

Implementation of Corporate Governance

1 Board of Directors

A total of 8 meetings of the Board of Directors were held in 2020.

The attendances of director were as follows:

| Title | Name | Attendance in Person | By Proxy | Attendance Rate (%) | Note |
|----------------------|--|----------------------|----------|---------------------|--|
| Chairman | Alex Hsia | 8 | 0 | 100% | Incharged on Jun.12.2020. |
| Director | Yitsang International Co., Ltd. Representative: Simon Law | 2 | 4 | 33% | Discharged on Jul.09.2020. The meeting shall be attended: 6 times. |
| | Yitsang International Co., Ltd. Representative: Vincent Kao | 2 | 0 | 100% | Incharged on Jul.09.2020. The meeting shall be attended: 2 time. |
| Director | Yitsang International Co., Ltd. Representative: Belle Liang | 8 | 0 | 100% | Incharged on Jun.12.2020. |
| Director | Sophia Chen | 8 | 0 | 100% | Incharged on Jun.12.2020. |
| Independent Director | Ching Jen Hu | 5 | 0 | 100% | Discharged on Jun.12.2020. |
| Independent Director | Ying Chih Hsieh | 5 | 0 | 100% | Discharged on Jun.12.2020. |
| Independent Director | KUO SHIUNG WU | 3 | 0 | 100% | Incharged on Jun.12.2020. |
| Independent Director | Daphne Wang | 3 | 0 | 100% | Incharged on Jun.12.2020. |
| Independent Director | Mori Shorei | 8 | 0 | 100% | Incharged on Jun.12.2020. |

2 Audit Committee:

A total of 7 meetings of the Audit Committee were held in 2020.

The attendances of Independent director were as follows:

| Title | Name | Attendance in Person | By Proxy | Attendance Rate (%) | Note |
|----------------------|-----------------|----------------------|----------|---------------------|----------------------------|
| Independent Director | Ching Jen Hu | 5 | 0 | 100% | Discharged on Jun.12.2020. |
| Independent Director | Ying Chih Hsieh | 5 | 0 | 100% | Discharged on Jun.12.2020. |
| Independent Director | KUO HSIUNG WU | 2 | 0 | 100% | Incharged on Jun.12.2020. |
| Independent Director | Daphne Wang | 2 | 0 | 100% | Incharged on Jun.12.2020. |
| Independent Director | Mori Shorei | 7 | 0 | 100% | Incharged on Jun.12.2020. |

3 Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

| Assessment Item | Status of Operation | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|---------------------|----|--|--|
| | Yes | No | Summary | |
| 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”? | V | | 1. The Board of Directors has established the Code of Best Practice. All operations are performance in accordance with the Code. Up to now, there is no significant difference. | 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) Altek has set up the spokesperson and deputy spokesperson to handle shareholders’ suggestions or concerns. Altek has entrusted the Stock Transfer Agent and has set up the website to handle shareholders’ suggestions or disputes. | None. |
| (2) Does Company possess a list of major shareholders and beneficial owners of these major shareholders? | V | | (2) In addition analysis the shareholder status base on shareholder list after book clousure stating date, Altek handle a list of major shareholders and ultimate controllers. Altek reported the changes in the data in accordance with related laws. | None. |
| (3) Has the Company built and executed a risk management system and “firewall” between the Company and its affiliates? | V | | (3) Altek and its affiliates perform the operations and financial affairs independently. Altek has set up the written regulations to control financial and operational information. | None. |
| (4) Has the Company established internal rules prohibiting insider trading on undisclosed information? | V | | (4) Altek has set up the procedures for handling material Inside Information to avoid the improper leakage of information and to establish proper information handling and disclosure | None. |

