

CH3

Corporate Governance

3.1 Corporate Governance Framework
and Economic Performance

3.2 Board Functions and Strategy

3.3 Ethical Management

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Annual Targets and Performance

Ethical corporate management and responsible governance are the cornerstones of sustainable long-term corporate development. Through sound board operations, robust risk management, and regulatory compliance, the governance framework continues to be strengthened. Grounded in transparency and trust, the Company responds to stakeholder expectations and fosters a positive cycle of value creation for the industry and society.

UN Sustainable Development Goals SDGs



Corresponding Material Topics

Information Security
Corporate Governance

Integrity in Business Operations
Risk Management

Item	2025 Target	2025 Performance	Achieved
Corporate Governance Evaluation Ranking	Top 5%	6%~20%	⊗
FTSE4Good Taiwan Index Constituent	Continuously included	Included	☑
Board Performance Evaluation	Excellent	Excellent	☑
Concrete Quantitative Linkage Between Senior Management Compensation and ESG Performance	Differentiated weighting by functional unit: 5%-20%	5%~20%	☑
Material Regulatory Violations	0 incidents	0 incidents	☑
Annual Completion Rate for Mandatory Employee Integrity Training	100%	100%	☑
ISO 27001 Certification	Obtained	Obtained	☑
Third-party Cybersecurity Rating	>90	Security Scorecard 99 Panorays: 98	☑
Complaints Regarding Violation of Customer Privacy or Loss of Customer Data	0 incidents	0 incidents	☑
Risk Management Internal Audit	Completed	Completed	☑
Annual Completion Rate of Mandatory Employee Risk Management Training	100%	100%	☑

3.1 Corporate Governance Framework and Economic Performance

3.1.1 Dedicated Corporate Governance Function

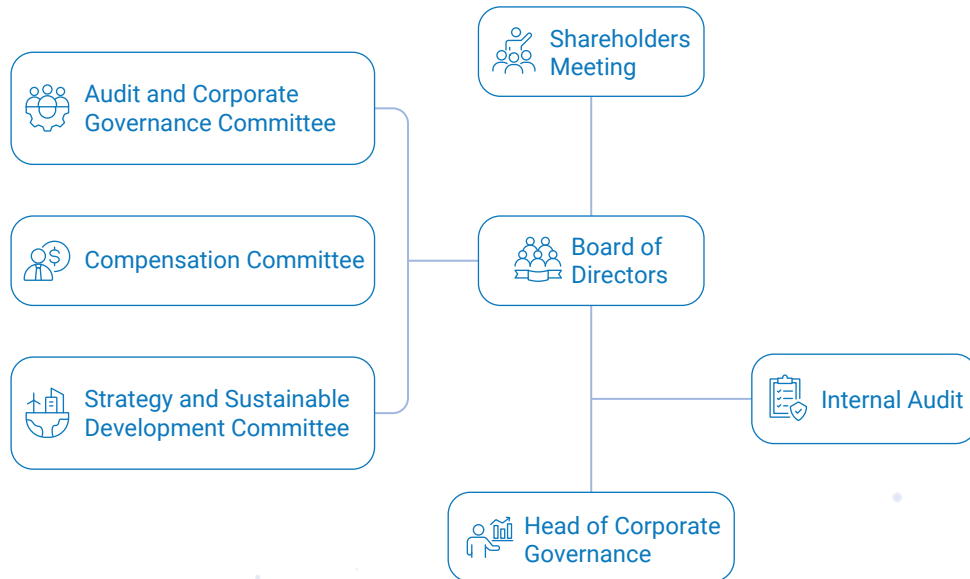
The Board of Directors of GUC serves as the Company’s highest governance body, bearing comprehensive responsibility for corporate governance, strategic decision-making, and sustainability oversight. The Board formulates corporate governance policies, ensures regulatory compliance, and oversees management’s implementation of operations and risk controls. To support the Board in fulfilling its responsibilities, the Company has established a dedicated corporate governance function comprising Finance, Legal, Internal Audit, and Human Resources. The primary responsibilities of this function include:

- Assisting the Board in adhering to regulatory requirements and internal control mechanisms to ensure decision-making transparency and compliance
- Administering shareholders’ meeting and Board meeting affairs, including meeting preparation, provision of materials, and preparation of meeting minutes
- Providing directors with the information and data required to carry out their duties, supporting decision-making and strategic planning
- Assisting the Board in strengthening its governance functions and upholding stakeholder rights and equitable treatment of shareholders

