

3-3-1 Implementation of corporate governance, any departure of such implementation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such departure

Items	Implementation Status			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Does the Company stipulate and disclose the corporate governance practice principles in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”?	✓		The board of the Company has approved the TAIWAN SECOM CO., LTD. Governance Best Practice Principles based on the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies established by the Taiwan Stock Exchange and the Taipei Exchange, and has placed it in the Internal Regulations under the Investor Section in the Company’s website.	No Discrepancy.
II. The shareholding structure of the Company and shareholders’ rights and interests				
(I) Has the Company implemented a set of internal procedures to handle Shareholders’ suggestions, queries, disputes, and litigations?	✓		(I) In order to ensure shareholders’ rights and interests, the Company has appointed the spokesman or deputy spokesman as the contact window to deal with shareholders’ suggestions in accordance with the matters raised by the shareholders (referring to the inquiries by phone or at the shareholders’ meeting or in other written ways).	No Discrepancy.
(II) Does the Company possess a list of principal shareholders and beneficial owners of these principal shareholders?	✓		(II) The Company has followed the regulations of Article 25 of the Security and Exchange Act to report the changes in the shareholdings of insiders (directors, managerial officers and shareholders holding more than 10% of the total shares) to the Market Observation Post System designated by the Securities and Futures Bureau on a monthly basis. The Company is informed of the increase or decrease of equity in the previous month at the beginning of each month. The Company aggregates information of change in equity of all principal shareholders and declares it at the MOPS.	No Discrepancy.
(III) Does the Company create and implement risk control and firewall mechanism with the related companies?	✓		(III) The operation, business and financial transactions between the Company and its affiliates are clearly defined, and the risk assessment and the establishment of appropriate firewalls are implemented. The audit procedures are regularly implemented to achieve the risk control mechanism.	No Discrepancy.

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(IV) Has the Company established internal policies that prevent insiders from trading securities against non-public information?	✓		(IV) In order to prevent insider trading, the Company established the Internal Procedures for Handling Material Information and the provisions of Article 21 of the Procedures for Ethical Management and Guidelines for Conduct.	No Discrepancy.
III. Composition and responsibilities of the board of directors (I) Has the Board of Directors established a diversity policy and specific management objectives, and have they been implemented accordingly?	✓		(I) 1. Diversity Policy: In order to reinforce corporate governance and promote the sound development of the composition and structure of the board, the Company formulated the TAIWAN SECOM CO., LTD. Governance Best Practice Principles on May 14, 2015. Article 20 of the Principles stated that board members should be diverse in a manner that supports the Company's operations, business activities and growth. The diversity policy should be based on, but is not limited to basic criteria and values (gender, age, nationality, culture, etc.), professional knowledge and skills (such as law, accounting, industry, finance, marketing or technology) and experience in the industry. 2. Specific Management Objectives: The Company's board guides the Company's strategy and supervises the management, and is responsible to the Company and shareholders. In terms of the operation and arrangement of the corporate governance system, the board exercises its powers in accordance with laws and regulations, the Articles of Incorporation or the resolutions of the shareholder meetings. All board members possess the knowledge, skills and characters and industry decision-making and management capabilities needed to exercise their duties. The Company continues to arrange various continuing education courses for board members to improve their decision-making quality and supervisory capability, thereby strengthening the capacity of	No Discrepancy

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			the board. In addition, the Company pays attention to gender equality in the composition of the board, there is at least one female director. 3. Implementation of diversity of board members: The current batch of board of directors consists of 12 directors, including 4 independent directors and 8 directors. Each director possesses the capabilities required for the diverse development of the company's business. In addition to possessing the capabilities of the board as a whole, all directors have relevant industry experience. The composition of the board in compliance with the Corporate Governance Best Practice Principles should take the diversity policy into consideration. The overall capabilities of the board members are described in (Note 2).	