| Assessment Item | Status of Operation | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|---------------------|----|--|--|
| | Yes | No | Summary | |
| | | | mechanisms, so as to ensure the consistence and correctness of publication. The regulations are disclosed on the Company’s website. | |
| 3. Composition and Responsibilities of the Board of Directors | | | | |
| (1) Has the Company established a diversification policy for the composition of its Board of Directors and has it been implemented accordingly? | V | | <p>(1)</p> <p>A. Altek has specified in the “Code of Best Practice for Corporate Governance” that the composition of the board of directors should be considered diversified.</p> <p>B. The implementation of the board diversity policy of Altek is as follows:</p> <p>a. There are three females of seven directors.</p> <p>b. There is one Japanese and one American of seven directors.</p> <p>c. Among the directors, Alex Hsia and Mori shorei are specialized in business management, leadership decision-making and industry knowledge; Sophia Chen and Daphne Wang are specialized in business management, leadership decision-making and financial accounting ; Belle Liang is specialized in financial accounting. KUO HSIUNG WU is specialized in industrial knowledge. Vincent Kao is specialized in Operation management and marketing business.</p> <p>C. Altek has fully implemented the board diversity policy.</p> | None. |
| (2) Other than the Compensation Committee and the Audit Committee | | V | (2) Altek has established the Compensation Committee and the Audit Committee. Other functional | Same as explanation. |

| Assessment Item | Status of Operation | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|---------------------|----|---|--|
| | Yes | No | Summary | |
| which are required by law, does the Company plan to set up other Board committees? | | | committees will be set up based on the scale of operations and business needs. | |
| (3) Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis? | V | | (3) Altek has published the Rule of Performance Assessment of Board of Directors, Altek's directors perform self-assessment every year and report to the Board, and the 2020 performance appraisal of the Board of Directors has been submitted to the Board of Directors on March 25, 2021. Please refer to Board of Directors for the assessment. | None. |
| (4) Does the Company regularly evaluate its external auditors' independence? | V | | (4) Altek regularly assesses the CPA's independence each year in accordance with the principles of “Integrity, Objectivity and Independence” in the Bulletin No.10 of “The Norm of Professional Ethics for Certified Public Accountant of the Republic of China” issued by the National Federation of Certified Public Accountant Associations of the Republic of China (NFCPAAROC) to verify whether the CPA is a Company's director, shareholder or employee and confirm whether the CPA is a non-stakeholder, and then reports the assessment results to the Board of Directors. The results of the last two years were submitted on March 20, 2020 and March 25, 2021 respectively. | None. |
| 4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for | V | | Altek appointed Finance Division as the full-time corporate governance unit to tackle corporate governance affairs, protect shareholders' rights | None. |

| Assessment Item | Status of Operation | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|---------------------|----|--|--|
| | Yes | No | Summary | |
| corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)? | | | <p>and strengthen the functions of the Board of Directors. Our corporate governance personnel have 9 years of experience in handling stock affairs for the publicly traded company. Their duties include mainly providing information required by the Directors to execute their business, organizing board meetings and shareholders' meetings, producing minutes of board meetings and shareholders' meetings, and conducting corporate registration and registration amendment.</p> <p>In 2020, Altek's corporate governance-related affairs were handled and executed in accordance with laws. The main implementations are as follows:</p> <ol style="list-style-type: none"> 1. Assisting Directors and Independent Directors in performing their duties: <ol style="list-style-type: none"> (1) Board members are regularly informed of the latest laws and regulations related to the Company's business areas and corporate governance. (2) Independent Directors conduct financial business-related communications with internal audit supervisors and accountants in accordance with the Corporate Governance Best-Practice Principles. 2. Assisting in the Board of Directors and shareholders' meeting procedures and resolutions: <ol style="list-style-type: none"> (1) Following laws and regulations and implementing internal and internal control - planning | |

