

Eris' Corporate Governance Implementation Status in 2022

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has established the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”. The information has been disclosed on the Company’s website.	None
2. Shareholding structure & shareholders’ rights (1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure? (2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares? (3) Does the company establish and execute the risk management and firewall system within its conglomerate structure? (4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		In addition to the existing hotline and email channels, the Company has established an internal operating procedure, and has designated appropriate departments, such as Investor Relations, Public Relations, Legal Department, to handle shareholders’ suggestions, doubts, disputes and litigation. The Finance & Shared Services Division is responsible for collecting the updated information of major shareholders and the list of ultimate owners of those shares. The company formulates "internal control system - supervision and management of subsidiaries" and "internal control system - investment cycle - transfer investment management" and "operational specifications related to mutual financial business between related companies", establishes and implements firewalls and risk control with related companies tube mechanism. On July 31, 2020, the company passed the resolution of the board of directors to revise the "General Principles of Internal Control System-Definition" and "Internal Control System Self-inspection and Evaluation Operation Procedures". To protect shareholders’ rights and fairly treat shareholders, the Company has established the internal rules to forbid insiders trading on undisclosed information. The Company has also strongly advocated these rules in order to prevent any violations.	None
3. Composition and Responsibilities of the Board of Directors	✓			None

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<p>(1) Does the Board develop and implement a diversified policy for the composition of its members?</p> <p>(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?</p> <p>(3) Does the company establish a standard to measure the performance of the Board, and implement it annually?</p>			<p>Member diversification is considered by the Board members. Factors considered include, but are not limited to gender, age, cultures, educational background, race, professional experience, skills, knowledge and terms of service. The Board objectively chooses candidates to meet the goal of member diversification.</p> <p>The company has set up a remuneration committee and an audit committee to strengthen corporate governance functions. To enhance the functions of the board of directors and functional committees, clearly define performance goals to improve operational efficiency. In the future, various other functional committees will be added according to the needs of the company's operation scale.</p> <p>The company has formulated rules and procedures for evaluating the Board's performance and conducts it annually. The Company uses two methods to evaluate the performance of the Board.</p> <p>1. Self-assessment of Board members</p> <p>Board members fill in the” Self-Assessment Questionnaire for Board Members” at the end of each year. To evaluate the performance of each members effectively, the questionnaire contains the following factors:</p> <p>A. Their grasp of the Company's goals and missions;</p> <p>B. Their recognition of director's duties;</p> <p>C. Their degree of participation in the Company's operations;</p> <p>D. Their management of internal relationships and communications;</p> <p>E. Their professionalism and continuing professional education;</p> <p>F. Internal controls.</p> <p>2. Assessment of the Board:</p>	

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(4) Does the company regularly evaluate the independence of CPAs?			<p>The Secretary Office of the Board conducts the assessment of the Board's performance. The following aspects are taken into consideration:</p> <p>A. The degree of participation in the Company's operations;</p> <p>B. Improvement in the quality of decision making by the Board of Directors;</p> <p>C. The composition and structure of the Board of Directors;</p> <p>D. The election of the directors and their continuing professional education.</p> <p>E. Internal controls.</p> <p>The Company evaluates the independence of CPAs annually, ensuring that that they are not stakeholders such as a Board member, supervisor, shareholder or person paid by the Company.</p>	
4. Has the TWSE/TPEX listed company been equipped with competent and appropriate numbers of corporate governance personnel, and designated a CGO responsible for corporate governance-related affairs (including but not limited to providing directors and supervisors with the information required for business execution, assisting directors and supervisors with legal compliance, handling matters related to board meetings and shareholders meetings in accordance with the law, and producing meeting minutes for board of directors meetings and shareholders meetings)?	✓		<p>Since the company's paid-in capital is less than NT\$2 billion, according to this standard, the company has not met the need to set up a corporate governance committee. Therefore, at this stage, the chairman's office is responsible for corporate governance-related affairs in order to improve the operational efficiency of the organization.</p> <p>The corporate governance-related matters in the preceding paragraph shall include the following:</p> <p>(1) Handle matters related to the meetings of the board of directors and the shareholders' meeting in accordance with the law.</p> <p>(2) To prepare the minutes of the board of directors and shareholders' meetings.</p> <p>(3) To assist directors in taking office and continuing their education.</p> <p>(4) Provide the information required by the directors to execute their business.</p> <p>(5) Assist directors to comply with laws and regulations.</p> <p>(6) Other matters stipulated in the articles of association or contracts of</p>	