The Board has established multiple functional committees to assist in overseeing corporate governance, strategic planning, and sustainability management, ensuring that all decisions align with the Company’s long-term sustainable development objectives:

Committee	Primary Responsibilities	Member	Frequency of Meetings	Attendance Rate
Audit and Corporate Governance Committee	Oversees financial statements, internal controls, and regulatory compliance; reviews governance operations and director continuing education programs; examines material internal regulations.	Composed of professional independent directors	Quarterly (5 sessions in 2025)	100%
Compensation Committee	Evaluates senior management compensation, employee compensation, and remuneration structures to ensure the attraction and retention of talent while balancing stakeholder interests.	Composed of independent directors with professional expertise from industry, government, and academia	Quarterly (4 sessions in 2025)	100%
Strategy and Sustainable Development Committee	Formulates short-, medium-, and long-term growth strategies and sustainability objectives, reviews material investment proposals, monitors sustainability implementation outcomes, and oversees information disclosure in the Sustainability Report.	Composed of all directors	Semi-annually (twice in 2025)	94%
Operation Committee	Reviews the execution of operational strategies, assessed material potential risks and formulates response measures, and reports operational status and long-term strategies to the Board of Directors.	Chaired by the President, with members comprising heads of business and production management units	Bi-weekly	—
Net-Zero Committee	Promotes energy conservation, carbon reduction, and supply chain decarbonization collaboration, and oversees greenhouse gas inventory and net-zero target attainment.	Chaired by the President serving as Chairperson, with members comprising heads of operations, quality assurance, finance, human resources, and facilities management	Semi-annually (twice in 2025)	100%

Corporate Governance Structure



3.1.2 Performance in Various Areas

Financial performance

In 2025, GUC reported consolidated net revenue of NT\$34,141 million, profit after tax of NT\$3,770 million, and earnings per share of NT\$28.13. The Company incorporates economic performance into its corporate governance and decision-making mechanisms. The Board of Directors and senior management regularly monitor operational results, respond to changes in the industry environment, and continuously optimize business structure and operational efficiency to support the Company's long-term stable development and sustainable value creation.

Economic Value Generated and Distributed

(Unit: NT\$ millions)

		2023	2024	2025
Direct Economic Value Generated	Revenue	26,241	25,044	34,141
	Other income	190	267	99
Economic Value Distributed	Costs	18,265	16,936	25,687
	Other expenses	2,691	3,104	2,955
	Income Tax	647	612	673
	Compensation to directors	45	42	40
	Employee bonus - cash	1,271	1,159	1,109
	Shareholder dividend - cash	1,876	2,144	2,680
Economic Value Retained		1,636	1,314	1,096

Note: Economic Value Retained = Direct Economic Value Generated — Economic Value Distributed

Shareholder and Investor Communication Performance

GUC places significant importance on communication with shareholders and investors. The management team plans and executes investor relations activities in accordance with corporate governance principles and business strategy, and periodically reviews communication effectiveness as a reference for adjusting operational decisions and sustainability strategy. In accordance with the relative importance and needs of each investor group, the Company engages through multiple communication channels to enhance information transparency and foster long-term relationships built on mutual trust.

For the relevant stakeholder engagement mechanisms, please refer to Section [2.2 Stakeholder Engagement](#).

Investor Communication Meetings Summary

	2023	2024	2025
Number of Meetings	214	192	233
Total Attendees	1,959	1,771	2,349
Average number of Attendees Per Meeting	9.15	9.22	10.08

3.1.3 Tax Risk

GUC maintains a clearly defined tax policy to effectively manage the Group's tax risks. Subject to compliance with the tax laws and regulations and the legislative intent thereof in each jurisdiction where the Group operates, the Company applies for applicable tax incentives in accordance with the law to enhance overall tax efficiency.

The Company's tax policy is approved by the Board of Directors and implemented by the responsible unit, which reports to management on a regular basis to ensure the effective operation of the tax management mechanism.