| Assessment Item | Status of Operation | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|-----------------|---------------------|----|--|--|
| | Yes | No | Summary | |
| | | | <p>appropriate corporate system and organizational structure to promote board independence and corporate transparency.</p> <p>(2) Preparing and setting an agenda before the board meeting, and informing all the Directors 7 days prior to the meeting so that they can learn about the contents of the relevant proposals; if the content of the proposal is related to the interested parties and should be appropriately avoided, a reminder will be given and the minutes of the board meeting will be completed within 20 days after the meeting.</p> <p>(3) After the meeting, major news release of important resolutions made by the Board will be inspected, ensuring that the information is legal and correct so as to protect the investor's information equality on transaction.</p> <p>(4) Revising various measures to report to the Board in accordance with the latest laws and regulations of the competent authority and the actual operational needs of the Company.</p> <p>(5) Handling the pre-registration of the date of the shareholders' meeting according to law; producing the meeting notice, annual report, meeting handbook, and proceedings in the statutory time limit; handling registration changes when the</p> | |

| Assessment Item | Status of Operation | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|---------------------|----|--|--|
| | Yes | No | Summary | |
| | | | company's articles of incorporation are amended or the directors are re-elected. | |
| 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? | V | | Depending on different situations, Altek appoints the spokesperson, deputy spokesperson, or stock transfer unit to communicate with stakeholders. The contact information of the spokesperson, deputy spokesperson, and related business units is disclosed on the Company’s website. | None. |
| 6. Has the Company appointed a professional registrar for its Shareholders’ Meetings? | V | | Altek has appointed Sinopac Securities to handle related affairs. | None. |
| 7. Information Disclosure | | | | |
| (1) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status? | V | | (1) Altek has established a corporate website (http://www.altek.com.tw) to disclose information regarding its financials, business and corporate governance status. | 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 investor conference etc.)? | V | | (2) Altek maintains a multi-language website (Traditional Chinese, Simplified Chinese and English), designates the staff to handle information collection and disclosure, and appoints the spokesperson. Altek also sets up its news contact and investor contact information on the website to provide the latest news and channels of communication. | None. |

| Assessment Item | Status of Operation | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|---------------------|----|--|--|
| | Yes | No | Summary | |
| (3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit? | V | | (3)The annual and quarterly financial reports and monthly operation status of the Company are published and declared within the prescribed time limit. However, the annual financial report cannot be published in advance. | All are handled within the prescribed time limit. |
| 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’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)? | V | | For more information on employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ training records, and purchasing insurance for directors, please refer to Page 45~47. | None. |

| Assessment Item | Status of Operation | | | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|---------------------|---|---------|--|
| | Yes | No | Summary | |
| 9.The improvement status for the result of Corporate Governance Evaluation announced by Taiwan Stock Exchange | | | | |
| Evaluation indicators | | Priorities and measures | | |
| Does the Company upload the annual financial statements disclosed in English no later than 7 days before the scheduled date of the regular shareholders meeting? | | For information consistency, the Company uploads the annual financial statements disclosed in English. | | |
| Does the Company appoint a chief corporate governance officer to be in charge of corporate governance affairs, in addition to describing the scope of functions and responsibilities, the key execution of operations for the current fiscal year, and advanced study on the company website and financial statements? | | The Company appoints a chief corporate governance officer and discloses the scope of functions and responsibilities, key execution of operations for the current fiscal year, and advanced study. | | |

4 Composition, Responsibilities and Operations of the Remuneration Committee

A. Professional Qualifications and Independence Analysis of Remuneration Committee Members

| Title | Name | Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years' Work Experience | | | Independence Criteria (Note 1) | | | | | | | | | | Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member | |
|----------------------|-----------------|--|---|--|--------------------------------|---|---|---|---|---|---|---|---|----|---|---|
| | | An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University | A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who Has Passed a National Examination and Been Awarded a Certificate in a Profession Necessary for the Business of the Company | Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |
| Independent Director | Ying Chih Hsieh | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 0 |
| Independent Director | Ching Jen Hu | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 0 |
| Independent Director | KUO HSIUNG WU | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 0 |
| Independent Director | Danphne Wang | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 0 |
| Independent Director | Mori Shorei | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 0 |

Note 1: Please tick the corresponding boxes that apply to a member during the two years prior to being elected or during the term(s) of office.