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			<p>the company.</p> <p>The execution of the Company's corporate governance-related business in 2021 is as follows:</p> <ol style="list-style-type: none"> 1. Formulate the meeting agenda of the board of directors, audit committee, and compensation committee, and prepare meeting materials; if the content of the agenda is related to stakeholders, remind the counterparty to avoid interests in advance. In 2021, 7 meetings of the Board of Directors, 7 meetings of the Audit Committee, and 2 meetings of the Remuneration and Remuneration Committee were held. Please refer to the description on pages 16-25 of this annual report for details of the holding of the above meetings. 2. Responsible for the announcement of important information of the important resolutions of the board of directors and the shareholders' meeting, and release important information according to law. 3. Arrange all directors, company managers and other insiders to conduct a 6-hour course. The topics of the course are "Business Opportunities for Third-Generation Semiconductor Power Components Technology Application" and "Development Trends and Application Business Opportunities for Electric Vehicles and Battery Systems". 4. Arrange for independent directors to communicate with the internal audit supervisor and certified accountants at the quarterly audit committee meeting. 5. The performance evaluation of the 2022 annual board of directors, and report the performance evaluation results to the board of directors on February 20, 2023 and upload it to the TWSE/TPEX MOPS (Market Observation Post System). 	
5. Does the company establish a communication channel and build a designated section on its website for involved parties (including but not limited to	✓		The Company provides detailed contact information, including telephone numbers and email addresses in the “Stakeholder Area” section of the corporate website. In addition, personnel are in place to exclusively deal	None

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shareholders, employees, customers and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?			with issues of social responsibility, ensuring that various interested parties have channels to communicate with the Company.	
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company designates KGI Securities Co. Ltd. Registrar Dep. to deal with shareholder affairs.	None
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance? (2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)? (3) Does the company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report the financial report for the first, second and third quarters and the operating conditions	✓		<p>The Company has set up a Chinese/English website (www.ERIS.com.tw) to disclose information regarding the Company’s financials, business and corporate governance status.</p> <p>The company's website contains information in both Chinese and English, and the responsible unit is responsible for the collection and disclosure of company information. Set up spokespersons and acting spokespersons, and implement the spokesperson system. Regular and irregular corporate briefings are held and disclosed on the company's website and the exchange's audio-visual communication network</p> <p>The company is currently reporting financial reports and monthly operations in accordance with the specified date of "Occupational Listed Companies"; the company has announced and reported the annual financial report within two months after the end of the fiscal year, and announced the annual financial report before the specified deadline. quarterly financial report. Important financial</p>	None

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of each month before the specified deadline?			figures and XBRL information will be announced on the day the board of directors approves the financial report, and the complete financial report e-book will be announced on the next day.	
8. Does the company have other important information that is helpful to understand the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders, training of directors and supervisors, risk management) The implementation of policies and risk measurement standards, the implementation of customer policies, the company's purchase of liability insurance for directors and supervisors, etc.)?	✓		<p>1. Employee rights and employee care: Set up an employee welfare committee, implement a pension system to protect the rights and interests of employees, and hold quarterly labor-management meetings to coordinate labor-management relations. The company also plans employee group insurance, regular health checks, and conducts various employee education and training. The company attaches great importance to the physical and mental health and learning and development of each employee.</p> <p>2. Investor Relations: The main task of the company's investor relations department is to provide global investors with the latest company information. Investors learn about the latest developments and decision-making motives of the company through the Investor Relations Department. The main purpose is to strengthen the communication between the company and investors, increase the transparency of finance and corporate governance, and build a good corporate image.</p> <p>3. Situation of directors' further education: please refer to the description on page 23 of this annual report.</p> <p>4. Implementation of risk management policies and risk measurement standards: All major proposals are submitted to the board of directors for approval, and internal audits are carried out.</p> <p>5. Implementation of consumer or customer protection policy: Implement quality policy in accordance with ISO standards. Situation and social responsibility of the company to purchase liability insurance for directors and supervisors: The directors of the</p>	None

