



Board Diversity Policy and Accomplishment

Board Diversity Policy

The composition of the board of directors shall be determined by taking diversity into consideration (it is advised that the director who is also a manager of the company shall not be more than one-third of the board) and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. The policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

The management objectives and achievement of Diversity Policy

| Management Objective | Accomplishment |
|--|----------------|
| Independent directors over half the members of Board of Directors | Accomplished |
| Directors who concurrently serve as company managers should not exceed one-third of the directors' seats | Accomplished |
| At least one female member | Unaccomplished |
| Advanced studies for 6 hours each year | Accomplished |

Capability of Board Members

Professional qualification of directors and independence of independent directors

| Title | Condition Name | Gender | Age range | Professional knowledge and skills | | Major experience | | Concurrent Managerial officers | Term of Office | | | Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director |
|----------------------|-------------------|--------|----------------------|-----------------------------------|-------------------------------------|--------------------|---------------------|--------------------------------|----------------|-----------|-----------------|--|
| | | | | Law Accounting Finance | Industry Marketing Technology | Professional Skill | Industry Experience | | 3 years under | 3-9 years | 9 years or more | |
| Chairman | Biing-Jye Lee | Male | 61-70 years old | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | 0 |
| Vice Chairman | Shuan-Lang Peng | Male | 61-70 years old | | ✓ | | ✓ | | ✓ | | | 0 |
| Director | Feng Cheng Su | Male | 61-70 years old | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | 0 |
| Director | Chin-Yung Fan | Male | 51-60 years old | | ✓ | ✓ | ✓ | ✓ | ✓ | | | 0 |
| Independent Director | Wei-Min Sheng | Male | 61-70 years old | ✓ | ✓ | ✓ | | | ✓ | | | 3 |
| Independent Director | Sheng-Tai Weng | Male | 71 years old or more | ✓ | ✓ | ✓ | ✓ | | ✓ | | | 2 |
| Independent Director | Ji-Yen Liang | Male | 61-70 years old | ✓ | ✓ | ✓ | ✓ | | ✓ | | | 1 |
| Independent Director | Hsien-He Sheng | Male | 61-70 years old | ✓ | ✓ | ✓ | ✓ | | ✓ | | | 0 |
| Independent Director | Wei-Cheng Wang | Male | 61-70 years old | ✓ | | ✓ | | | ✓ | | | 2 |

Note: Mark "✓" if the condition is met

- The board members are all nationals of the R.O.C., without circumstance specified in Article 30 of the Company Act, nor related to each other as spouse or relatives within 2nd degree kinship.
- The average age of the directors is 64 years old, and 33% of the directors also serve as the employees of the Company; 56% of them are independent directors, and 0% of them are female. In the future, for the nominees of board members, Ennostar does not exclude the possibility of introducing female directors.
- All the independent directors of the first term do not serve more than three terms in row.



Board diversity policy and information of independence

The board of directors prudently evaluates and makes decisions on the business strategies and guidelines of Ennostar, to enhance the Company's performance and protects shareholders' interest; meanwhile, Ennostar strictly observe the relevant laws and regulations to determine and evaluate the independence of independent directors. In addition to arranging continuing education for directors every year, the continual assessment to individual director is conducted, to ensure that the board maintains new perspectives and continues to optimize corporate governance.

All members of the board of directors have rich experiences and expertise in terms of knowledge, skills, industry knowledge, finance, commercial and management required to perform their duties. All independent directors are able to exercise their powers objectively, and meet the independence qualifications required by laws and regulations. The Company has added five seats of independent directors in 2021, and the number of independent directors exceeds half of all directors.

Through self-assessment, the professional competence and industry analysis of Ennostar's board members is described as follows:

| Title | Condition | Make judgments about operations ability | Accounting and financial analysis ability | Business management ability | Crisis management ability | Knowledge of the industry | An international market perspective. | Leadership ability | Decision-making ability |
|----------------------|-----------------|---|---|-----------------------------|---------------------------|---------------------------|--------------------------------------|--------------------|-------------------------|
| | Name | | | | | | | | |
| Chairman | Biing-Jye Lee | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Vice Chairman | Shuan-Lang Peng | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Director | Feng Cheng Su | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Director | Chin-Yung Fan | ✓ | | ✓ | ✓ | ✓ | | ✓ | ✓ |
| Independent Director | Wei-Min Sheng | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | |
| Independent Director | Sheng-Tai Weng | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Independent Director | Ji-Yen Liang | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Independent Director | Hsien-He Sheng | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Independent Director | Wei-Cheng Wang | | ✓ | | | ✓ | | | |

Note: Mark "✓" if the condition is met



1 Directors serving as managerial officers

Biing-Jye Lee, Chin-Yung Fan, and Feng Cheng Su are all the key managerial officers of the Company, in charge of leading Ennostar's industrial cooperation strategies from upstream to downstream.

