

Corporate Governance and Discrepancies between Actual Corporate Governance and the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and the Reason for the Discrepancy

Evaluation item	Implementation status		Discrepancies/ reasons	
	Yes	No		Summary
1. Does the company establish and disclose its own corporate governance best practice principles based on the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”?	✓		WNC has established corporate governance best practice principles based on the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and has disclosed the principles through the MOPS. The principles are established for carrying out corporate governance and to maximize shareholder profits and sustainability in corporate operations.	None
2. Shareholding structure and shareholders’ rights (1) Does the company establish an internal process for handling shareholders’ proposals, questions, disputes, and lawsuits? (2) Does the company maintain information on the identities of major shareholders and their ultimate controlling persons? (3) Does the company establish and implement a risk control mechanism and firewalls between the company and its affiliates? (4) Does the company establish internal regulations to prevent insider trading?	✓ ✓ ✓ ✓		(1) WNC has designated the Shareholder Services Office (TEL: +886-2-6600-7998) to handle shareholders’ proposals and disputes. (2) WNC maintains lists of the major shareholders and their ultimate controlling persons. Changes in the amount of shares held by its directors, officers, and major shareholders are disclosed regularly according to government regulations. (3) WNC has established the appropriate risk control mechanisms and firewalls according to regulations and internal rules, such as “Related Party Transaction Management Procedures,” “Regulations governing business and financial dealings with specific companies and conglomerates,” “Regulations Governing Supervision and Management of Subsidiaries,” “Procedures Governing Endorsements and Guarantees,” “Procedures Governing Loaning of Funds,” and “Procedures for Acquisition or Disposal of Assets.” (4) WNC has established procedures to prevent WNC insiders from conducting securities trading based on non-public information. In the fourth quarter of each year, WNC provides training for its employees on topics such as avoiding conflicts of interest and prevention of insider trading. In addition, WNC emphasizes training in anti-insider trading regulations in onboarding programs for new hires. WNC provides information on regulations relating to insider trading to newly elected directors and executive officers to raise their awareness and sends e-mail messages to remind them of said regulations during disclosures of important financial information, so as to ensure the implementation of insider trading prevention policies. When the Board of Directors amended the Corporate Governance Best Practice Principles and the Procedures for Prevention of Insider Trading during the board meetings on March 9, 2022, and December 21, 2022, respectively, an amendment was added stating that WNC directors and executive officers shall not trade WNC stock within 30 days before the announcement of the Annual Report or within 15 days before the announcement of a quarterly financial	None

Evaluation item	Implementation status		Discrepancies/ reasons
	Yes	No	
			statement. After the board meetings, directors and executive officers were reminded of related regulations. WNC also provides a reminder to its directors and executive officers about related regulations prior to the close period before the announcement of a quarterly financial statement in 2024.
<p>3. Composition and duties of Board of Directors</p> <p>(1) Has the Board of Directors established and implemented plans to diversify the composition of its members?</p> <p>(2) Does the company spontaneously set up functional committees other than the Remuneration Committee and Audit Committee required by laws?</p> <p>(3) Does the company establish performance evaluation measures/methods for the Board of Directors and conduct annual evaluations, report the performance evaluation results to the Board of Directors, and use such report as a reference for the remuneration and nomination for a second term for each independent director?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) Director diversification: WNC has established, in the WNC Corporate Governance Best-Practice Principles, and implemented a diversification policy for the composition of the Board. Suitable directors are selected according to their diverse professional competencies and experience. Please refer to Note 1 and content relating to director diversification on page 17 for the specific management objectives and implementation of a diversification policy for board members.</p> <p>(2) Other than the Remuneration Committee and Audit Committee required by laws, WNC has also set up a Nominating Committee and a Sustainable Development Committee under the Board of Directors, the duties of which include:</p> <p>1. Nominating Committee: Selecting and assessing candidates for board members, executive officers, and members of committees under the Board of Directors, formulating and reviewing regulations relating to the establishment, duties and operation of committees under the Board of Directors, and formulating and implementing continuing learning plans for directors.</p> <p>2. Sustainable Development Committee: Establishing goals according to the company's sustainable development directions and strategies, formulating management guidelines and implementation plans, and tracking the execution status and performance of sustainable development plans.</p> <p>(3) To strengthen corporate governance, enhance the functions of the Board of Directors, and improve the efficiency of the Board, WNC has established Regulations Governing Evaluation of the Board and Functional Committees, based on which the Board conducts an annual performance evaluation for the Board (including functional committees). The evaluation period runs from January 1 to December 31 of any given year, and an evaluation report is presented to the Board before the end of the first quarter of the following year. In addition, WNC commissions an independent, professional external agency or a group composed of external experts/scholars at least once every three years to conduct a performance evaluation on the Board of Directors. In 2023, WNC commissioned the Taiwan Corporate Governance Association to conduct an external performance evaluation of the Board of Directors. In the evaluation, WNC received positive feedback on the composition of its Board of Directors, the procedures for its board meetings, and development in a number of areas regarding corporate governance, and the evaluation results were submitted to the Board of Directors on March 6, 2024. For details on the results of the performance evaluation, go to the WNC website (www.wnc.com.tw) then go to Investor Relations → Board of Directors.</p> <p>WNC completed the 2023 performance evaluation for the Board (including functional committees) on February 7, 2024.</p>