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			<p>company adhere to the principle of integrity management, and there is no lawsuit or illegal behavior, and have purchased liability insurance for directors and independent directors (please refer to page 23).</p> <p>6. Code of Conduct for Directors and Managers, Code of Conduct for Employees (please refer to pages 34-35)</p> <p>7. Supplier relationship: In order to maintain the company's long-term advantages in new technology research and development, quality control and price competition, and sufficient supply, and to provide green products that meet energy conservation and environmental protection, and on the basis of integrity, audit and management of suppliers are carried out to confirm that suppliers are in In compliance with various environmental protection treaties and social responsibilities, we can continue to provide products that meet the company’s standards and have competitive prices. The company will continue to uphold the spirit of mutual trust and mutual benefit for suppliers, in order to grow together with Eris and create Win-win.</p> <p>8. Rights of interested parties: Depending on the situation, the company instructs the departments including investor relations, public relations, stock affairs, legal affairs and other departments to communicate with stakeholders, and there are spokespersons and contact information for relevant business departments on the company's website.</p>	

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9. Please explain the improvement situation in the corporate governance evaluation results issued by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and propose priority enhancements and measures for those who have not yet improved.				
<p>★ In 2022, in order to establish performance goals and strengthen the operational efficiency of the board of directors, according to the performance evaluation method of the board of directors of the company, an internal performance evaluation of the board of directors will be completed before the end of the first quarter of the next year, and the performance evaluation of functional committees (audit committee and remuneration committee) will be added , the above has indeed been reported to the board of directors on February 20, 2023, and uploaded to the TWSE/TPEX MOPS (Market Observation Post System) and disclosed in the annual report.</p> <p>★ The company would be continuing to strengthen its continuous efforts to respond to the directions that the competent authority needs to improve in the content of the 2022 (company self-assessment) evaluation project, so as to meet the requirements of the competent authority on the corporate governance evaluation project.</p> <p>★ In 2022, in order to establish performance goals to enhance the operational efficiency of the board of directors, the operation status and annual work priorities of the audit committee and remuneration committee will be disclosed in the annual report and the company website.</p> <p>★ Following the official (first) release of the "Sustainable Development (ESG) Report" in November 2021, the company will continue to issue the second edition in October 2022; Companies with a paid-in capital of NT\$2 billion or less only need to adopt voluntary issuance), the company’s report has been electronically uploaded to the TWSE/TPEX MOPS (Market Observation Post System), and an ESG area has been established on the company’s official website. Its reporting period is one year once.</p>				
10.Other important information on the operation of corporate governance:				
<p>(1) The company purchases liability insurance for directors, supervisors and managers</p> <p>The insurance amount of the company in 2021 is USD 5,000,000, and the important content of insurance coverage will be reported to the board of directors.</p>				

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(2) Directors’ and supervisors’ training records:

Title	Name	Training hours	Study Period		Sponsoring Organization	Course
			From	To		
Directors	Jonathan Chang	6H	2022/10/28	2022/10/28	Securities and Futures Institute	Fourth-generation semiconductor and display technology application business opportunities
	Gary Yu					
	Maxine Lai					
	Patricia Hwang					
Independent directors	Jackie Ding	6H	2022/10/28	2022/10/28	Taiwan Corporate Governance Association	Looking at corporate sustainable governance from the perspective of risk-from corporate governance to ESG
	Kun Shan Lin					
	Ed Tang					

● Operation of risk management

The purpose of the company's risk management policy is to discover in advance the risk factors that are sufficient to adversely affect the operation, and after appropriate assessment procedures and processing procedures, the risks can be transformed, reduced, and then the occurrence of losses can be prevented; Changes in the external environment can detect and warn of risks in a timely manner, so that colleagues in various locations around the world can implement risk management in a timely manner within the scope of business. In accordance with the "Public Issuing Companies Establishing Internal Control System Handling Standards" and relevant laws and regulations, the company has established financial, business and accounting management systems, as well as the supervision and management of the subsidiary's financial and business information, as well as credit and funds for affiliated companies. For important risk matters such as loan and endorsement guarantee, acquisition and disposal of assets, relevant management policies, risk measurement standards and handling procedures are formulated for all employees to conduct risk assessment, review and management operations in accordance with their operating procedures; In the business unit, there are also full-time personnel responsible for the relevant risk management operations to control, reduce and prevent the company's various risks.