

## ◎Implementation of Corporate Governance

Evaluation Item	Implementation Status			The difference from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Explanation	
1. Does the Company follow "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" to establish and disclose its corporate governance practices?	V		The Company established "Code of Practice for Corporate Governance," which included the related regulation for protecting the rights and interests of shareholders, strengthening the powers of the Board of Directors, respecting the rights and interests of stakeholders, enhancing information transparency. Please refer to the company website News/Corporate Governance/Company Major Regulations Inquiry for the Corporate Governance Best Practice Principles.	None
2. Shareholding Structure & Shareholders' Rights				
(1) Does Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, has these procedures been implemented accordingly?	V		(1) The company appointed spokesperson and acting spokesperson(s) to handling shareholders' suggestions and concerns. If it's involved in the legal issue, we'll transit to the legal consultants to handle it.	None
(2) Does Company possess a list of major shareholders and beneficial owners of these major shareholders?	V		(2) The Company agent for stock affairs provides shareholders' lists and the related statements regularly; also followed the regulation to disclose the top 10 shareholders list on the company website and the Annual Report.	None
(3) Has the Company built and executed a risk management system and "firewall" between the Company and its affiliates?	V		(3) The Company and its affiliates operated independently. The businesses with each other were processed based on the "consortium, Specified Company, and Related Party Transaction Methods" and "Consortium Management Methods."	None
(4) Has the Company established internal rules prohibiting insider trading on undisclosed	V		(4) The Company established the regulations of "Procedures for Prevention of Insider Trading and Handling Material Inside	None

information?			Information” and would promote it irregularly to prevent the insider violating insider trading due to unfamiliarity with the Acts.	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Has the Board established a diversity policy for the composition and specific management goals of its members and implemented it accordingly?</p>	V		<p>(1)According to the regulation of Article 20, Paragraph 3 &amp;4 of the “Code of Practice for Corporate Governance”: The composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, anddevelopment needs. It is advisable that the policy include, without being limited to, the following two general standards:</p> <ol style="list-style-type: none"> <li>1. Basic requirements and values: Gender, age, nationality, and culture.</li> <li>2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, and technology), professional skills, and industry experience.</li> </ol> <p>All members of the Board of Directors 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:</p> <ol style="list-style-type: none"> <li>1. Ability to make operational judgments.</li> <li>2. Ability to perform accounting and financial analysis.</li> <li>3. Ability to conduct management administration.</li> <li>4. Ability to conduct crisis management.</li> <li>5. Knowledge of the industry.</li> <li>6. An international market perspective.</li> <li>7. Ability to lead.</li> <li>8. Ability to make policy decisions.</li> </ol> <p>The individual directors' implementation status concerning diversity policy of the member of Board of Director's and specific management goals, please refer to</p>	None

<p>(2) Other than the Remuneration Committee and the Audit Committee which are required by law, does the Company plan to set up other functional committees?</p> <p>(3) Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis, reported the results of performance to the Board of Directors, and use the results as a reference for directors' remuneration and renewal?</p>	V	V	<p>page 16-18 of the Annual Report. The Company's "Code of Practice for Corporate Governance" was on the company website for reference.</p> <p>(2) According to the Company's actual requirement status, we only established Remuneration Committee and Audit Committee currently and haven't established the other functional committees yet.</p> <p>(3) The Company had already established the Board of Directors performance evaluation, which ruled to take the individual directors' performance evaluation result as a reference of the election; to implement the internal Board of Directors performance evaluation once a year. 2022 Board of Directors, Directors, and the functional committee performance evaluation was completed in January 2023 and was reported to the Board Meeting on March 14, 2023, and the evaluation results are as below:</p> <ol style="list-style-type: none"> <li>1. The entire score of self-evaluation for the Board of Directors performance is 99 (total is 100.)</li> <li>2. The entire average score of self-evaluation for members of the Board of Directors performance is 99.22 (total is 100.)</li> <li>3. The entire score of self-evaluation for the functional committee performance is 100 (total is 100.)</li> </ol> <p>The entire 2022 performance evaluation of the Board of Directors and the functional committee is operating efficiently.</p>	<p>Depends on the actual requirement.</p> <p>None</p>
<p>(4) Does the Company regularly evaluate its external auditors' independence?</p>	V	V	<p>(4) The Company conducts regular evaluations of the independence and suitability of certified public accountants (CPAs). In addition to obtaining a declaration of independence from the CPAs and referring to Audit Quality Indicators (AQIs), The Company assesses their performance. The evaluation results are reported to the Audit Committee and the Board of Directors. In the most recent evaluation, the CPAs were found to comply with the independence requirements as detailed in Note 1. This was approved by the Audit Committee and the Board of Directors on March 14, 2023.</p>	None
4. Does the Company appoint	V		According to the approved resolution of	None