Evaluation item	Implementation status		Discrepancies/ reasons
	Yes	No	
(4) Does the company conduct regular evaluation of the independence of the CPA?	✓		<p>In the evaluation, the Board of Directors obtained a score of 98.44, the Audit Committee obtained a score of 98.13, and the Remuneration Committee obtained a score of 98.63. All of these scores exceeded standards, and the results were submitted to the Board on March 6, 2024 to serve as a reference for the Board's continuous improvement of its functions, remuneration setting for the Board and the functional committees, and nomination for directors to serve the next term.</p> <p>(4) WNC's Audit Committee and the Board of Directors annually evaluate the independence and competence of CPAs based on the evaluation items listed in Note 2, and request CPAs to submit a Confirmation Letter of Independence and Audit Quality Indicators (AQIs) every year. The hiring processes and fee negotiation with CPAs shall begin only after confirmation of their compliance with the related independence and competence requests. The evaluation results of the most recent year have been submitted to the Audit Committee and the Board of Directors' meetings held on March 6, 2024 for review and were approved during both meetings. Refer to Note 2 for evaluation items regarding the CPA's independence and competence.</p>
4. Does the company assign an appropriate number of competent personnel and appoint a corporate governance officer to be 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 in legal compliance, handling matters relating to board meetings and shareholders' meetings according to the law, and producing minutes of board meetings and shareholders' meetings)?	✓		<p>WNC's CFO, who was appointed as the corporate governance officer at the board meeting held on May 5, 2021, is in charge of corporate governance affairs.</p> <p>The corporate governance officer will be responsible for furnishing information required for business execution by directors, monitoring awareness and compliance with relevant regulations, producing minutes of board meetings and shareholders' meetings, and assisting in onboarding and continuous development of directors. Refer to Note 3 for details on the courses completed by WNC's corporate governance officer.</p> <p>2024 corporate governance affairs handled:</p> <p>(1) Helped furnish information required for business execution by directors, and arranged required courses.</p> <p>(2) Helped with matters relating to board meetings and shareholders' meetings, and compliance with relevant regulations.</p> <p>(3) Gave seven days' notice prior to each board meeting, convened meetings and prepared meeting information. Reminded directors ahead of time when there were conflict of interest issues. Produced meeting minutes within 20 days of each board meeting.</p> <p>(4) In accordance with applicable laws, completed shareholders' meeting registration, meeting notices, handbooks and minutes before their respective deadlines.</p> <p>(5) Reported evaluation results on whether the qualifications of independent directors complied with relevant laws and regulations during their terms.</p> <p>(6) Conducted an internal performance evaluation on the Board of Directors and functional committees.</p>
5. Does the company establish communication channels with stakeholders (including but not limited to	✓		<p>WNC has established appropriate communication channels with suppliers, customers, banks, investors, and other stakeholders to closely follow issues of concern to stakeholders.</p> <p>Communication between different types of stakeholders is included in the "Corporate sustainable development implementation plans and achievements" proposal and submitted to the Board every year. For more details, please refer</p>