Tax Policy

- Comply with the tax laws and regulations and the legislative intent thereof in each jurisdiction where Group companies operate
- Refrain from shifting profits generated by Group companies from high-tax jurisdictions to low-tax jurisdictions
- Refrain from utilizing tax structures lacking commercial substance or engaging in tax planning through tax havens for the purpose of tax avoidance
- Related-party transactions are conducted in accordance with the arm's length principle and in compliance with the internationally recognized transfer pricing guidelines published by the Organization for Economic Co-operation and Development (OECD)
- Approval and amendments to the tax policy require Board of Directors approval

Tax Risk Governance

The Finance and Accounting Department serves as the responsible unit for tax governance, overseeing tax filings, tax planning, tax risk assessment, and related matters, and escalating material tax matters to management in accordance with the authorization matrix.

The Chief Financial Officer is the highest-level officer responsible for tax management at the Company. Day-to-day tax administration and management operations are carried out by the Chief Accounting Officer.

To strengthen tax risk controls and professional competency, Finance and Accounting Department personnel continuously enhance their professional capabilities through training programs, specialized research, and participation in tax seminars. External professional service providers are also engaged as appropriate to provide tax advisory services, thereby improving the quality of tax judgment and decision-making.

Tax Risk Management and Information Disclosure

To enable management and governance bodies (including the Audit and Corporate Governance Committee and the Board of Directors) to effectively monitor the Company's tax risks and regulatory developments, the Company has established the following tax information communication and disclosure mechanisms:

- The Finance and Accounting Department incorporates tax risk management into the annual risk management report, with the department head reporting to the President on a regular basis
- The Chief Accounting Officer reports to the Audit and Corporate Governance Committee on a quarterly basis regarding any material changes in tax laws and regulations affecting the Company
- The Chief Financial Officer reports material tax matters to the Board of Directors in a timely manner based on the materiality of the tax issues involved

Furthermore, no unethical or unlawful tax conduct occurred during the reporting year. Should any such incidents arise, they will be investigated and addressed by the Finance and Accounting Department and the tax governance unit. Corporate income tax is audited and certified by external accounting firms to ensure that the Company fulfills its tax obligations in accordance with applicable local laws. The Company cooperates with local tax authority examinations and provides supplementary tax explanations and relevant documentation as required by the competent authorities.

Operational Structure and Tax Description









The Taiwan parent company is the primary operating entity of GUC and serves as the Group's operational headquarters, responsible for formulating operational decisions and executing core business functions. Its principal business activities comprise ASIC design and turnkey management services for volume production.

To better serve global clients, the Company has established subsidiaries in the United States, Japan, China, Korea, Europe, and Vietnam. These subsidiaries are engaged by the Taiwan parent company to provide product design, technical support, and consulting services to clients in their respective local markets.

The operating locations of the Company and its subsidiaries are all established in jurisdictions with standard tax regimes. No operations are located in low-tax jurisdictions or tax havens, and all entities engage in commercial activities with substantive operational content to ensure that tax arrangements comply with commercial substance requirements and applicable regulatory standards.

Annual Consolidated Entity Tax Information

(Unit: NTS thousands)

Company Name	Jurisdiction	Principal Business Activities	Year	Number of Employees	Revenue	Profit (Loss) Before Tax	Income Tax Expense	Actual or Estimated Income Tax Paid
GUC	 Taiwan	ASIC design and turnkey management services for volume production	2025	717	34,140,917	4,422,768	653,202	664,853
			2024	702	25,044,149	4,044,008	593,420	597,846
			2023	700	26,240,714	4,131,577	623,692	610,369
GUC-NA	 United States	Product consulting, design, and technical support services	2025	17	230,977	13,870	5,070	5,086
			2024	16	228,914	13,726	4,875	4,870
			2023	17	230,755	13,950	2,970	5,580
GUC-JP	 Japan	Product consulting, design, and technical support services	2025	48	354,401	23,010	10,763	10,891
			2024	43	301,710	19,511	6,567	6,596
			2023	39	290,571	18,790	5,530	5,525
GUC-CN	 China	Product consulting, design, and technical support services	2025	27	110,387	7,254	1,786	1,756
			2024	28	116,736	8,382	1,929	1,895
			2023	28	117,490	8,063	1,853	1,861
GUC-NJ	 China	Product consulting, design, and technical support services	2025	60	230,002	27,756	1,316	923
			2024	66	970,820	62,420	4,287	4,036
			2023	58	476,965	102,177	12,745	10,573
GUC-EU	 Netherlands	Product consulting, design, and technical support services	2025	2	11,240	734	272	140
			2024	2	12,317	854	103	128
			2023	2	25,536	1,556	81	234
GUC-KR	 Korea	Product consulting, design, and technical support services	2025	2	10,407	590	138	59
			2024	1	9,077	625	130	63
			2023	1	8,377	452	202	50
GUC-VN	 Vietnam	Product consulting, design, and technical support services	2025	40	47,071	2,980	553	555
			2024	27	37,313	2,288	503	502
			2023	17	21,293	1,227	322	322