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the company or any of its affiliates. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.

- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
- (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
- (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
- (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent, if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company.
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not been a person of any conditions defined in Article 30 of the Company Law.

B. There are 3 members in the Remuneration Committee.

C. Term of the Remuneration Committee is from Aug 7, 2020 to June 11, 2023.

D. A total of 3 meetings of the Remuneration Committee were held in 2020. The attendance record of the Remuneration Committee members was as follows:

| Title | Name | Attendance in Person | By Proxy | Attendance Rate (%) | Note |
|------------------|-----------------|----------------------|----------|---------------------|----------------------------|
| Convener | Mori Shorei | 1 | 0 | 100% | Inchanged on Aug.07.2020. |
| Committee Member | KUO HSIUNG WU | 1 | 0 | 100% | Inchanged on Aug.07.2020. |
| Committee Member | Danphne Wang | 1 | 0 | 100% | Inchanged on Aug.07.2020. |
| Convener | Ying Chih Hsieh | 2 | 0 | 100% | Discharged on Jun.12.2020. |
| Committee Member | Ching Jen Hu | 2 | 0 | 100% | Discharged on Jun.12.2020. |
| Committee Member | Mori Shorei | 2 | 0 | 100% | Discharged on Jun.12.2020. |

5 Social Responsibility Implementation Status as Required by the Taiwan Financial Supervisory Commission

| Assessment Item | Implementation Status | | | Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|-----------------------|----|--|---|
| | Yes | No | Summary | |
| 1. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies? | V | | Altek has established the Corporate Social Responsibility (CSR) Code of Practice and pays close attention to the development and changes of international CSR systems. | In the future, the preparation schedule will be gradually planned. |
| 2. Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board? | V | | <p>The “CEO Office” is the Company’s dedicated CSR unit for promoting corporate social responsibility. Chaired by our CEO Alex Hsia, it makes proposals and implements CSR policies or systems, and reports to the Board of Directors as needed. The specific promotion plans and duties include:</p> <ol style="list-style-type: none"> 1. Social care: Altek upholds the principle of giving back to the society, and our objects of care range from child and adolescent welfare, welfare for the elderly, welfare for the disabled, women’s welfare, and social assistance to community development, social work, volunteer service, and community development. 2. Charitable donations: Altek Charitable Foundation has been cooperating with various public welfare organizations for charitable donations and activities over the years. 3. Arts and culture activities: Altek participates in and sponsor various arts and cultural activities. 4. Environmental conservation: The Company incorporates the concept of environmental | None. |
| 3. Environmentally Sustainable Development | | | | |

| Assessment Item | Implementation Status | | | Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|--|---|
| | Yes | No | Summary | |
| (1) Does the company establish proper environmental management systems based on the characteristics of their industries? | V | | Altek mainly provides customers with imaging solutions, which cause no waste or pollution. All products are manufactured and sold in accordance with environmental laws and regulations. In addition to obtaining ISO certification, Altek is the green partner of its customers. | None. |
| (2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment? | V | | <p>(2)</p> <p>A. The Group adopts the ERP system and electronic approval system to reduce printed mails and official letters. The messages and policies are announced via E-mail to reduce paper consumption.</p> <p>B. The expansion of the production line of the Company for the Year 2020 increased the electricity consumption. After the energy-saving measures are continually implemented, the electricity consumption was 2,233KW (K), an decrease of 186KW (K) compared to 2,043KW (K) in 2019.</p> <p>C. The operation adjustment to the employee restaurant of the Company was made in 2020, so that the volume of natural gas is 7.0KG (K), an decrease of 1KG (K) compared with 8.0KG (K) in 2019.</p> | None. |
| (3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues? | V | | (3) Altek implements energy-saving policies and green procurement voluntarily and continuously pays close attention to its impact on environmental changes and sets up strategies for environmental protection. | None. |
| (4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and | V | | <p>(4)</p> <p>A. Altek's carbon emissions in 2020 were 1,161KG (K), which was higher than 1,108KG (K) in 2019;</p> | None. |

