

Implementation of Corporate Governance Best Practice

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
1. Does Company follow “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” to establish and disclose its corporate governance practices?	V		ATII has followed and disclosed its corporate governance status on the Market Observation Post System and the official website according to “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”.	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? (2) Does Company possess a list of major shareholders and beneficial owners of these major shareholders? (3) Has the Company built and executed a risk management system and “firewall” between the Company and its affiliates? (4) Has the Company established internal rules prohibiting insider trading on undisclosed information?	V		(1) ATII in order to ensure shareholders’ rights, the company has established internal operation procedures, and has coordinators to handle shareholders’ suggestions, concerns, and disputes. (2) In order to ensure the stability of management rights, ATII’s major shareholding is owned by management team. Therefore, ATII is able to possess a list of major shareholders and beneficial owners of these major shareholders. (3) The management rights and responsibilities of personnel, assets and finance between ATII and its affiliates companies are clearly separated. ATII not only sets “supervisory operations for subsidiaries” and “financial operation procedures for affiliates companies and conglomerate”, but auditor also regularly monitors the implementation. (4) Board of directors of ATII has established “operational procedures for prevention of insider trading”. This policy prohibits insiders from buying and selling securities by using undisclosed information.	None
3. Composition and Responsibilities of the Board of Directors (1) Has the Board of Directors established a diversity policy, set goals, and implemented them accordingly? (2) Other than the Compensation Committee and the Audit Committee which are required by law, does the Company plan to set up other Board committees? (3) Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis? In addition, has the result of performance evaluation been reported to the board of directors, and has it been used as a reference for individual director’s remuneration and nomination renewal? (4) Does the Company regularly evaluate its external auditors’ independence?	V		(1) The composition of Board of Directors has been clearly written down in Article 20 of ATII’s Corporate Governance. Based on the company’s operation patterns and development needs, ATII has formulated several diversification policies, including but not limited to the following two major criterions: 1. Basic conditions and values: gender, age, nationality, and culture. 2. Professional knowledge and skills, (such as law, accounting, industry, finance, marketing, or technology), and industrial experiences. Please refer to “Board Diversity and Independence” (page 14) for related specific management goals and implementation. (2) ATII has set up Compensation Committee and Audit Committee which are required by law. In addition, the company also set up Risk Management Committee voluntarily in July 2023. (3) ATII had passed “methodology for evaluating the performance of its Board of Directors”. The performance evaluation of the entire Board of Directors and individual directors’ self-evaluations will be performed annually by the internal performance evaluation unit of the Board of Directors. Please refer to related evaluation items on page 21. The performance evaluation results of Board of Directors in 2023 presents positive. The results were reported to Board of Directors on 2/29/2024. The relevant results have also been included in	None

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			<p>the report to compensation committee for subsequent use.</p> <p>(4) Board of directors of ATII has referred to the Audit Quality Indicators (AQIs) information every year and established “rules for accountant hiring” to regularly evaluate the independency and competency of external auditors. In terms of independency, several specific indicators have been set up. For instance: ①Whether accountants rotate regularly, ②Whether the accountant has loan relationship with ATII and its affiliates companies, ③Whether the accountant has a joint investment or profit-sharing relationship with ATII and its affiliates companies. In terms of competency, several specific indicators have been set up. For instance: ①Whether accountants complete the financial inspection according to the schedule, ②Whether accountants can clarify the company’s problems in a timely manner, ③Whether accountants have been punished by the competent authority, and whether the financial report has been corrected by the competent authority. Board of directors actively implement the spirit of corporate governance and ensure the reliability of financial report. The latest annual evaluation results were reported to the board of directors on 2/29/2024.</p>	
4. Does the Company establish an adequate number of corporate governance personnel with appropriate qualifications, and appoint a chief corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnish information required for business execution by directors or supervisor, assist directors and supervisors with legal compliance, handle matters relating to board meetings and shareholders’ meetings according to laws, record minutes of board meetings and shareholders meetings, etc.)?	V		<p>In order to continue planning appropriate corporate governance systems and structures, and to protect shareholders’ rights and strengthen the functions of the Board of Directors, the personnel to be in charge of corporate governance affairs is ATII’s financial manager. The main responsibility includes but not limited to furnish information required for business execution by directors, and strengthen corporate governance. In terms of information transparency, ATII has provided information about the shareholders’ meeting in English version, and reports related performance of corporate governance to the Board of Directors (10/30/2023) annually.</p>	None
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		<p>ATII has established a means of communicating with its stakeholders and created a stakeholder’s section on company website, in order to respond appropriately and respect the legitimate rights and issues of concern that banks and other creditors, employees, customers and suppliers have possess. Important issues will be reported to the board of directors regularly every year.</p> <p>An issue which inquired by stakeholders in 2022 about transferring to main-board market from over-the-counter market was reported to the Board on 2/24/2023. In addition, the Company also reported to the board on 10/30/2023 the communication status with stakeholders in investor conference.</p>	None
6. Has the Company appointed a professional registrar for its Shareholders’ Meetings?	V		ATII has appointed CTBC Bank as registrar for ATII’s shareholders’ meetings.	None
7. Information Disclosure (1) Has the Company established a corporate website to	V		(1) ATII has set up an official website www.atii.com.tw and designated a staff to	None