Evaluation item	Implementation status		Discrepancies/ reasons
	Yes	No	
shareholders, employees, customers, and suppliers), create a stakeholders section on its company website, and respond to stakeholders' questions on corporate responsibilities?			to the stakeholder engagement section of WNC's 2023 Sustainability report and the ESG page of WNC's website.
6. Does the company engage a professional agency to handle shareholder services relating to the annual shareholders' meeting?	✓		WNC has a shareholders services office providing shareholder services relating to the annual shareholders' meeting.
7. Disclosure of information (1) Does the company utilize a website to disclose finance, operational, and corporate information? (2) Are there other means of disclosing information (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, and webcasting investors' conference)? (3) Does the company publicly announce and register with the Competent Authority its financial reports within two months of the close of each fiscal year, and announce and register with the Competent Authority its first, second, and third quarter's financial results and the operating status of each month before the specified deadline?	✓ ✓ ✓		(1) WNC has set up a website with information on business, finance and corporate governance. Related information is also disclosed on the MOPS according to government regulations. (2) WNC has information disclosed on both Chinese language and English language websites, and has assigned Jona Song (CFO) as the chief spokesperson and Molly Lin (Chief Sustainability Officer) as the acting spokesperson to handle information collection and disclosure. (3) WNC announces and registers with the Competent Authority its financial reports, quarterly financial results, and the operating status each month on the MOPS before the specified deadline and uploads the same information on the company website.
8. Are there other important discourses that help shareholders to understand the enforcement of corporate governance of the company (e.g. including but not limited to employee	✓		(1) The recruitment policies of WNC conform to government regulations. All employees have equal rights and development opportunities in WNC. Employees are required to adhere to the company's code of conduct. High-quality corporate culture and work environment are created to ensure that employees are free from discrimination. (2) WNC signs purchasing contracts with suppliers to protect mutual rights. Those contracts signed since October 2013

Evaluation item	Implementation status		Discrepancies/ reasons
	Yes	No	
rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?			<p>include a compliance statement to meet WNC's Supplier CSR relevant regulations.</p> <p>(3) Please refer to Note 3 for the training courses that WNC's directors and executive officers attended.</p> <p>(4) Implementation of risk management policies and risk evaluation measures: WNC manages its operations risk in accordance with its existing organizational structure and internal management systems. All business and functional units within WNC conduct risk identification in a number of aspects based on the duties of their unit and formulate management strategies and response measures for the prevention, mitigation or transfer of risks. Internal audit personnel also conduct regular audits to improve risk management.</p> <p>(5) Implementation of customer relations policy: WNC maintains stable and close relationships with customers to obtain stable and reasonable profits.</p> <p>(6) WNC has purchased liability insurance for directors and other key employees.</p> <p>(7) When conducting succession planning and selecting succession candidates for board members, WNC takes into account future strategy development and operation plans, diversity requirements for member composition, and the background diversity and independence standards for board members, which include factors such as professional knowledge, technical know-how, experience, and gender. WNC organizes regular talent development meetings in accordance with its three to five year strategic and operational plans to assess its talent inventory, with the aim of establishing talent development strategies and talent selection/cultivation/retention plans for personnel (and their successors) in key positions. Reviews and discussions on talent development progression are also regularly conducted. To improve the skills of high-ranking managers, WNC works with specialists and academic experts from outside WNC and conducts industry benchmarking to enable its high-ranking managers to look at diverse/dynamic competition from strategic perspectives. In addition, WNC has implemented individual development plans (IDP) and on-boarding plans, established a learning platform (training provided by the platform includes designating people to lead important integrated projects, manage overseas branches, and participate in board meetings), provided one-on-one instruction, and organized high-level external training courses for high-ranking managers, with the goal of helping them develop high-level professional management and leaderships skills and assisting them in their new work responsibilities.</p> <p>(8) Intellectual property risk management: In order to protect R&D resources, maintain a spirit of innovation, strengthen competitive advantages, and boost the company's profitability, WNC's operational objectives are integrated with an intellectual property strategy and a risk management mechanism that ensure operational sustainability.</p> <p>a. Intellectual property strategy</p> <ul style="list-style-type: none"> • Develop and accumulate intellectual property, construct a defensive network to protect WNC, its customers and its suppliers. • Deploy core technological intellectual property, strengthen attack capabilities, and raise the competitive threshold.