| Assessment Item | Implementation Status | | | Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|---|---|
| | Yes | No | Summary | |
| implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management? | | | <p>Altek continued to save energy and reduce carbon, in order to do its best to protect the environment's social responsibility.</p> <p>B.The Company's water consumption in 2020 was 24 tons (K), and the water saving ratio was 2% in comparison with 24.5 tons (K) consumed in 2019.</p> <p>C.The Company's wastewater discharge in 2020 was 19.6 tons (K), and the discharge increase ratio was 2.5% in comparison with 19.6 tons (K) produced in 2019.</p> | |
| 4. Social issues | | | | |
| (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights? | V | | (1)Altek follows the regulations of Labor Standards Act and adheres to international human rights conventions to execute related operations, attaching importance to labor and human rights and implementing human resources management policies without discrimination of gender, ethnicity, age, marital status, family status, etc., installing the employee mailbox, and providing generous employee benefits. | None. |
| (2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries? | V | | (2)The employee mailbox is set up as a channel of communication (HRM@altek.com.tw) between the Company and employees. | None. |
| (3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training? | V | | (3)Altek holds the employee health check, occupational safety and health seminars, and fire management training annually to improve the safety and health performance. Altek also organizes various training programs to improve employees' response to emergency and awareness of | None. |

| Assessment Item | Implementation Status | | | Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|--|---|
| | Yes | No | Summary | |
| | | | occupational safety. | |
| (4) Has the Company established a mechanism for regular communication with employees and use reasonable measures to notify employees of operational changes which may cause significant impact to employees? | V | | (4)Altek has established the Working Rules based on the Labor Standards Act and reported to the Science Park Bureau. Altek also holds employee communication meetings from time to time to facilitate communication. Subsidiaries in mainland China have established mechanisms for communication with employees based on local laws and labor contracts. | None. |
| (5) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?)? | V | | (5)As Altek’s customers are international manufacturers, Altek provides products and services in accordance with related international regulations and standards. The Customer Service Department has been established to provide immediate services for customers. | None. |
| (6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results. | V | | (6) Altek establishes long-term partnerships with suppliers in the supply chain. According to the Supplier Management Procedures and the Regulations Governing Management of Environmental Substances, Altek requests its partners to abide by related international laws and regulations, the requirements of the world’s top manufacturers (RoHS, and REACH annex 17), and the commitment to corporate social responsibility, so as to facilitate environmental protection, labor rights and ethics, health and safety, risk management, and the code of ethics. | None. |
| 5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial | | V | The Company has not yet prepared the corporate social responsibility report. | In the future, the preparation schedule will be gradually planned. |