(II) Does the company voluntarily establish other types of functional committees in addition to the legally established Compensation Committee and Audit Committee? Apart from the Compensation Committee and Audit Committee, has the Company assembled other functional committees at its own discretion?	✓	4. The Board of Directors' policy on diversity in the composition of the Board of Directors is disclosed on the Company's website and the Market Observation Post System (MOPS). (II) The Board of Directors of the Company approved the establishment of the Corporate Governance Committee and its organizational charter on May 12, 2023. The Corporate Governance Committee, which consists of three directors, two of whom are independent directors, aims to strengthen corporate governance and enhance the effectiveness of the Board of Directors, with the following key responsibilities: 1. To consider the establishment and amendment of the rules and regulations related to the operation of the Board of Directors of the Company. 2. To establish the organizational structure of each functional committee and to review the establishment and amendment of the organizational rules of each functional committee. 3. To review the establishment and amendment of the Company's Corporate Governance Best Practice Principles. 4. Such other matters as the Board of Directors may direct the Committee to undertake. The Committee may convene meetings at any time as necessary and, within its scope of responsibility, may appoint lawyers, accountants or other experts by resolution to provide advisory assistance. State of ESG Committee The members of the ESG Committee (term of office from May 30 2023 to May 29 2026) convened 1 meeting on August 10, 2023 to discuss the Corporate Governance Best Practice Principles and Sustainability Development related issues. Committee members include: CHEN Tian-Wen, an independent director (convener of the committee), specializes in corporate governance, finance, and securities finance. CHIANG Yung-Cheng is an independent director whose main expertise is in business and legal practice. LIN Ming-Sheng, a director, specializes in financial law and corporate governance.	No Discrepancy.
(III) Has the Company established its Rules for Performance Evaluation	✓	(III) The Company has established the TAIWAN SECOM CO., LTD. Board Performance Appraisal Measures. Performance appraisal is conducted every year in accordance with the measures, and	No Discrepancy.

of Board of Directors and the evaluation methods, conducted the performance appraisal regularly every year and provided the results to the board as the reference for directors' remuneration and nomination and renewal? (IV) Does the Company assess the independence of external auditors on a regular basis?	✓	the results are submitted to the Board of Directors before the end of March of the following year as reference for review and improvement. The 2023 Board of Directors appraisal results have been reported at the 5th meeting of the 17th batch of Board of Directors held on 2024.03.12. The description is as follows (Note 1) (IV) The Audit Committee regularly assesses the independence of the accountants every year, and then reports the assessment results to Board of Directors. After the latest assessment was approved by the audit committee on November 13, 2023, it was submitted to the Board of Directors for approval on November 13, 2023. The description is as follows (Note 3) The assessment measures are as follows: 1. Confirm that the certified accountants of the Company are not related to the Company and its directors. 2. Handle the rotation of CPAs in accordance with the Corporate Governance Best Practice Principle. 3. In accordance with Article 47 of the Certified Public Accountant Act and the Bulletin #10 of the Code of Ethics for Professional Accountants, the CPAs report the content of review and audit and the status of compliance with independent requirements to the audit committee every quarter. 4. Obtain the statement of independence from the CPAs on a regular basis. The description is as follows (Note 3) 5. Obtain information on the 13 Audit Quality Indicators (AQIs) provided by the accounting firm and evaluate the audit quality of the accounting firm and the audit team based on the "Interpretation Guidance of Audit Quality Indicators (AQIs) by Audit Committees" issued by the regulatory authority. The assessment results are as follows: 1. The independence of the CPAs from the Company complies with the Certified Public Accountant Act and the Code of Ethics for Professional Accountants. 2. The Company has not appointed the same accountants to conduct auditing for seven consecutive years. 3. Regarding the AQIs, the Audit Committee inquired and understood the contents from Ernst & Young on November 13, 2023, and found no	No Discrepancy.
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			need for improvement or follow-up.	
IV. Has the Company allocated qualified and sufficient number of personnel and appointed managers in charge of corporate governance affairs(including but not limited to furnishing information required for business execution by directors and supervisors, assisting directors and supervisors to comply with laws, handling matters relating to board meetings and shareholder meetings according to laws, recording minutes of board meetings and shareholder meetings, etc)?	✓		1. The Company's Board of Directors resolved on May 13, 2021 to designate WU Cheng-Chih as the Head of Corporate Governance to safeguard shareholders' rights and interests and to strengthen the functions of the Board of Directors. WU Cheng-Chih has more than three years of experience in legal affairs of public companies. The main duties of the Head of Corporate Governance are to handle matters related to the board of directors' and shareholders' meetings, prepare minutes of board of directors' and shareholders' meetings, assist directors in their appointment and continuing education, provide information necessary for directors to perform their business, and assist directors in complying with laws and regulations. 2. The corporate governance supervisor has completed 15 hours of continuing education courses in 2023, which has met the requirement of at least 12 hours of classes per year. The continuing education courses are as follows: (1) Disclosure of Significant Information and Director and Supervisor Responsibilities (3 hours). (2) Shareholders' Meeting, Ownership and Equity Strategy (3 hours). (3) How the Board of Directors will establish ESG sustainable governance strategy in 2023 (3 hours). (4) Trends in Corporate Governance and Sustainable Development (3 hours). (5) To leverage the independent director's professional expertise (3 hours).	No Discrepancy.
V. Has the Company established communication channels with stakeholders (including, but not limited to, shareholders, employees, customers, and suppliers) and set up an area dedicated to stakeholders on the Company website and does the Company respond appropriately to corporate social responsibility issues that	✓		The Company has set up "Sustainable Development" and "Stakeholders" pages on its website. The pages analyze material issues based on the four principles of the GRI Standards, stakeholder inclusiveness, sustainability context, materiality and completeness, and refer to the AA1000 Stakeholder Engagement Standard (SES) to select six main stakeholders, who are employees, clients, investors, government agencies, community members and suppliers.	No Discrepancy.