Note: The exchange rates applied to 2025 revenue, profit (loss) before tax, income tax expense, and actual or estimated income tax paid are the monthly average of the buying and selling rates quoted by the Bank of Taiwan for the respective year.

Effective Tax Rate and Cash Tax Rate

(Unit: %)

The effective tax rate and cash tax rate for each of GUC's principal operating locations are calculated based on local tax laws and regulations and actual operating conditions, and are benchmarked against industry peers to assess the reasonableness of the overall tax burden.

In 2025, GUC-NJ's effective tax rate was 4.74%, below the industry average effective tax rate of 13.96% for the "Semiconductors and Semiconductor Equipment" sector as published by SAM CSA Companion. Additionally, the cash tax rates of GUC-NJ and GUC-KR were 3.33% and 10.00%, respectively, both below the industry average cash tax rate of 13.82% for the same sector.

The primary reasons for the tax rate variances across locations are as follows:

- **GUC-NJ:** Qualifies for the super-deduction of research and development expenditures under local regulations and has obtained Advanced Technology Enterprise status, entitling the entity to a preferential enterprise income tax rate of 15%
- **GUC-KR:** Subject to the 10% tax bracket under the local tax regime, resulting in a relatively lower cash tax rate

Overall, the tax rate performance across the Company's operating locations reflects the application of lawful tax regimes, industrial policies, and actual operating results in each jurisdiction. No tax arrangements lacking commercial substance are involved, and the results are consistent with the Company's tax policy and the principle of responsible tax conduct.

	2023		2024		2025 (Estimated)	
	Effective tax rate	Cash tax rate	Effective tax rate	Cash tax rate	Effective tax rate	Cash tax rate
GUC	15.10	14.77	14.67	14.78	14.77	15.03
GUC-NA	21.29	40.00	35.52	35.48	36.55	36.67
GUC-JP	29.43	29.40	33.66	33.81	46.78	47.33
GUC-CN	22.98	23.08	23.01	22.61	24.62	24.21
GUC-NJ	12.47	10.35	6.87	6.47	4.74	3.33
GUC-EU	5.14	15.04	12.06	14.99	37.06	19.07
GUC-KR	44.69	11.06	20.80	10.08	23.39	10.00
GUC-VN	26.24	26.24	21.98	21.94	18.56	18.62

3.1.4 Responsible investment

In response to climate change and international sustainability trends, and in support of green finance and the development of sustainable industries, GUC continued to invest NT\$50 million in green bonds in 2025, taking concrete action to champion green finance and put into practice the philosophy of giving back to society. This commitment also serves to embed environmental awareness among all employees.

The primary reason for continued investment in green investments is that green bonds combine the dual ESG characteristics of environmental and social benefit, channeling customer-deposited funds as a source of financing for green loans and sustainability-linked loans. In other words, corporate customers support merchants and companies committed to ESG development through their deposits, while generating positive environmental and social impact and long-term benefits — an approach fully aligned with GUC's philosophy of sustainable innovation and responsive to SDG 17, "Partnerships for the Goals."

Note: Green bonds refer to bonds issued by companies to raise funds, with the proceeds designated exclusively for green investment projects.



3.2 Board Functions and Strategy

3.2.1 Board Functions

GUC places high importance on the diversity and professional complementarity of its Board members. To strengthen corporate governance and promote a sound board structure, and in accordance with Article 20 of the Corporate Governance Best-Practice Principles, the Board as a whole is required to possess the following core competencies: business judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market perspective, and leadership and decision-making. This ensures the Company is capable of responding swiftly and making sound decisions when confronted with organizational disruptions or material operational risks.