Evaluation item	Implementation status		Discrepancies/ reasons
	Yes	No	
		<p>Summary</p> <ul style="list-style-type: none"> • Seek out key technologies to license and leverage, form alliances with technological pioneers. • Revitalize intellectual property in order to gain financial benefit. <p>b. Intellectual property risk controls</p> <ul style="list-style-type: none"> • Business contracts stipulate intellectual property guarantee clauses and scope of responsibility. • Where appropriate, risk is transferred to suppliers in the supply chain. • Construct an intellectual property infringement handling mechanism. • Allocate intellectual property reserves reasonably in response to litigation risks. • Strategic acquisition of required licensing or technical alliances • Execute patent monitoring of specific targets and technologies <p>c. Intellectual property management plan and execution status for 2024:</p> <ul style="list-style-type: none"> • Two patents were shortlisted in the National Invention and Creation Award • Provided two new courses concerning “identification and analysis of infringement” and “legal issues of open-source software and software patents” to enhance employees’ awareness of intellectual property • Established a patent management system to evaluate benefits and manage patent applications and costs • 228 new patent applications, 98% of which are invention patents • Annual selection and recognition of remarkable software and outstanding patents to encourage employees in their innovation efforts. Employees are also encouraged to submit papers to showcase WNC’s R&D capabilities, with employees submitting the best papers receiving rewards. • The Intellectual Property Rights Management Measures, General Guidelines on Rewards for Invention and Innovation, and General Guidelines on Rewards for Invention and Innovation for China Sites have been adopted at WNC HQ, WNC sites in the US, and WNC sites in Kunshan respectively. • Intellectual property achievements: by year-end 2024 WNC held a total of 2,475 patents worldwide. In 2024 alone, 146 patents were awarded to the company, and the company was also granted the most patents in the domestic network and communications industry. • Protection of intellectual property and trade secrets are part of compulsory training courses for new employees. In addition, every year all employees receive related training. Patent-related training courses are organized in Q2 and Q4 each year for new R&D personnel. In 2024 17,273 employees received training for a combined total of 5,520 hours. • WNC reports its management plan and execution status for the current year to the BOD in the BOD meeting in the fourth quarter of every year. WNC reported its 2024 management plan and execution status to the BOD on December 18, 2024. <p>(9) For more details, please refer to WNC’s Sustainability Report.</p>	

Evaluation item	Implementation status			Discrepancies/ reasons
	Yes	No	Summary	
9. Please describe the improvements made in response to the most recent corporate governance assessment results published by the Taiwan Stock Exchange and provide the priority items and measures for deficiencies that are not yet addressed.				
(1) WNC has conducted a corporate governance self-assessment for year 2023 based on the regulations of the Taiwan Stock Exchange. The results indicate that WNC's performance ranked among the top 6% to 20% of all companies.				
(2) In 2024, WNC was selected in the Dow Jones Sustainability Indices (DJSI) emerging markets index.				
(3) WNC established a Sustainable Development Committee on November 6, 2024. The primary responsibilities of the committee include formulating and reviewing sustainability goals according to the company's sustainable development directions and strategies, establishing related management guidelines and action plans and tracking the execution status and performance of the company's sustainability goals.				
(4) WNC will continue to cooperate with the competent authorities with regard to implementation and improvement of the corporate governance assessment in the future.				