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stakeholders consider important?				
VI. Has the Company commissioned a shareholder service agent specializing in shareholder services to handle shareholder meeting matters?	✓		The Company authorized Yuanta Securities as shareholder services agent.	No Discrepancy.
VII. Information Disclosure (I) Has the Company established a public website to disclose operational, financial, and corporate governance information?	✓		(I) The Company's website, http://www.secom.com.tw , discloses instant financial, business, corporate governance related information	No Discrepancy.
(II) Does the Company adopt other methodology of information disclosure (such as creating an English website, appointing a dedicated person to be responsible for the collection and disclosure of the Company's information, implementing the spokesperson system, and uploading videos of the investor conferences on the company's website)?	✓		(II) The Company's English website http://www.secom.com.tw has been set up, and we have designated a person responsible for collecting and disclosing company information. We have also implemented a spokesperson system. In addition, recordings of corporate briefings, financial information, and operational information are disclosed in the investor section and posted on the Market Observation Post System in accordance with regulations.	No Discrepancy.
(III) Does the Company announce and file its annual financial statements within two months after the end of the fiscal year, and announce and file the first, second and third quarters and the monthly operating status in advance of the specified deadline?	✓		(III) In 2023, all of the public announcements and filings were completed on the day the financial statements were approved by the board of directors. The financial statements for 2022 and the first announced and filed respectively on March 14, May 12, August 10 and November 13, 2023, the dates of the Board of Directors' approval; and the revenue for each month were completed by the 10th of the following month. The 2023 financial statements have been announced and filed on March 12, 2024.	No Discrepancy.
VIII. Does the Company have other important information that can help people to understand the	✓		(I) Interests and rights of employees: the Company protects the legitimate rights and interests of employees according to the law. (II) Care for employees: The Company pays	No Discrepancy.