The Board currently comprises eight directors, of whom four are independent directors, representing 50% of the total membership. All directors are aged 50 or above. The male-to-female ratio is 6:2. No directors are related by marriage or within second-degree kinship, and only one director concurrently

serves as a managerial officer of the Company — Mr. Sean Tai, who also serves as President. The Board as a whole maintains a high degree of independence. Board members' backgrounds span diverse professional domains including finance, accounting, the semiconductor industry, research and development, technology, and business management, enabling them to provide multifaceted perspectives on corporate strategy, operations, and risk management. The Company also ensures at least one female director seat to implement its board diversity policy.

Information regarding directors' concurrent board positions at other entities, cross-shareholdings with suppliers and stakeholders, the existence of controlling shareholders, and related-party transactions has been disclosed in the Company's annual report for reference by stakeholders, in fulfillment of the Company's conflict-of-interest disclosure and recusal policy. The specific details of each director's professional competencies and diversity indicators are set out in the table below.

■ GUC Board Members (Current Board Term: May 18, 2023 – May 17, 2026)

Title	Name of Director	Nationality	Gender	Term of Office	Employee Status	Age	Business Management and Professional Judgment	Finance and Accounting	Crisis Management	Industry Knowledge	International Market Perspective	Leadership and Decision-Making	Sustainability Management
Legal Representative of Chairman	F.C. Tseng	ROC	Male	8	No	80	☑	☑	☑	☑	☑	☑	☑
Legal Representative of the Vice Chairman	Lie-Szu Juang	ROC	Female	1	No	66	☑	☑	☑	☑	☑	☑	☑
Legal Representative of Director	Sean Tai	ROC	Male	2	Yes	60	☑	☑	☑	☑	☑	☑	☑
	Wendell Huang	ROC	Male	3	No	63	☑	☑	☑	☑	☑	☑	☑
Independent Director	Kenneth Kin	ROC	Male	3	No	78	☑		☑	☑	☑	☑	☑
	Jesse Ding	ROC	Male	2	No	71	☑	☑	☑		☑	☑	☑
	Tsui-Hui Huang	ROC	Female	2	No	60	☑	☑	☑		☑	☑	☑
	Ho-Min Chen	ROC	Male	1	No	68	☑	☑	☑		☑	☑	☑

Note: 1. Effective April 9, 2025, Ms. Lie-Szu Juang succeeded Mr. L.C. Lu as the legal representative of the former director, with the title of Vice Chairman. Her term runs concurrently with that of the other directors through May 17, 2026.

2. Independent Director Mr. Cheng-Wen Wu tendered his resignation on May 15, 2024, upon assuming the role of Minister of the National Science and Technology Council.

The Company's board diversity objectives encompass two dimensions:

- 1. Basic Conditions and Values:** including gender, age nationality, and cultural background. Since the election of the 10th Board of Directors in 2023, one female independent director has been appointed. Going forward, the Company will maintain at least one female director seat, with a target of female directors comprising one-third of the total board seats, alongside ongoing planning for age balance.
- 2. Professional Knowledge and Skills:** encompassing professional background (such as law, finance, accounting, industry, marketing, research and development, or technology), professional skills, and industry experience, to ensure the Board is capable of effectively fulfilling its decision-making and oversight functions.

To continuously strengthen board functions and decision-making capacity, the Company arranges a fixed three-hour continuing education program for directors each year. All directors also independently complete at least three additional hours of continuing education, for a cumulative total of no less than six hours, in compliance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE- and TPEX-Listed Companies and Corporate Governance Evaluation standards. External experts are invited to deliver sessions as necessary to enhance the Board's understanding of ESG and climate governance issues and to ensure directors remain current with the latest developments. In 2025, directors collectively accumulated 66 hours across 16 continuing education programs, courses, practical meetings, and seminars. Detailed information on each director's annual continuing education is disclosed in the [Company's Annual Report](#) which is available on the Company's official website and the Market Observation Post System (MOPS) for reference by investors.

3.2.2 Nomination and Selection

To implement the Board's diversity policy and enhance the Company's overall performance, professional background, gender, and age are incorporated as considerations in the director nomination and selection process. Director candidates are required to possess professional experience in technology, law, finance and accounting, or management, and a candidate pool is generated through referrals from industry professionals.