| Assessment Item | Implementation Status | | | Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|-----------------------|----|---------|---|
| | Yes | No | Summary | |
| information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit? | | | | |
| <p>5. If the company has established its corporate social responsibility code of practice according to “Listed Companies Corporate Social Responsibility Code of Practice,” please describe the operational status and differences.</p> <p>Altek has established the Corporate Social Responsibility (CSR) Code of Practice and has disclosed the Code on the website. We will implement the corporate social responsibility gradually to promote economic, social, and environmental balance and development.</p> | | | | |
| <p>6. Other important information to facilitate better understanding of the company’s implementation of corporate social responsibility:</p> <p>In view of the unprecedented severe impact brought by COVID-19 to the world this year (2020), and an appreciation of the joint defense, prevention, and protection by Taiwan government and the people, “Public Trust Altek Corporation Charity Funds” upholds the philosophy of “giving back to the society” by effectively utilizing group resources on the society. The Company actively devotes itself to charity works and fulfills corporate social responsibilities. In 2020, the Company divided the donations into “public health and pandemic prevention” and “medical care charity” to assist Hsinchu County Government and social welfare institute with continuous actions. In the future, the Company will pass on the legacy and extend the philosophy of charity to protect public health with force in pandemic prevention, fulfill corporate social responsibility, and commit to creating the common health of the society.</p> <p>1. Altek Corporation originated from Hsinchu Science Park and shall assist Hsinchu County Government and the society with commitment in advocating the prevention of contagious disease, public health, and pandemic prevention to this region in response to “Donation Program for Public Health and Pandemic Prevention Plan in Hsinchu and Miaoli Area.” The Company continues to assist and works with “Hsinchu County Culture Foundation” to contribute to the public health and pandemic prevention for society. This collaboration will meet the purpose of public health and social welfare, and assist the foundation to propose and promote social welfare solutions in the best interests of public health and pandemic-prevention force.</p> <p>2. The other matter initiates from the "Children and Youth Welfare", through donating the "Squash Rackets Association of Chinese Taipei" to sponsor the economically disadvantaged children funds and resources for the squash sports events, infrastructure and training for being cultivated and through the joint participation and promotion of charity funds to devote its effort on the development of children and youth squash in Taiwan.</p> | | | | |

6 Corporate Conduct and Ethics Implementation as Required by the Taiwan Financial Supervisory Commission

| Assessment Item | Implementation Status | | | Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|-----------------------|----|--|---|
| | Yes | No | Summary | |
| 1. Establishment of ethical corporate management policies and programs | | | | |
| (1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy? | V | | (1) The Board of Directors and management perform their duties in good faith based on integrity and honesty. The related policy or system will be established depending on business needs or laws or regulations. | None. |
| (2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies? | V | | (2) Altek has established “Procedures for Ethical Management and Guidelines for Conduct” to prevent infidelity. Established the appeal method and if there is any violation, will be punished in accordance with the rule of rewards and penalties. | None. |
| (3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments? | V | | (3) Altek has established the Procedures for Acquisition or Disposal of Assets and the Procedures for Lending Funds to Other Parties and Endorsement & Guarantee against activities associated with high risks of unethical conduct. The accounting and internal control systems have also been established for internal auditors to check the compliance and prevent unethical conduct. | None. |
| 2.Fulfill operations integrity policy | | | | |

| Assessment Item | Implementation Status | | | Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|---|---|
| | Yes | No | Summary | |
| (1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts? | V | | (1) Altek performs such operations in accordance with related laws and regulations. | None. |
| (2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations? | V | | (2) The “CEO Office” is the Company’s full-time unit dedicated to promoting corporate integrity management. It is led by the Chairman& CEO Alex Hsia, and the internal audit personnel are charged with the duties to regularly review corporate integrity management policies, prevent and supervise the implementation, promote corporate integrity management, and report to the Board of Directors as needed. | None. |
| (3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it? | V | | (3) Altek’s departments perform such operations based on their responsibilities and report to the head of the department through e-mail. | None. |
| (4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits? | V | | (4) Altek has established effective accounting and internal control systems that are audited by internal auditors or CPA periodically. The internal audit results will be reported to the Audit Committee and the Board of Directors. | None. |
| (5) Does the company regularly hold internal and external educational trainings on operational integrity? | V | | (5) Altek provides training programs on its operating principles from time to time, or the employees participate in relevant educational training outside the Company. In 2020, employees participated in the following | None. |