<p>competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, supervisor, assisting directors' compliance of the law, handling matters related to board meetings and shareholders' meetings according to law, and recording minutes of board meetings and shareholders' meetings)?</p>		<p>the Board of Directors on May 10, 2021, the Company set up the corporate governance supervisor who is concurrently by the Chief Financial Officer. The corporate governance supervisor has experience in financial, legal, and stock-related matters in a public company for more than three years.</p> <p>The following matters are responsible for handling in common by the corporate governance supervisor and the stock affair department:</p> <ol style="list-style-type: none"> <li>1. The meeting-related matters of Board Meeting and Shareholders' Meeting.</li> <li>2. Record the meeting minutes of the Board Meeting and Shareholders' Meeting.</li> <li>3. Assist the directors to take up a post and continuous further education.</li> <li>4. Provide the information for directors to implement the business.</li> <li>5. Assist the directors to follow the Acts.</li> <li>6. Other matters which were established in the company regulations or contracts.</li> </ol> <p>According to the approved resolution by the Board of Directors on May 10, 2021, the Company revised the "Procedures for Dealing with Directors Requirement."</p> <p>The corporate governance supervisor and stock affair department provide the information for Directors to implement the business and follow the regulations and Acts to assist the directors in implementing the duty and enhancing the effectiveness of the Board of Directors.</p> <p>The corporate governance supervisor implemented the related operation of the above responsibilities, and completed 15 training hours in 2022. Please refer to page 53 of the Annual Report.</p>	
<p>5. Has the Company established a means of communicating with its Stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders' questions on corporate responsibilities?</p>	<p>V</p>	<p>The Company established the Stakeholder Contacts' phone numbers and email address on the Investor Relation website: <a href="http://www.cwt.com.tw">www.cwt.com.tw</a>. The responsible person would timely reply to the focus issue of stakeholders (investor, loaner, customer, consumer, supplier, employee, stakeholders with community or company) and keep the unimpeded communication channel. There is also an accusation mail address: <a href="mailto:suggestion@mail.cwt.com.tw">suggestion@mail.cwt.com.tw</a> for</p>	<p>None</p>

			internal and external persons to accuse the violation of honest conduct. The Company's communication with stakeholders for 2022 was reported at the Board of Directors' meeting on May 11, 2023 and disclosed on the Company's website.	
6. Has the Company appointed a professional registrar for its Shareholders' Meetings?	V		The Company appointed "Fubon Securities Co., Ltd. Stock Agency Department." to deal with the Shareholders' Meeting matters.	None
7. Information disclosure (1) Has the Company established a corporate website to disclose information regarding its financial, business and corporate governance status?	V		(1) The Company set up Chinese and English websites to establish the financial and business information and have the responsible person maintain it. The listed information is detailed and reliable, correct, and update immediately. The website address: www.cwt.com.tw	None
(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference, etc.)?	V		(2) The Company has a responsible person to collect and disclose the company information. Except to disclose the information on Market Observation Post System regularly and irregularly, and designate the Chief Financial Officer to be the spokesperson for the external communication and release the major information.	None
(3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third-quarter financial statements as well as the operating status of each month before the prescribed deadline?	V	V	(3) Before the expired date based on the regulations and Acts, the Company completed the published and declaration of the annual financial report, the financial report of Q1, Q2, and Q3, and the operation status of each month.	Depend on the actual operating schedule to publish and declare the annual financial report earlier
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors'	V		(1) Employee rights and interests: The Company treats the employee with honesty and protects the employee's legal rights and interests based on the Labor Standards Act. (2) Employee care: To build a good relationship with mutual trust and interdependence by the welfare policy of enriching the employee's life and excellent education training.	None  None