To safeguard diversity, the Company guarantees at least one female director seat. If the proportion of female directors falls below one-third, the reasons will be disclosed in the annual report along with improvement measures and plans, and the Company will continue to work toward increasing the number of female director seats.

The Chairman of the Board serves as the presiding officer of the highest governance body and does not concurrently hold any senior management position. Only one director concurrently serves as President, responsible for overseeing operations and reporting to the Board. All Board members are elected through a candidate nomination system, and a conflict-of-interest recusal policy is expressly set forth in the Procedures for Ethical Corporate Management and Guidelines of Conduct. When executing Company business, all directors who identify a conflict of interest between themselves or the juridical person they represent and the Company, or a situation that may result in improper benefits to themselves, their spouse, lineal relatives, or other interested parties, are required to proactively complete and submit a Conflict-of-Interest Disclosure Form to avoid or mitigate the conflict of interest.

3.2.3 Performance Evaluation

To achieve corporate governance objectives and strengthen board functions, GUC has formulated and adopted the "Regulations Governing Performance Evaluation of the Board of Directors and Functional Committees." Performance evaluations of the Board and its functional committees — including the Audit and Corporate Governance Committee and the Remuneration Committee — are conducted on a regular annual basis, along with self-assessments by individual board members conducted by questionnaire. The performance evaluation metrics for the Board of Directors encompass the following five dimensions: "Degree of Participation in Company Operations," "Enhancement of Board Decision-Making Quality," "Board Composition and Structure," "Director Nomination and Continuing Education," and "Internal Controls."

The Remuneration Committee proposes relevant compensation disbursement standards and specific amounts based on the results of the performance evaluation. GUC completed the self-assessments of the Board of Directors, functional committees, and individual board members in the fourth quarter of 2025, with results to be reported to the Board in January 2026. The internal performance evaluation results for the year indicate that the Board and individual board members performed excellently in the areas of enhancing board decision-making quality and participation in Company operations, achieving an "Excellent" rating.

In addition, GUC engages an external organization to conduct board performance evaluations every three years. At the end of 2025, the Company commissioned the Taiwan Corporate Governance Association to conduct a board effectiveness evaluation covering the period from October 1, 2024 to September 30, 2025. The evaluation was conducted through questionnaires and on-site interviews, assessing the Board across five dimensions: board composition and division of responsibilities, guidance and oversight, authorization and risk management, communication and collaboration, and self-discipline and continuous improvement. The evaluating organization's business relationship with the Company is limited to director continuing education programs, thereby preserving its independence. The evaluation report was issued on December 18, 2025, and the results along with subsequent improvement plans were reported to the Board on January 29, 2026.

Senior management compensation is linked to ESG performance to reinforce sustainability and corporate governance objectives. Depending on the business characteristics and scope of responsibilities of each functional unit, the ESG performance weighting is set at between 5% and 20%, serving as a key reference for annual performance evaluations and compensation disbursement. This mechanism encourages management to integrate environmental protection, social responsibility, and corporate governance into day-to-day operations and strategic decision-making, ensuring that the Company's long-term value creation and sustainable development objectives advance in tandem.

The aggregate remuneration of independent directors and non-executive directors is governed by the Company's Articles of Incorporation, with a cap in principle of no more than 2% of the Company's profit for the year. Remuneration disbursement standards are adjusted based on the Company's operating performance and the results of board and individual director self-assessments, and are allocated among directors in proportion to the number of days served during the year.

3.2.4 Internal Audit

Internal Audit Unit

GUC has established a dedicated internal audit unit in accordance with the “Regulations Governing the Establishment of Internal Control Systems by Public Companies,” to build a sound internal control system and carry out continuous monitoring. The primary responsibilities of the internal audit unit are to examine and evaluate the effectiveness of the internal control system and risk management processes. Operating with independence and objectivity as its organizational mandate, the unit assists in improving operational processes, enhancing corporate value-added and supervisory effectiveness, and thereby supporting the Board of Directors and management in achieving the Company’s strategic objectives.

The internal audit unit reports directly to the Board of Directors and is staffed with a dedicated Chief Audit Executive and one dedicated audit personnel, ensuring the independence and professionalism of audit activities. Audit personnel are required to attend professional training courses each year to continuously enhance their professional knowledge and skills. The Chief Audit Executive’s performance evaluation and compensation plan must be discussed and approved by the Remuneration Committee and the Board of Directors. The appointment, dismissal, performance evaluation, and compensation of audit personnel are submitted by the Chief Audit Executive for approval by the Chairman of the Board, with performance evaluations conducted annually.

