

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”?	V		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				None
(1) Does the company establish an internal process for handling shareholders’ proposals, questions, disputes, and lawsuits?	V		(1) WNC has designated a Shareholder Services Office (TEL: +886-2-6600-7998) to handle shareholders’ proposals and disputes.	
(2) Does the company maintain information on the identities of major shareholders and their ultimate controlling persons?	V		(2) WNC maintains a list of 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) Does the company establish and implement a risk control mechanism and firewalls between the company and its affiliates?	V		(3) WNC has established the appropriate risk control mechanisms and firewalls according to regulations and internal rules, such as “Related Party Transaction Management Procedures,” “Procedures for Transactions with Related Parties, Specific Companies, and Companies within the Group,” “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) Does the company establish internal regulations to prevent insider trading?	V		(4) WNC has established procedures to prevent company 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. In 2024, there were a total of	

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			<p>9,471 training sessions participated in by employees, accumulating 3,125.43 hours of training.</p> <p>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.</p> <p>WNC has also specified in the Corporate Governance Best-Practice Principles and the Procedures for Prevention of Insider Trading that directors and senior managers may 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 statement.</p> <p>At the end of 2024, WNC sent emails to all directors and senior managers to inform them of the 2025 board meeting dates and the close periods prior to the announcement of each quarterly financial report. In addition, the Company sends a reminder via email two days before each close period to help directors avoid violating related regulations.</p>	
3. Composition and duties of Board of Directors				None
(1) Has the Board of Directors established and implemented plans to diversify the composition of its members?	V		(1) Diversification of the Board: WNC has established a diversification policy for the composition of the Board in the WNC Corporate Governance Best-Practice Principles, and selected directors based on their professional backgrounds and fields of work. Please refer to Note 1 and content relating to diversification of the board for the specific management objectives and implementation of a diversification policy for board members.	
(2) Does the company spontaneously set up functional committees other than the Remuneration Committee and Audit Committee required by law?	V		<p>(2) Other than the Remuneration Committee and Audit Committee required by law, WNC has also set up a Nominating Committee and Sustainable Development Committee under the BOD to fulfill the following responsibilities:</p> <p>a. Nominating Committee: The primary duties of the committee include selecting and assessing candidates for board members, senior managers, and members of committees under the Board of Directors, formulating and</p>	

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(3) Does the company establish performance evaluation measures/methods for the Board of Directors and conduct regular, annual evaluations, report the performance evaluation results to the Board of Directors, and use such reference for the remuneration and nomination for a second term for each director?	V		<p>reviewing regulations relating to the establishment, duties and operations of committees under the Board of Directors, and formulating and implementing continuous learning plans for directors.</p> <p>b. Sustainable Development Committee: The primary duties of the committee include developing goals based on corporate sustainability directions and strategies, formulating related management policies, outlining specific implementation plans, and tracking implementation status and effectiveness.</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 the Regulations Governing Performance Evaluation of the Board of Directors and Functional Committees, based on which an annual performance evaluation for the Board and functional committees is conducted. The evaluation period runs from January 1 to December 31 of any given year and the evaluation results are submitted to the Board of Directors before the end of the first quarter of the following year. In addition, the Company commissions an independent external agency or experts to conduct a performance evaluation of the Board of Directors every three years.</p> <p>WNC commissioned the Taiwan Corporate Governance Association to conduct a performance evaluation of the Board of Directors in 2023. In the evaluation, the Company received positive feedback concerning the composition and the operational procedures of the Board of Directors as well as WNC's corporate governance. The evaluation results were submitted to the Board on March 6, 2024. For more detailed contents of the evaluation report, please visit WNC's official website. (www.wnc.com.tw > Investor Relations > Board of Directors)</p> <p>WNC completed its performance evaluations for the 2024 Board and functional committees on January 21, 2025. The scores for the Board of Directors, Audit Committee, Remuneration Committee and Nominating Committee were 98.89, 98.63, 99.50, and 99.75 respectively, with an "exceeds standards" comment for all committees. The results were submitted to the Board on February 26, 2025, to serve as a</p>	

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(4) Does the company conduct regular evaluation of the independence of the CPAs?	V		<p>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, in addition to a Confirmation Letter of Independence and Audit Quality Indicators (AQIs) every year. The hiring processes and fee negotiation with CPAs 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.</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)?	V		<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. The corporate governance officer is 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 onboarding and continuous development of directors. Refer to Note 3 for details on the courses completed by WNC's corporate governance officer.</p> <p>Corporate governance affairs handled in 2024:</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 results of compliance reviews to the Board of Directors concerning whether</p>	None

