its CPA, legal counsel, or other professionals to attend the meeting and provide their opinions, however, they should leave the meeting during any discussion and voting sessions.
33. The board secretary should, in accordance with relevant regulations, correctly record all report items, and items for discussions, the method of voting, and results of resolutions for each agenda item in the meeting minutes.
34. If the board of directors intends to authorize any person to perform its powers and duties in accordance with law, regulations, or articles of incorporation of the Company, it should specify the level of authorization and the content or matters of such authorization shall be clearly specified.
35. The Company should assign appropriate departments or personnel to execute matters resolved by the board of directors based on scheduled timelines and objectives, and track and manage such matters to review their implementation status. The board of directors should be kept updated on the implementation progress to ensure the business decisions of the board of directors are carried out faithfully.

Section 5 Fiduciary Duties and Duty of Care of the Directors

36. The directors should faithfully conduct the Company's business and fulfill the duty of care as a good manager. When performing his or

her powers and responsibilities, the director should maintain a high degree of self-discipline and prudence.

The board of directors, functional committees, and each individual director shall be subject to regular self-assessments, peer assessments, performance review by external professional institutions or by other appropriate means. The results of such performance review shall be submitted to the board of directors as the basis for review and improvement and as reference for selection or nomination of directors.

37. The Company should establish a succession plan for the management, and the board of directors should regularly evaluate the development and implementation of such plan to ensure sustainable operation of the Company.
38. In the event that any resolution of the board of directors violates law, regulations, or article of incorporation of the Company, and the board of directors is requested to cease implementation of such resolution by any shareholder holding shares continuously for more than a year or any independent director, the board of director should take appropriate actions or cease implementation of the relevant resolutions as soon as practicable.
In the event that any director discovers any concern of material damage to the Company, the director should report immediately to the audit committee or the independent directors of the audit committee.
39. The Company shall maintain a directors' liability insurance with respect to the liabilities resulting from performance of their duties during their terms of directorship.
The Company should report the major contents of such liability insurance to the board of directors for board resolution.
40. The directors are advised to participate in continuing education courses relating to corporate governance such as finance, risk management, business operation, commerce, accounting, law, corporate social responsibility, internal control, and financial reporting responsibilities pursuant to the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies.
41. The Company should engage a professional and competent legal counsel to provide appropriate legal advisory services to the Company or to assist the board of directors and the management to improve their legal knowledge, for the purposes of preventing the Company and its personnel from breaking the law and to ensure that the Company's corporate governance operates under relevant

legal framework and statutory procedures.

If any member of the board or the management is involved in a dispute with any shareholders or litigation in relation to their duly performance of duties, the Company should engage lawyers to provide assistance to them if required by the situation.

Chapter V Rights of Stakeholders

42. The Company should maintain open communication channels with its banks, other creditors, employees, customers, suppliers, investors, and other stakeholders of the Company, respect and protect their legal rights and interests, and designate a stakeholder section on the Company's website.
43. The Company should establish communication channels with its employees and encourage employees to communicate directly with the management to express their opinions on the Company's operation and financial conditions or major decisions concerning employees' interests.
44. The Company is committed to improve the overall Company value and shareholder value, the Company should also concern about consumer rights and interests, community environmental protection, public interest issues, and take corporate social responsibility seriously.

Chapter 6 Improving Information Transparency

45. The Company should faithfully perform its obligations to disclose information in accordance with applicable law and regulations, and Taiwan Stock Exchange's regulations. The Company should establish an online reporting system for the purpose of information disclosure, designate personnel responsible for collecting and disclosing information of the Company, and establish a spokesperson system to ensure proper and timely disclosure of information.
46. To implement the spokesperson system, the Company should establish an unified external communication procedure and require the management and employees to maintain confidentiality of financial and business secrets, and no unauthorized disclosure of Company information is allowed.
Any change of the spokesperson or the deputy thereof should be announced immediately.

47. The Company should set up sections on its official website to provide financial, business, and corporate governance information of the Company to keep its shareholders and stakeholders well informed. The Company is also advised to provide such financial, business, corporate governance or other relevant information in English.
The foregoing website should be maintained by designated personnel to ensure that the information disclosed is accurate, sufficiently detailed, and updated on a timely basis.
48. The Company should hold investor conferences in accordance with the regulations of the Taiwan Stock Exchange and keep audio or video records of such conferences. The financial and business information disclosed in the investor conferences should be posted on MOPS and be available for search on the Company's website or other appropriate platforms.
49. The Company should disclose and constantly update its corporate governance information in accordance with the applicable law and regulations, and requirements of the Taiwan Stock Exchange.
Based on the actual implementation status of its corporate governance system, the Company should adopt appropriate approach to disclose concrete improvement plans and measures for its corporate governance.

Chapter VII Miscellaneous

50. The Company should keep abreast of domestic and international developments of corporate governance from time to time, and based on that to review and improve its own corporate governance system to enhance the effectiveness thereof.
51. The Guidelines, as well as the amendments thereof, should be effective upon approval of the board of directors.