Note 1: The management goals stated in WNC's diversification policy for its Board of Directors and the implementation status of these goals are listed in the table below:

Goals	Status of achievement
The number of directors who concurrently serve as executive officers in WNC does not exceed one-third of the total number of directors.	Goal achieved
At least one-third of board members are female.	Goal achieved
Independent board members do not serve for more than three terms.	Goal achieved
There are board members with inter-disciplinary expertise.	Goal achieved
The number of independent board members exceeds the number stipulated by law.	Goal achieved

Note 2: Independence and competence of the CPA and KPMG's AQI

1. Evaluation of independence

No.	Evaluation items	Complied
1	The appointed accountants have served as the audit accountants to WNC for no more than seven years.	✓
2	The appointed accountants do not have direct or indirect pecuniary interest in WNC.	✓
3	The appointed accountants and WNC do not have any inappropriate stakeholder relationships.	✓
4	The accountants or the audit team members have not served as directors or executive officers, or held influential positions in audit cases at WNC in the past two years.	✓
5	The appointed accountants do not permit others to practice under their name.	✓
6	The appointed accountants and the audit team members do not hold shares in WNC.	✓
7	The appointed accountants have no debtor/lender relationships with WNC.	✓
8	The appointed accountants have no relationships of collective investment or profit sharing with WNC.	✓
9	The appointed accountants are not employed by WNC to perform routine work in exchange for a fixed salary or serve as directors.	✓
10	The non-audit services provided by the appointed accountants have no direct influence on material items of audit cases.	✓
11	The appointed accountants are not spouses, lineal relatives, direct relatives by marriage, or collateral relatives within the second degree of kinship of any responsible person or managerial officer of WNC.	✓
12	The appointed accountants have not received any business-related commissions.	✓

2. Evaluation of competence

No.	Evaluation items	Complied
1	No violations of Article 6 or Article 14 of the Certified Public Accountant Act.	✓
2	The accountants have no record of disciplinary infractions with the CPA Disciplinary Committee within the past two years.	✓
3	The accounting firm has sufficient scale, resources and regional coverage to handle audit services for WNC.	✓
4	The accounting firm has proper quality control procedures. The aspects covered include the levels and main points of the inspection process, the means of handling audit issues and executing judgment, independent quality control inspections, and risk management.	✓
5	The accounting firm timely informs the management of the company of any significant issues and developments in risk management, corporate governance, financial accounting and related risk controls.	✓

3. Audit Quality Indicators (AQI)

Aspect	Evaluation items	Complied	
Professionalism	Audit experience	Do CPAs and senior auditors possess sufficient audit experience to perform their tasks?	✓
	Training hours	Do CPAs and senior auditors receive sufficient training every year to continually acquire professional knowledge and skills?	✓
	Attrition rate	Does the accounting firm maintain sufficient senior staff?	✓
	Professional support	Does the accounting firm have sufficient professional experts to support audit teams?	✓
Quality Control	Workload	Is the workload of CPAs reasonable and not excessive?	✓
	Involvement	Is the audit team's involvement in each audit phase appropriate?	✓
	EQCR	Do EQC reviewers spend sufficient time on reviewing cases being audited?	✓
	Quality supporting capacity	Does the accounting firm have sufficient quality control staff to support audit teams?	✓
Independence	Non-audit service (NAS) fees	The proportion of NAS fees is reasonable and does not affect the accounting firm's independence.	✓
	Familiarity	The audit firm tenure is not excessively long and does not affect the firm's independence.	✓
Monitoring	External inspection results & enforcement	Does the accounting firm comply with related regulations and standards concerning quality control and auditing?	✓
	Number of official improvement letters issued by the authority	Does the accounting firm comply with related regulations and standards concerning quality control and auditing?	✓
Innovation	Innovative planning or initiatives	The accounting firm has undertaken appropriate planning or initiatives to improve audit quality.	✓