1.1 Chairman, Biing-Jye Lee

Concurrently serving as the president of Ennostar. With the background of Ph. D degree in Chemical Engineering and electro-optics, he focuses on laser diodes epitaxy R&D and mass-production method, and is a pioneer in MOCVD technology development in Taiwan. He has the expertise to lead the team commercialize the patented technologies into end-products. He is one of the founder of the subsidiary, EPISTAR and the chairman of Tyntek.

1.2 Director, Feng Cheng Su

Dr. Feng Cheng Su joined GE in the U.S. in 1986, engaging in the research of aviation electronic application of TFT-LCD. In 1990, he returned to Taiwan and joined Unipac Optoelectronics Corporation, and served as head of R&D, QA, and manufacturing of TFT-LCD, and participated in building the first TFT-LCD plant in Taiwan. Joined AU Optronics Corp in 2001 as the President of Consumer Display Business Group, and founded Lextar Electronics Corp. in 2008.

1.3 Director, Chin-Yung Fan

Worked in the subsidiary, EPISTAR for more than two decades, and has experience in various functions inside EPISTAR, from AlGaNP and Nitride LED manufacturing management, Quality control management, Logistics management, to Sales & Marketing. Currently, he is the chairman and president of EPISTAR, in charge of managing EPISTAR and leading the development of LED, long wave-length laser epitaxy and crystal grain business

2 Independent directors with industrial background and fully qualified for independence

Ennostar's independent board member of the first term are all recommended by the board of directors of Ennostar. Most of the members are from the independent directors of Epistar and Lextar. Their long-term seniority, is beneficial for them to offer insights regarding the Company's operating strategies, and positive to the overall benefits of the Company.

The Company reviews if the independent directors continuously conforms to the independence requirements set forth by laws and regulations. As of now, all the independent directors of the Company conform to the independence requirements set forth in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies Including but not limited to the independent directors, their spouse, relatives within the second degree of kinship serving as director, supervisor, or employee of the company or any of its affiliates; not holding the Company's share, nor their spouse, the person's spouse, relatives within the second degree of kinship, or held by the person under others' names; not servicing as director, supervisor, or employee of the company having special relationship with the Company (please refer to subparagraph 5-8, paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and subparagraph 5-8, paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange; not providing 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 or receiving corresponding compensation

Ennostar

2.1 Independent Director, Wei-Min Sheng

PhD. in Accounting, Purdue University; currently serves as Professor of Department of Public Finance in National Taichung University of Science and Technology for more than 15 years. He has experience in semiconductor, electronic components and electronic industries. He was an independent director of EPISTAR Corporation. He used to serve as an independent director and the Remuneration Committee member of Siliconware Precision Industries Co., Ltd., and participated in the share conversion for investment holding between ASE Semiconductor Engineering Inc. and Siliconware Precision Industries Co., Ltd.

2.2 Independent Director, Sheng-Tai Weng

MBA, Rutgers, The State University of New Jersey; he has the industrial experience in imaging optics, opto-electronic glass slimming, and power semiconductor packaging and testing. He served as the independent director of Lextar Electronics and Vice Chairman, Ability Enterprise Co., Ltd

2.3 Independent Director, Ji-Yen Liang

MBA, NCCU; with a business management and engineering background, he was an independent director of EPISTAR Corporation. He used to be the chairman of TAINET Communication System Corp. He has experience in the communication network, electronic components and semiconductor industries. He also served as a part-time lecturer in a college.

2.4 Independent Director, Hsien-He Sheng

Having the electronic engineering background; served as independent director of Lextar Electronics Corp., as well as VP and Plant Chief of UMC, and VP of AU Optronics Corp.

2.5 Independent Director, Wei-Cheng Wang

Served as the CPA stationed in Hsinchu Science Park of PwC, Taiwan; experienced in finance and accounting, while growing along with the high technology industries in Taiwan, with deep knowledge of the needs of the Company and the industry.

3 Representative of corporate shareholder who has an industrial background

Chairman of AUO, Shuang-Lang Peng, is also the vice chairman of Ennostar, and has been involved in the technology industry for more than three decades. The expertise and knowledge accumulated during this period have established his authoritative position in the display industry. Through the cooperation between the two companies, the next-generation display technology is jointly developed. Ennostar is responsible for the production of epitaxy and crystal grains in the upstream of the Micro LED industry chain, and AUO offers the experience and technologies developed during their long-time engagement of display industry. It is expected to have a deeper understanding to crystal grains and panel design, and further accelerate the pace of realizing the integration of crystal grains and panel in the future, achieving the goal of Micro LED mass production.



Prohibition of Insider Trading

The Company has stipulated and disclosed Corporate Governance Best Practice Principles and Procedures for Preventing Insider Trading on our official website as the principles of handling and disclosing critical information. Board members, employees and other insiders are prohibited to take advantage of private information to trade securities, including but not limited to trading the Company's securities 15 days and 30 days before disclosure of the quarterly financial report and the annual report. The Company would irregularly examine aforementioned measures in accordance with the current law and practical management needs.