The internal audit unit also incorporates the internal control system and its implementation with respect to sustainability information preparation. Under the annual audit plan, the information disclosure processes, data collection, and cross-departmental coordination overseen by the Sustainability Development Department are subject to audit and examination to ensure that sustainability report preparation complies with internal control and governance requirements.

Internal Audit Process

The internal audit unit formulates an annual audit plan each year based on risk assessment results, specifying the audit items to be covered each month. Following Board approval, the plan is executed in accordance with the internal audit implementation rules. Project-specific audits may also be conducted as necessary to identify internal control deficiencies in a timely manner and issue improvement recommendations. The audit unit also supervises self-inspections by individual units to establish a self-monitoring mechanism, with evaluation results serving as the basis for the statements on internal control systems issued by the Chairman of the Board and the President. With respect to deficiencies, anomalies, or areas requiring improvement identified during audit engagements, the audit unit conducts ongoing follow-up to ensure that corrective measures are implemented.

The Chief Audit Executive reports to the Audit and Corporate Governance Committee on a quarterly basis in accordance with the annual audit plan and actual execution status, and engages with independent directors accordingly. In addition, the Chief Audit Executive provides each independent director with a monthly written report on audit progress and any anomalies, ensuring unobstructed communication. Direct communication channels between independent directors and the internal audit unit are also in place to maintain effective working relationships.

Internal Audit Process Diagram



3.2.5 Shareholder Rights

GUC continues to strengthen shareholder rights through the following principal measures:

- **Sound Corporate Governance:** Since its inception, the Company has progressively established the Audit Committee, Remuneration Committee, and other committees, as well as a director candidate nomination system, to reinforce the governance framework, enhance information disclosure transparency, and improve market oversight effectiveness.
- **Prevention of Insider Trading:** The Company strengthens the immediate public disclosure of material information, treats all shareholders and investors on an equal basis, and makes financial reports publicly available on the same day as Board approval.
- **Facilitation of Shareholder Meeting Participation:** In addition to in-person shareholders’ meetings, the Company provides live webcast and electronic voting services to protect shareholders’ right to act.
- **Dividend Policy:** Guided by the principle of stable and sustained distribution, during periods of operational growth the cash dividend payout ratio is no less than 10% of distributable earnings for the year, subject to adjustment based on investment plans and funding requirements.