| Assessment Item | Implementation Status | | | Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|---|---|
| | Yes | No | Summary | |
| | | | <p>ethical management course outside the Company: The analysis of legal responsibility and case study of “Whistleblower Protection” Course Duration: 1.5 hours Course Date: Nov 19, 2020</p> | |
| 3. Operation of the integrity channel | | | | |
| (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up? | V | | (1) Employees may report to the head of unit or CEO directly via e-mail. | None. |
| (2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures? | V | | (2) Altek has set up a reporting mailbox and holds related documents and data confidential. If employees find any violation of ethical corporate management, they may report to internal Audit Office. If the violation is verified to be true, violators will be punished in accordance with related internal polices or laws. | None. |
| (3) Does the company provide proper whistleblower protection? | V | | (3) Altek holds the entire reporting procedures confidential to prevent a complainant from retaliation for his/her filing a complaint. | None. |
| 4.Strengthening information disclosure | | | | |
| (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS? | V | | The rules had been disclosed on company’s website and Market Observation Post System. | None. |
| 5. If the company has established corporate governance policies based on TSE Corporate Conduct and Ethics Best Practice Principles, please describe any discrepancy between the policies and their implementation: None. | | | | |
| 6. Other important information to facilitate better understanding of the company’s corporate conduct and ethics compliance practices: As disclosed above. | | | | |

7 Corporate Governance Guidelines and Regulations

| Major Internal Policies | Disclosed at |
|---|--|
| Article of Incorporation Rules of Procedure for shareholders Meeting Rules for Election of Directors Rules for Procedure for Board of Directors Meetings Audit Committee Charter Regulations Governing the Acquisition and Disposal of Assets Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees Procedures for Handling Material Inside Information Remuneration Committee Charter Corporate Governance Best Practice Principles Corporate Social Responsibility Best Practice Principles Rules Governing the Scope of Powers of Independent Directors Self-Evaluation of the Board of Directors Ethical Corporate Management Best Practice Principles Ethical Corporate Management Policies and Prevention Programs | Market Observation Post System/Corporate Governance: http://mops.twse.com.tw/mops/web/index Altek's Website/Investors: http://www.altek.com.tw/zh-tw/finance/detail/8 |

8 Other Important Information Regarding Corporate Governance

A. Employees' rights and cares

Based on the people-oriented management, Altek fully respects and cares for employees through providing employees' benefits, training programs, and a better working environment; the pension system is implemented based on the Labor Pension Act and the Labor Standards Act to protect employees' rights. The group insurance policies for employees and their family members are also planned. The employee health check is held on a regular basis.

B. Investor Service

The investor service department is set up and its contact information is disclosed on Altek's website. The investor relation department is responsible to handle shareholders' suggestions and respond to investors' questions.

C. Supplier relation

Altek maintains a good relationship with suppliers and takes measures to reduce carbon dioxide emissions. According to the Supplier Management Procedures and the Regulations Governing Management of Environmental Substances, Altek requests its partners to abide by related international laws and regulations, the requirements of the world's top manufacturers (RoHS, REACH, and GP) \ RoHS and REACH annex 17 for environmental protection and hygiene and the commitment to corporate social responsibility, so as to facilitate environmental protection, labor rights and ethics, health and safety, risk management, and the code of ethics.

D. Communication channels for interested parties

| Interested parties | Communication channels |
|--------------------|--|
| Employee | `CEO talk `Labor-management meeting `Health check `Disaster prevention drill `Education & training `Confidential complaint |
| Client | `Regular meeting `Satisfaction survey `Supplier seminar `Inspection `Online communication platform |
| Supplier | `Review meeting `Inspection `Supplier management system `Complaint mailbox |
| Investor | `Shareholders meeting `Investor Conference |
| Media | `Press conference `Press release |

E. Training record of directors and independent directors in 2020:

| Title | Name | Date | Institute | course | hours |
|----------------------|---------------|------------|---|--|---------|
| Director | Sophia Chen | 2020.12.23 | Securities and Futures Institute | How to Design Equity and the Strategies of Handling Board of Directors/Shareholders' Meeting from the Case Study of Recent Ownership Contest | 3 hours |
| Director | Belle Liang | 2020.11.26 | Securities and Futures Institute | 5G Key Technology and Applications | 3 hours |
| | | | | Management of Intellectual Property and Corporate Management Risk | 3 hours |
| Independent Director | KUO HSIUNG WU | 2020.08.10 | Accounting Research and Development Foundation of the Republic of China | Supervising Corporate Operation and Management Through Figures on Financial Statements | 6 hours |
| | | 2020.12.29 | Securities and Futures Institute | Sharing Corporate M&A Practice – Hostile Takeover Based | 3 hours |

