

The Company's corporate governance supervisor

In order to implement corporate governance, allow the Board of Directors to play its due role, and safeguard the rights and interests of investors, the Board of Directors on May 8, 2019 approved the appointment of Senior Vice President Hsu, Wen-Hung as the Company's corporate governance supervisor, which is the highest supervisor on the corporate governance related matters, and the stock affairs unit shall directly report to her. Senior Vice President Hsu, Wen-Hung is the Company's executive officer and has over 10 years of management experience in finance, stock affairs, or meeting agenda in public companies.

Key responsibilities:

1. Organize board meetings and general meetings according to the law.
2. Compile board meeting and general meeting minutes.
3. Help directors take office and participate in continuing education.
4. Provide business information for directors as needed for performing their duties.
5. Assist directors in complying with the law.
6. Other duties pursuant to the Articles of Incorporation or other contracts.

Training completed by corporate governance officers in current year:

Date	Organizer	Course Name	Hours
2021/08/18	Securities & Futures Institute	The IT security trends, threats, and defenses in the post-pandemic world with the U.S.-China trade war	3
2021/09/01	Financial Supervisory Commission R.O.C.	The 13 th Taipei Corporate Governance Forum	6
2021/10/15	Securities & Futures Institute	Global ESG Trends and Digitalization	3
2021/10/22	Securities & Futures Institute	Promotion meeting for Insider equity transaction compliance in 2021	3
2021/11/12	Securities & Futures Institute	Promotion meeting for prevention of Insider Trading in 2021	3

The concurrent unit for promoting CSR

To fulfill CSR obligations and achieve sustainability, the Company appoints the Investor Relations Department to be the concurrent unit for promoting CSR and coordinating implementation of CSR policies and overseeing results. The functional units send representatives to attend CSR meetings as needed in order to facilitate implementation in the environmental, social, and governance aspects of the Company's business. The department also holds discussions on supplier, customer, shareholder, media, employee, government/competent authority, community and other stakeholder issues, and sets targets and monitors the progress. Furthermore, the department delivers regular updates on CSR results and next year's plans to the Board of Directors.

The Company published the 2020 CSR Report in June 2021. The Company's CSR plans and results can be found under the Sustainability Section of the company website.

For the purpose of enforcing the Company's risk management mechanisms and strengthening corporate governance while reasonably assuring the Company's strategies, plans, and targets are achieved, the Board of Directors passed the risk management policy on January 5, 2021. The policy provides the top principles for risk management. Based on business activities, the Company identifies and manages risks in operations, finance, compliance, information security, and environment, and follows closely the development of risk management in and outside the country and identification of new risks.

Does the company assess risks associated with important issues based on the CSR principle of materiality, and establish related risk management policies as follows:

Important issue	Risk assessment	Risk management policy
The environment	Climate change	<p>The Company is an electronic parts distributor that is mainly in the business of electronic parts sale and R&D, and is not involved in manufacturing. Nevertheless, as a global citizen, the Company has a profound understanding of the importance of environmental sustainability, and implements an environmental management system to minimize the risk of environmental violations. The Company is actively implementing energy conservation and carbon reduction plans, raising the environmental protection awareness of its employees, and improving the efficiency of resource use.</p> <p>According to the Special Report on the Ocean and Cryosphere in a Changing Climate (2019 SROCC) released by the Intergovernmental Panel on Climate Change (IPCC), environmental and climate change facts currently include the following: increased chance of strong typhoons, the sea level rising by one meter in the worst case scenario, doubled frequency of marine heatwaves, and loss of coastal wetlands. These facts can be considered urgent issues to be followed by businesses around the world. To mitigate the impact of climate change risks and their effects on business, WT Microelectronics is to devise countermeasures and work toward sustainable development.</p>
Community	Information security	<p>The CIO is the person in charge of assembling and leading the information security team. The team is responsible for coordinating, planning, executing, and analyzing information security events. The team consists of a strategy group, a technology group, and an audit group. The information security team performs regular planning and review of information security protection measures according to the PDCA cycle.</p> <p>Information security is the Company's last line of defense against significant impact. Therefore, in addition to continuously strengthening the investment in information security equipment, the Company also continues to increase investment in information security equipment and software and strengthen data redundancy.</p>

Important issue	Risk assessment	Risk management policy
Corporate governance	Information security Compliance with social and economic regulations	The Company complies with the Fair Trade Act, Foreign Trade Act, Regulations Governing Export and Import Of Strategic High-tech Commodities, Export Administration Regulations of the United States of America, and Regulations Governing Permission of Trade Between Taiwan Area and Mainland Area, and all products comply with the international safety standards, international environmental regulations and import and export regulations. This ensures that the business activities are environmentally friendly and complies with ethics. Internal training courses are also organized to promote laws and regulations.
	Anti-corruption	The Company established the Ethical Management Promotion Task Group, which periodically reports the implementation of ethical corporate management in the previous year to the Board of Directors at the beginning of the year, assisting the Board of Directors with inspecting and evaluating if unethical conduct prevention measures are effective. The Ethical Management Promotion Task Group established the Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct, Procedures for Ethical Management and Guidelines for Conduct, the internal control system, authorization system, and separation of duties. It implements anti-corruption measures in coordination with internal audits, self-evaluations of the internal control system, and channels for reporting unethical conduct.