<p>training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?</p>		<p>e.g., to subsidy the employee club activities and provide the culture and sports entertainment, health examination and treatment allowance and medical counseling, provide the employee external dormitory, the daily care of employee in the dormitory.</p> <p>(3) Investor relationship: Had established the responsible person to deal with the shareholder's suggestions.</p> <p>(4) Suppliers relationship: The Company keeps maintaining a good relationship with suppliers.</p> <p>(5) Stakeholder rights: In the "Management of Operation of Board Meeting," the directors should avoid the stakeholder's proposal. So far, the related directors avoided this kind of proposal based on the regulations.</p> <p>(6) The status of further education for directors: The Company actively encourages the directors to join the further education course. Please refer to pages 51-52 in this Annual Report.</p> <p>(7) Risk management policy and the implementation status of risk measure standard: The Company established Internal Control System and the various internal regulations according to the law and process the evaluation of implementation status regularly.</p> <p>(8) The implementation status of customer policy: The Company established the customer complaint operation procedure to dealing with the customer complaint issue. Differentiate the problem appropriately and the attribution of responsibility, take the rapid and efficient countermeasure and provide preventive measures to prevent similar issues.</p> <p>(9) The status of purchasing the liability insurance for directors: The Company purchased the liability insurance for directors and managers. The insurance situation was reported to the Board of Directors on December 29, 2022, and completed the declaration matters, Please refer to page 53 of the Annual Report.</p>	<p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>
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9. The improvement status for the result of the Corporate Governance Evaluation announced by the Taiwan Stock Exchange Corporation in recent years. It provided the Optimization enhancement matters and measures for the unimproved.
- (1) After the evaluation results published every year, the Company would review the items that had not reached the evaluation standard and kept adjusting and improving to implement. For the adoption of the other standard items, the Company would continue to evaluate and discuss.
- (2) Follow the corporate governance evaluation to strengthen the adjustment and update of the Annual Report and increase the disclosure for the linked revised important items on the company website like the specific management goal and implementation status of the Board diversity policy, the performance evaluation and the remuneration of the directors and managers, and etc.

Note1: The evaluation standards for the independence and suitability of auditors and members of the audit committee are as follows:

Independence evaluation Item	Evaluation Result	Independence or not
1. Whether the member of the audit committee and its spouse and dependents have a direct or material indirect financial interest in the company?	No	Yes
2. Whether the member of the audit committee and its spouse and dependents have the impaction for the independent business relationships with the company or its directors, supervisors, or managers?	No	Yes
3. During the auditing, whether the member of the audit committee and its spouse and dependents serve as the company's director, supervisor, or manager or is in a key position to exert significant influence over the audit?	No	Yes
4. Whether the member of the audit committee have the relationship of the spouse, direct blood, direct relative by marriage, or the collateral relatives in the second-degree relatives with the company's directors, supervisors, or managers?	No	Yes
5. Whether the member of the audit committee accepts gifts or preferential treatment (the value over the general social etiquette standard) from the company's director, supervisor, managers, or major stockholder?	No	Yes
6. When the necessary independence/conflicts of interest process have been implemented, whether the member of the audit committee find the independence matter violation or unsolved conflict of interest?	No	Yes

Suitability evaluation Item	Evaluation Result	Suitability or not
1. Whether the independent auditors and senior auditors possess sufficient auditing experience to conduct the audit.	Yes	Yes
2. Whether the independent auditors and senior auditors receive sufficient education and training each year to continuously acquire professional knowledge and skills.	Yes	Yes
3. Whether the accounting firm maintains sufficient senior personnel.	Yes	Yes
4. Whether the accounting firm possesses sufficient professional personnel to support the audit team.	Yes	Yes
5. Whether the work load of independent auditors is appropriate.	Yes	Yes
6. Whether the number of hours invested by audit team members at each stage of the audit is appropriate.	Yes	Yes
7. Whether the case quality review auditor invests sufficient hours in the review of audit cases.	Yes	Yes
8. Whether the accounting firm possesses sufficient quality control personnel to support the audit team.	Yes	Yes
9. Whether the proportion of non-audit service fees charged by the accounting firm will not affect independence.	Yes	Yes

10. Whether the certified financial reports and audit services provided by the accounting firm will not affect independence.	Yes	Yes
11. For external reviews of deficiencies and penalties, whether the quality control by the accounting firm is conducted according to related laws and standards.	Yes	Yes
12. For improvements ordered by the competent authority, whether the quality control by the accounting firm is conducted according to related laws and standards.	Yes	Yes
13. Whether the accounting firm adopted or formulated any initiatives or plans to improve audit quality in the last 3 years.	Yes	Yes