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<p>disclose information regarding its financials, business and corporate governance status?</p> <p>(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 investors conference, etc.)?</p> <p>(3) Has the Company publicly announced and registered with the Competent Authority financial reports within two months after the close of each fiscal year? Has the Company publicly announced and registered with the Competent Authority financial reports for the first, second and third quarters and monthly operating conditions within prescribed date?</p>			<p>maintain and upgrade it regularly. Shareholders, stakeholders, and public are able to refer to related information, such as ATII’s financial business and corporate governance on the website.</p> <p>(2) ①Investors are able to refer to ATII’s information from English website; ②ATII has established a spokesman system, and ensure information, which may affect the decisions of shareholders and stakeholders, is disclosed timely. In addition, there are designating staffs to handle information collection and disclosure; ③ATII will hold investors conference from time to time to disclose company’s financial business information and upload to the official website.</p> <p>(3) ATII will announce and report its annual financial statement within two months after fiscal year-end and release the status of the operation condition of each quarter as soon as possible for public to reference after the end of each quarter. The operation condition of each month will be announced within the prescribed date.</p>		
<p>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 or supervisor’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors or supervisor)?</p> <p>(1) ATII remains consistent in employees working environments and employees’ rights. Other than holding company trip every year to promote various employee benefits, ATII also actively holds employee training to enable employees to grow together with the company. In addition, ATII provides retirement benefits in accordance with the law, so that employees can work with peace of mind while they are on the job, simultaneously ensuring their retirement life.</p> <p>(2) ATII actively implements “energy conversation and environmental conversation”. The company constantly conveys the importance of sustainability to every employee so as to implement environmental policies. In the meantime, ATII also establishes a rigorous management system, sets environmental objectives and goals to monitor and achieve environmental performances.</p> <p>(3) ATII understands the development of the industry requires the cooperation and efforts of all suppliers and partners. Therefore, ATII adheres to the principle of mutual prosperity and benefit to create industrial development, and enhance self-competitiveness; furthermore, to seek the maximum equity of shareholders.</p> <p>(4) Continuing Education/Training of Directors:</p>					
Title	Name	Host by	Training/Speech Title	Duration	Whether It Meets The Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies
Chairman	Yi-Jen Lai	Taiwan Corporate Governance Association	Global Risks and Opportunities for Sustainable Transformation	3 hours	Yes
			Promote Sustainable Development for a Company through Risk Management-Risk Management Best Practice Principles for TWSE/TPEx Listed Companies	3 hours	
Director	Shu-Ping Wu	Taiwan Corporate Governance Association	The Role of Directors and Challenges of Management Right Compliance with the Regulations under Corporate Governance 3.0	3 hours	Yes
		Taiwan Stock Excnahege	Sustainable Development Action Plan for TWSE/TPEx Listed Companies	3 hours	

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Director	Chun-How Lai	Accounting Research and Development Foundation	The Development Trend of Internet Technology and the New Thought of Internal Auditors		6 hours	Yes
Director	Sen-Chuan Wu	Accounting Research and Development Foundation	The Latest Revision of Internal Control Standards and Information Security Compliance and Fraud Prevention Practices		6 hours	Yes
Independent Director	Wu-Nan Chen	CPA Associations R.O.C. (Taiwan)	Case Analysis of Money Laundering and Insider Trading		3 hours	Yes
			Directors' Fiduciary Duties and Liability for False Financial Statements		3 hours	
Independent Director	Chih-Sheng Chang	CPA Associations R.O.C. (Taiwan)	Latest Trend of Money Laundering Control and Business		3 hours	Yes
			Case Analysis of Money Laundering and Insider Trading		3 hours	
Independent Director	Jui-Chang Hsu	Accounting Research and Development Foundation	How to Analyze Key Corporate Financial Information to Strengthen Crisis Warning Capabilities		6 hours	Yes
Independent Director	Meng-Tsung Lin	CPA Associations R.O.C. (Taiwan)	Accountants' Responsibilities When Facing Shareholder Disputes		3 hours	Yes
			Latest Trend of Money Laundering Control and Business		3 hours	
			Directors' Fiduciary Duties and Liability for False Financial Statements		3 hours	
		Taipei Exchange	Equity Issuance and Insider Trading for TPEx Listed Companies and Emerging Stock Market		3 hours	
<p>(5) Directors' attendance on the Board of Directors meeting: In 2023, the directors of ATII had a good attendance rate for the Board meeting. ATII also regularly sends internal audit and financial information to the Audit Committee for review.</p> <p>(6) The directors of ATII adhere to the principle of high self-discipline. They shall not participate in voting on the motion, which listed by the Board of Directors, if it involves the interest that may bring harmful to the Company.</p> <p>(7) ATII has maintained D&O insurance for all directors, and it has been included in the discussion to the Board of Directors (7/29/2023).</p> <p>9. The improvement status for the result of Corporate Governance Evaluation announced by Taiwan Stock Exchange ATII ranks in top 6% - 20% in Corporate Governance Evaluation in recent years. In order to improve information transparency, ATII provides English version of individual annual financial statement, consolidated annual financial statement, quarterly financial reports, meeting notice for annual shareholders' meeting, meeting agenda, and annual report. ATII is planning to continue releasing relevant information to upgrade transparency. On the other hand, the Company has established risk management committee voluntarily to strengthen the structure and operation of the Board of Directors.</p>						