The Company would offer a summary of material rules of trading securities and preventing insider trading to assure our new employees to fully abide by regulations of trading securities, policy of the Company, the Securities and Exchange Act and other related legislation. Those insiders and specific managers or staffs who have known undisclosed information have the responsibility to keep it confidential by means of quiet period practice, the coverage and objects of banning insider trading, the disclosure range and ways of material information, fines and regulations to prevent insider trading.

The Company would inform the Board members next year's arrangement before the end of the year, including the dates of board meetings and each blocking interval before publishing the quarterly financial report, and remind the board members prior to each blocking interval in case of accidental violations by Board members. The Company notified the board members on Jan. 13th, Apr. 18th, Jul. 18th and Oct. 17th and all Board members have complied with the Company's internal regulation not to trading the Company's securities within the blocking periods.

In 2021, the Company and subsidiaries have 19,192 new employees trained for corporate integrity consisting of insider trading proclaiming and signing the integrity declaration.



Training of Directors

Continuing Education/Training of Directors in 2021

| Title | Name | Training date | Host by | Training title | Duration / Hr |
|----------------------|---------------|---------------|---|--|---------------|
| Chairperson | Biing-Jye Lee | 2021.11.10 | Taiwan Corporate Governance Association | Employee compensation strategies and tools utilization | 3.0 |
| | | 2021.12.16 | Taiwan Corporate Governance Association | Discuss corporate sustainability transition from ESG investment and financing | 3.0 |
| Vice Chairperson | Paul SL Peng | 2021.04.27 | Securities and Futures Institute | Employee compensation strategies and tools utilization discussions | 3.0 |
| | | 2021.07.27 | Taiwan Corporate Governance Association | Organization regroup of offshore holding company | 1.5 |
| | | 2021.09.01 | Financial Supervisory Commission | 13th Taipei Corporate Governance Forum | 3.0 |
| | | 2021.10.26 | Taiwan Corporate Governance Association | Case Study of Takeover Contest | 3.0 |
| Director | Feng Cheng Su | 2021.11.10 | Taiwan Corporate Governance Association | Employee compensation strategies and tools utilization | 3.0 |
| | | 2021.10.26 | Taiwan Corporate Governance Association | Case Study of Takeover Contest | 3.0 |
| Director | Chin-Yung Fan | 2021.11.10 | Taiwan Corporate Governance Association | Employee compensation strategies and tools utilization | 3.0 |
| | | 2021.12.16 | Taiwan Corporate Governance Association | Discuss corporate sustainability transition from ESG investment and financing | 3.0 |
| Independent Director | Wei-Min Shen | 2021.02.08 | Securities and Futures Institute | Corporate governance and securities laws and regulations | 3.0 |
| | | 2021.08.26 | Securities and Futures Institute | How should the directors and supervisors supervise the corporate risk management and crisis handling | 3.0 |
| Independent Director | Sheng-Tai Wen | 2021.09.22 | Securities and Futures Institute | Corporate mergers and acquisitions practices | 3.0 |
| | | 2021.10.05 | Securities and Futures Institute | Discussion on key quantum technologies and opportunities | 3.0 |

| Title | Name | Training date | Host by | Training title | Duration / Hr |
|----------------------|---------------|---------------|---|--|---------------|
| Independent Director | Chi-Yen Liang | 2021.08.04 | Securities and Futures Institute | Corporate Financial Statement Fraud Case Study | 3.0 |
| | | 2021.11.10 | Taiwan Corporate Governance Association | Employee compensation strategies and tools utilization | 3.0 |
| Independent Director | Hsien-Ho Shen | 2021.11.10 | Taiwan Corporate Governance Association | Employee compensation strategies and tools utilization | 3.0 |
| | | 2021.12.16 | Taiwan Corporate Governance Association | Discuss corporate sustainability transition from ESG investment and financing | 3.0 |
| Independent Director | Wei-Chen Wang | 2021.03.31 | Securities and Futures Institute | Matters to pay attention to when filing for 2020 profit-seeking enterprise income tax return | 3.0 |
| | | 2021.04.14 | National Federation of CPA Associations of the R.O.C. | Analysis of key issues in the filing of profit-seeking enterprise income tax return | 7.0 |
| | | 2021.07.16 | National Federation of CPA Associations of the R.O.C. | Stock planning | 3.0 |
| | | 2021.09.07 | National Federation of CPA Associations of the R.O.C. | New chapter in virtual currency and anti-money laundering | 3.0 |
| | | 2021.10.05 | National Federation of CPA Associations of the R.O.C. | Tax planning for inheritance of trust assets | 3.0 |
| | | 2021.11.03 | Securities and Futures Institute | Mergers and acquisitions trends and holdings company development in Taiwan | 3.0 |
| | | 2021.12.16 | Taiwan Corporate Governance Association | Discuss corporate sustainability transition from ESG investment and financing | 3.0 |

Note: The continuing education hours of the directors during tenure meets the requirements of the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies.”