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operations of corporate governance (including but not limited to the employees' rights, employee care, Investor relations, supplier relation, rights of interested parties, training status of directors and supervisors, implementation status of risk management policies and standards of risk measurement, the implementation of customer policies, the purchase of liability insurance for directors and supervisors by the Company, etc.)?			great attention to employee benefits, sets up employee welfare committees and appropriate employee benefits in accordance with the law so that employees can enjoy various welfare measures. (III) Investor relations: The Company's website is maintained by a dedicated unit to disclose the Company's financial status and related information timely. The Company has established a spokesman and deputy spokesman system to publish financial and business information to the public through MOPS, newspapers and magazines. (IV) Supplier relations: The Company signs purchase contracts with manufacturers, handles the purchase according to the contract, and regularly evaluates them based on the price, payment terms, delivery date, degree of cooperation and quality. (V) Stakeholders relations: The company is committed to the development of the industry, and actively strives for opportunities for cross-industry alliance. For the benefit of employee, creditors and shareholders, it strives to pursue the harmony of information, rights and obligations. (VI) Continuing education for directors: The Company provides continuing education information related to corporate governance to directors in a timely manner. The description is as follows (Note 4) (VII) The implementation status of risk management policies and risk measurement standards: 1. The Company has established relevant management methods for related parties, investees, endorsement/guarantee, etc. In addition to conduct in accordance with the management methods, all of the transaction are subject to the approval of the board of directors through a professional evaluation meeting convened by the Company. 2. The Company operates steadily and is fully focused on the investments and operations in its own industry.	

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			(VIII) Implementation of customer policies: The Company has a customer service center, regularly conducts provincial customer satisfaction surveys and establishes a complete customer complaint handling mechanism to protect consumer rights. (IX) The Company's situation regarding the purchase of directors' liability insurance: The Company has taken out liability insurance to cover the potential legal liability of the directors in performing their duties. It has renewed the liability insurance policies of Fubon Insurance and Tokio Marine Nawa Insurance in the amount of US\$5 million on July 1, 2023, to reduce and diversify the risk of significant damage to the Company and its shareholders due to errors or omissions. The coverage amount of liability insurance and the coverage of the parent and subsidiaries were reported at the latest board of directors' meeting (on August 10, 2023).	
IX. Does the company have a policy, goals, and system for intellectual property management that is aligned with its operational strategy?	✓		1. The company has established relevant intellectual property management measures to manage the company's patents, trademarks, copyrights, and trade secrets. 2. The Company has closely integrated the intellectual property management plan with the Company's operational plan and development strategy, and reports to the board of directors annually, continuously planning for improvement.	No Discrepancy.
X. Please explain the improvement status of the corporate governance assessment results issued by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year and propose improvement measures for those matters that have not been improved. For items that were not scored in the corporate governance assessment in 2023, the Company will focus on improving information transparency and achieving sustainable development in 2024, and the improvement items are expected to be completed. Strive to enhance the transparency of information to reinforce corporate governance.				

Note 1:

I. Performance appraisal of the Board of Directors

The 2023 self-evaluation of the Board of Directors, functional committees, and board members was carried out by the Nomination Committee, and the results were reported to the meetings of the Nomination Committee and the board of directors on March 12, 2024. The evaluation results were all "Excellent".

In order to put corporate governance into practice, the board has approved the amendment to the Board Performance Appraisal Measures on August 13, 2020, which were last amended on November 11, 2021 and then approved by the board. The internal board performance appraisal is conducted at least once a year, and

once every three years by external independent specialized institution or teams of external experts and scholars, and the performance appraisal for the year is done before the end of the same year. It is expected to improve the capacity of the board of directors and enhance the efficiency by clearly defining performance objectives. Plan and conduct the performance evaluation of the board of directors, including the performance evaluation of the board of directors as a whole, individual board members and functional committees. At the end of each year, the Board of Directors collects information about the Board's activities, distributes the "Self-Assessment Questionnaire for Board Members" and the "Self-Assessment Questionnaire for Functional Committees" to each director and member, and scores each assessment item based on the actual operation of the Board, so as to compile the results of the Board's performance evaluation and report to the Board of Directors.