Note 3: Directors' and executive officers' training records in 2024

Title	Name	Date of training	Hosted by	Course title	Hours
Chairman & CSO	Haydn Hsieh	09/20/2024	Taiwan Corporate Governance Association	DEI Culture: Creating Sustainable Competitiveness for Enterprises	3
		09/20/2024	Taiwan Corporate Governance Association	The AI and Open-Source Era: Analysis on Corporate Legal Risks	3
Director, Wistron Corp. Representative	Frank F.C. Lin	09/20/2024	Taiwan Corporate Governance Association	DEI Culture: Creating Sustainable Competitiveness for Enterprises	3
		09/20/2024	Taiwan Corporate Governance Association	The AI and Open-Source Era: Analysis on Corporate Legal Risks	3
		07/03/2024	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6
		03/26/2024	Taiwan Corporate Governance Association	Current Practices of Board and Shareholders Meetings in Public Companies	3
Director, Wistron Corp. Representative	Donald Hwang	09/20/2024	Taiwan Corporate Governance Association	DEI Culture: Creating Sustainable Competitiveness for Enterprises	3
		09/20/2024	Taiwan Corporate Governance Association	The AI and Open-Source Era: Analysis on Corporate Legal Risks	3

Title	Name	Date of training	Hosted by	Course title	Hours
Director, President & CEO	Jeffrey Gau	09/20/2024	Taiwan Corporate Governance Association	DEI Culture: Creating Sustainable Competitiveness for Enterprises	3
		09/20/2024	Taiwan Corporate Governance Association	The AI and Open-Source Era: Analysis on Corporate Legal Risks	3
Director	Philip Peng	09/20/2024	Taiwan Corporate Governance Association	DEI Culture: Creating Sustainable Competitiveness for Enterprises	3
		09/20/2024	Taiwan Corporate Governance Association	The AI and Open-Source Era: Analysis on Corporate Legal Risks	3
		08/03/2024	Independent Director Association Taiwan	How Foreign Institutional Investors View ESG, Sustainability Governance, and Investment Responsibility	3
		08/03/2024	Independent Director Association Taiwan	Legal Planning and Risk Management in Cross-Border Mergers and Acquisitions	3
		07/03/2024	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6
Independent Director	Karen Hsin	09/20/2024	Taiwan Corporate Governance Association	DEI Culture: Creating Sustainable Competitiveness for Enterprises	3
		09/20/2024	Taiwan Corporate Governance Association	The AI and Open-Source Era: Analysis on Corporate Legal Risks	3
Independent Director	T. Y. Lay	09/20/2024	Taiwan Corporate Governance Association	DEI Culture: Creating Sustainable Competitiveness for Enterprises	3
		09/20/2024	Taiwan Corporate Governance Association	The AI and Open-Source Era: Analysis on Corporate Legal Risks	3
Independent Director	Lillian Chao	09/20/2024	Taiwan Corporate Governance Association	DEI Culture: Creating Sustainable Competitiveness for Enterprises	3
		09/20/2024	Taiwan Corporate Governance Association	The AI and Open-Source Era: Analysis on Corporate Legal Risks	3
		08/30/2024	Taiwan Project Management Association	Training Program for Directors of Listed Companies: Applications of Generative AI and ChatGPT	3
		06/05/2024	Corporate Operating and Sustainable Development Association	ESG Trends around the Globe	3
		03/14/2024	Corporate Operating and Sustainable Development Association	Reforms and Case Studies of Shareholders' Meetings	3
Independent Director	Rosie Yu	09/20/2024	Taiwan Corporate Governance Association	DEI Culture: Creating Sustainable Competitiveness for Enterprises	3
		09/20/2024	Taiwan Corporate Governance Association	The AI and Open-Source Era: Analysis on Corporate Legal Risks	3
CFO & Corporate Governance Officer	Jona Song	09/20/2024	Taiwan Corporate Governance Association	DEI Culture: Creating Sustainable Competitiveness for Enterprises	3
		09/20/2024	Taiwan Corporate Governance Association	The AI and Open-Source Era: Analysis on Corporate Legal Risks	3
		10/07/2024	The Chinese National Association of Industry and Commerce	Directors and Supervisors Workshop : 2024 Taishin Net Zero Summit: Towards a Low Carbon Future	3
		11/21/2024	The Allied Association for Science Park Industries	Legal Responsibilities and Case Analysis of Fraudulent Transactions and Inaccurate Financial Reporting	3