F. Liability Insurance for directors and independent directors

| Insured | Insurance Company | Insured Amount | Period |
|---------------|-------------------|----------------|-------------------------------|
| All directors | Chubb | US\$10 million | April 30, 2021~April 30, 2022 |

G. Managers' participation in training courses on corporate governance in 2020

| Title | Name | Date | Institute | course | hours |
|--------------------|-------------|------------|---|---|---------|
| Financial Officer | Belle Liang | 2020.11.26 | Securities and Futures Institute | 5G Key Technology and Applications | 3 hours |
| | | | | Management of Intellectual Property and Corporate Management Risk | 3 hours |
| Accounting Officer | Peggy Hsu | 2020.01.07 | Accounting Research and Development Foundation of the Republic of China | Corporate Governance Practice: Impact and Response of "Labor Procedure Act" promulgated for enterprises | 3 hours |
| | | 2020.05.21 | | Practical Analysis of Competent Authority Requirement for Appointment of Corporate Governance Officer / Personnel | 3 hours |
| | | 2020.05.22 | | Corporate Governance Practice: Use and Analysis of Strategies and Tools for Employee Incentive | 3 hours |
| | | 2020.11.19 | | The analysis of legal responsibility and case study of "Whistleblower Protection" | 3 hours |

9 Internal Control Systems

A. Internal Control Declaration

Altek Corporation
Internal Control Declaration

Date: March 25, 2021

The declaration of the internal control system from January 1, 2020 to December 31, 2020 is made below based on the result of self-inspection.

1. The Company acknowledges that establishing, implementing, and maintain the internal control system is the responsibility of the Company's Board of Directors and management. The Company has established the internal control system for the purpose of properly assuring the achievements of operational efficacy and efficiency (including profits, performance, and guarantee of asset safety) and reporting that reflect reliability, timeliness, and transparency as well as compliance.
2. The internal control system has its congenital limitations; the effective internal control system, regardless how perfectly it is designed, may only provide proper assurance for the achievements of the above three goals; in addition, due to changes in the environment and the situation, the effectiveness of the internal control system may change as well. The Company's internal control system is designed with a self-monitoring mechanism. Once a flaw is identified, the Company will take corrective actions immediately.
3. The Company determines whether the design and implementation of the internal control system are effective based on the items stipulated in the Regulations Governing Establishment of Internal Control Systems by Public Companies (the Regulations). Items adopted by the Regulations are five components of the internal control system based on the control process: 1. Control environment; 2. Risk assessment; 3. Control operation; 4. Information and communication; and 5. Monitoring operation. Each component contains several items. For more information on the foregoing items, please refer to the Regulations.
4. The Company has adopted the abovementioned items that determine the effectiveness of the design and implementation of the internal control system.
5. Based on the result of evaluation mentioned above, the design and implementation of the internal control system (including supervision and management of the Company's subsidiaries) as of December 31, 2020, such as the level of achievement of operational efficacy and efficiency and reporting that reflect reliability, timeliness, and transparency as well as compliance, are considered effective and properly assure the achievement of the above goals.
6. The Declaration will constitute the major content of the Company's annual report and prospectus and be disclosed. Any falseness or concealment of the abovementioned content will involve legal responsibilities stipulated in Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. The Declaration has been approved by the Board of Directors on March 25, 2021. All attended directors agreed on the contents of the Declaration.

Altek Corporation

Chairman & CEO: Alex Hsia

B. CPA's Audit Report on the Company's Internal Control System to be disclosed: N/A.

10 Punishments, Major Defects, and Improvements of Violation of the Company's Internal Control System:
None.