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			<p>independent directors' qualifications during their term of office meet standards set out in related laws and regulations.</p> <p>(6) Conducted internal performance evaluation for the Board of Directors and functional committees.</p>	
5. Does the company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), create a stakeholders section on its company website, and respond to stakeholders' questions on corporate responsibilities?	V		<p>WNC has established appropriate communication channels with suppliers, customers, banks, investors, and other stakeholders to closely follow issues of concern to stakeholders. Communications between different types of stakeholders are included in the "Corporate sustainable development implementation plans and achievements" proposal and submitted to the Board every year.</p> <p>For details, please refer to the "Stakeholder Engagement" section in the introduction of WNC's 2024 Sustainability Report and the ESG section of WNC's website.</p>	None
6. Does the company engage a professional agency to handle shareholder services relating to the annual shareholders' meeting?	V		WNC has a shareholder services office providing shareholder services relating to the annual shareholders' meeting.	None
7. Information disclosure				None
(1) Does the company utilize a website to disclose financial, operational, and corporate information?	V		(1) WNC has set up a website with information on finance and operations. Related information is also disclosed on the MOPS according to government regulations.	
(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)?	V		(2) WNC has information disclosed in 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) Does the company publicly announce and register with the Competent Authority its financial reports within	V		(3) WNC announces and registers with the Competent Authority its annual financial reports, quarterly financial results, and the operating status each month on the MOPS before the specified deadline and uploads the	

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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?			same information on the company website.	
8. Are there other important disclosures that help shareholders understand the enforcement of corporate governance of the company (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 liability insurance for directors)?	V		<p>(1) The recruitment policies of WNC conform to government regulations. All employees have equal rights and development opportunities in WNC.</p> <p>(2) WNC signs purchasing contracts with suppliers to protect mutual rights. Those contracts signed since October 2013 include a compliance statement to meet WNC's Supplier CSR relevant regulations.</p> <p>(3) Training courses that WNC's directors and senior managers attended: Please refer to Note 3.</p> <p>(4) Implementation of risk management policies and risk evaluation measures: WNC controls risks related to business operations through its existing administrative organization and internal control mechanisms. Each business unit and functional unit are responsible for identifying risks in their respective areas and formulating management strategies and response measures for prevention, reduction, or transfer of risks. Internal audit personnel also conduct regular audits to improve risk management.</p> <p>(5) Implementation status of customer policies: 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 strategic development and operations 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.</p> <p>WNC organizes regular talent development</p>	None

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			<p>meetings in accordance with its three to five years strategic and operational plans, 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 the company 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: 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 ensures operational sustainability.</p> <p>a. Intellectual property strategies</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 and raise the competitive threshold. • Seek out key technologies to license and leverage, and form alliances with technological pioneers. • Revitalize intellectual property to gain financial benefit. <p>b. Intellectual property risk controls</p> <ul style="list-style-type: none"> • Stipulate intellectual property guarantee clauses and scope of responsibility in 	

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			<p>business contracts.</p> <ul style="list-style-type: none"> • Transfer risk to suppliers in the supply chain. • Construct an intellectual property infringement handling mechanism. • Allocate intellectual property reserves 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 reached the second round of evaluation in the National Invention and Creation Award. • Added two courses concerning “intellectual property infringement and analysis” as well as “legal issues of open-source software and software patent” to broaden employees’ knowledge of intellectual property. • Constructed a patent management system to evaluate benefits and manage patent applications and costs. • 235 new patent applications, 98.3% of which are invention patents • Annual selection and recognition of outstanding software and outstanding patents to encourage employees in their innovation efforts and enhance profitability; review and reward submitted papers to encourage paper submission with the aim of strengthening the Company’s R&D capabilities. • Intellectual Property Rights Management Guidelines, Invention and Innovation Incentive Guidelines, and Invention and Innovation Incentives Guidelines for Employees in Mainland China have been implemented at HQ, US and KS sites. • Intellectual property achievements: By the end of 2024, WNC held a total of 2,493 patents worldwide; in 2024 alone, 147 patents were awarded to the company. WNC continues to receive the highest number of patents granted to network communications companies. • Protection of intellectual property and trade secrets is part of compulsory training courses for new employees. In addition, every year all employees receive related training. Patent-related training 	

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			<p>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.</p> <ul style="list-style-type: none"> 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 2024 sustainability report.</p>	
<p>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.</p> <p>(1) WNC was selected in the Dow Jones Sustainability Indices (DJSI) Emerging Markets Index in 2024.</p> <p>(2) WNC established a Sustainable Development Committee on November 6, 2024. The committee's main responsibilities are to develop goals based on the company's corporate sustainability directions and strategies, formulate related management policies and implementation plans, and track the progress and effectiveness of implemented sustainable development initiatives.</p> <p>(3) WNC will continue to cooperate with the competent authorities with regard to implementation and improvement of the corporate governance assessment in the future.</p>				

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	Implementation status
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: Items relating to the independence and competence of the CPA

1. Evaluation of independence

No.	Evaluation items	Complied with
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 any 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 with
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 appropriate 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.	✓

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

Title	Name	Date of training	Organizer	Course title	Hours
Chairman & CSO	Haydn Hsieh	09/20/2024	Taiwan Corporate Governance Association	Building sustainable competitiveness through DEI culture	3
		09/20/2024	Taiwan Corporate Governance Association	AI and the open source era – analysis of corporate legal risks	3
Director, Wistron Corp. Representative	Frank F.C. Lin	09/20/2024	Taiwan Corporate Governance Association	Building sustainable competitiveness through DEI culture	3
		09/20/2024	Taiwan Corporate Governance Association	AI and the open source era – analysis of corporate legal risks	3
		07/03/2024	Taiwan Stock Exchange	2024 Cathay Pacific Sustainable Finance and Climate Change Summit	6
		03/26/2024	Taiwan Corporate Governance Association	Practical operations of the Board of Directors and shareholders' meetings for public companies	3
Director, Wistron Corp. Representative	Donald Hwang	09/20/2024	Taiwan Corporate Governance Association	Building sustainable competitiveness through DEI culture	3
		09/20/2024	Taiwan Corporate Governance Association	AI and the open source era – analysis of corporate legal risks	3
Director, President & CEO	Jeffrey Gau	09/20/2024	Taiwan Corporate Governance Association	Building sustainable competitiveness through DEI culture	3
		09/20/2024	Taiwan Corporate Governance Association	AI and the open source era – analysis of corporate legal risks	3
Director	Philip Peng	09/20/2024	Taiwan Corporate Governance Association	AI and the open source era – analysis of corporate legal risks	3
		09/20/2024	Taiwan Corporate Governance Association	Building sustainable competitiveness through DEI culture	3
		08/03/2024	Independent Directors Association Taiwan	How do foreign institutional investors view ESG sustainable governance and investment responsibility?	3
		08/03/2024	Independent Directors Association Taiwan	Legal planning and risk management in cross-border mergers and acquisitions	3
		07/03/2024	Taiwan Stock Exchange	2024 Cathay Pacific Sustainable Finance and Climate Change Summit	6
Independent Director	Karen Hsin	09/20/2024	Taiwan Corporate Governance Association	Building sustainable competitiveness through DEI culture	3
		09/20/2024	Taiwan Corporate Governance Association	AI and the open source era – analysis of corporate legal risks	3
Independent Director	T. Y. Lay	09/20/2024	Taiwan Corporate Governance Association	Building sustainable competitiveness through DEI culture	3
		09/20/2024	Taiwan Corporate Governance Association	AI and the open source era – analysis of corporate legal risks	3
Independent Director	Lillian Chao	09/20/2024	Taiwan Corporate Governance Association	Building sustainable competitiveness through DEI culture	3
		09/20/2024	Taiwan Corporate Governance Association	AI and the open source era – analysis of corporate legal risks	3
		08/30/2022	Taiwan Project Management Association	Executive training course for listed company directors – applications of generative AI and ChatGPT	3
		06/05/2024	Corporate Operating and Sustainable Development Association	New global trends in ESG	3
		03/14/2024	Corporate Operating and Sustainable Development Association	Reforms and case studies of shareholders' meetings	3

Title	Name	Date of training	Organizer	Course title	Hours
Independent Director	Rosie Yu	09/20/2024	Taiwan Corporate Governance Association	Building sustainable competitiveness through DEI culture	3
		09/20/2024	Taiwan Corporate Governance Association	AI and the open source era – analysis of corporate legal risks	3
Chief Financial Officer and Corporate Governance Officer	Jona Song	09/20/2024	Taiwan Corporate Governance Association	Building sustainable competitiveness through DEI culture	3
		09/20/2024	Taiwan Corporate Governance Association	AI and the open source era – analysis of corporate legal risks	3
		10/07/2024	ROC National Association of Industry and Commerce	Training for Company Directors and Supervisors - 2024 Taiwan New Net Zero Power Summit	3
		11/21/2024	Allied Association for Science Park Industries	Legal liability and case analysis of fraudulent transactions and financial misrepresentation	3
Controller	Fion Guan	07/22/2024 to 07/31/2024	Accounting Research and Development Foundation	Professional development courses for newly-appointed principal accounting officers working at issuers, securities firms, and securities exchanges	30