3.3 Ethical Management

3.3.1 Ethical Management and Business Ethics

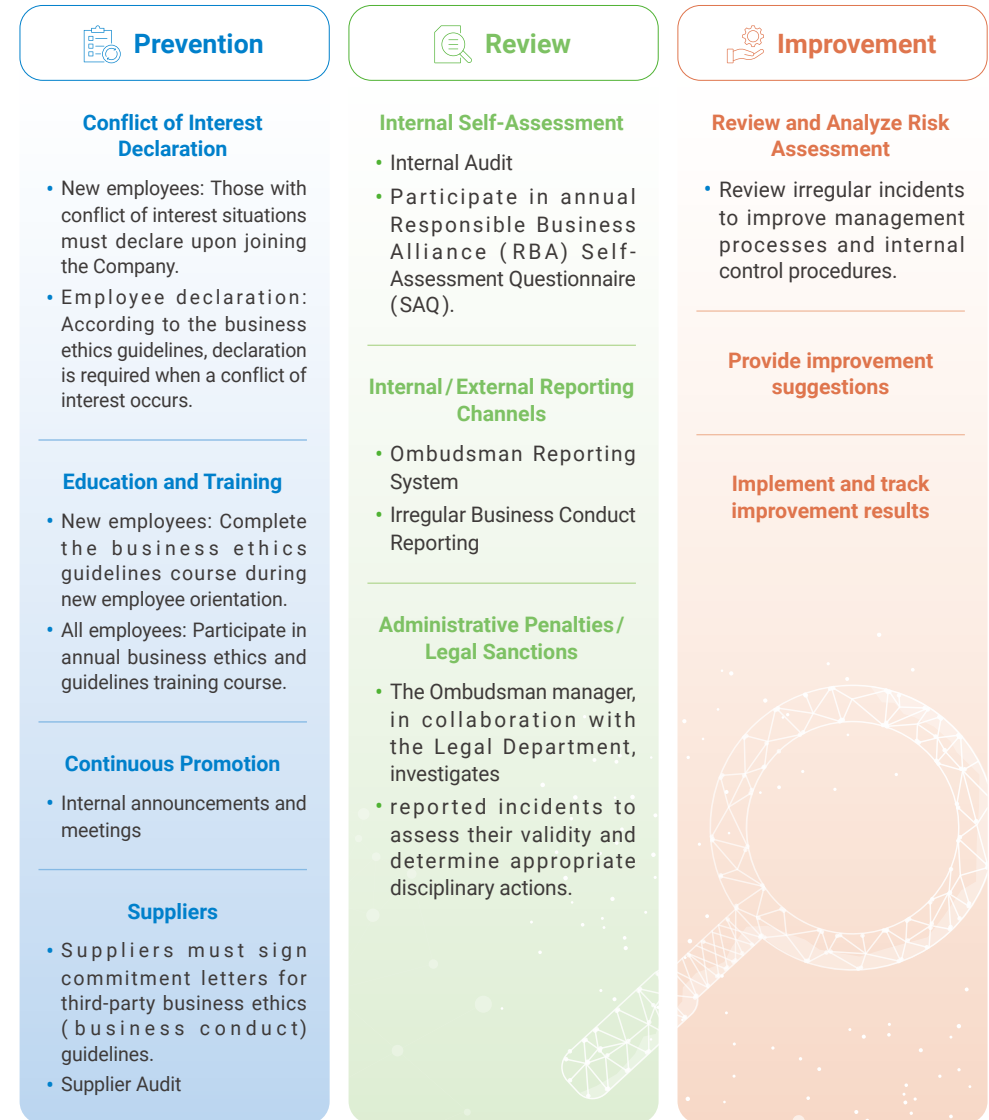
GUC adheres to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and has formulated the “[Procedures for Ethical Corporate Management and Guidelines of Conduct](#)” as the core framework governing the Company’s promotion of integrity management and responsible business conduct. The Company’s integrity management policy is approved by the Board of Directors and is applied to identify adverse impacts that may arise from the Company’s various business relationships with different stakeholders. Applying the precautionary principle, the Company establishes preventive measures and remedial mechanisms for the associated risks to ensure that its operations comply with the principles of integrity, transparency, and regulatory compliance.

To implement integrity management, the Human Resources unit serves as the dedicated responsible unit for integrity management, responsible for planning, promoting, and supervising the implementation of integrity management-related systems, and periodically reviewing compliance and reporting to the Board of Directors. The Company requires its directors, managerial officers, employees, agents, and persons with substantial control to comply with applicable laws and regulations when conducting business, uphold the principles of integrity management, conduct commercial activities in a fair and transparent manner, and proactively avoid any circumstances that may give rise to a conflict between personal interests and the interests of the Company.

The Company expressly prohibits all forms of bribery and corruption, the offering or receipt of improper benefits, illegal political contributions, improper charitable donations or sponsorships, unreasonable gifts and entertainment, infringement of intellectual property rights, engagement in unfair competition, and any other conduct contrary to the principles of integrity, and takes measures to prevent products or services from causing undue harm to stakeholders. Integrity management-related policies and requirements are continuously communicated through the Company’s website, annual report, internal regulations, employee training programs, and various internal communication channels. Directors and managerial officers are required to issue statements of compliance with the integrity management policy. The principles of integrity management are also incorporated into the terms and conditions of employment to ensure that employees across all global locations clearly understand and consistently adhere to them.

In addition, the Company has established a [Supplier Code of Conduct](#), requiring suppliers to jointly observe the principles of integrity management and regulatory compliance in the course of business dealings, and to collaborate in implementing responsible supply chain management. The Human Resources unit conducts regular annual assessments of compliance with the integrity management policy and reports the results to the Board of Directors to continuously strengthen the Company’s responsible business conduct and corporate governance quality.

Ethical Corporate Management Procedures Flowchart



GUC conducts annual training on ethical corporate management for all employees. The curriculum covers material information and confidential information protection, ethical corporate management procedures, codes of professional conduct, prohibition of insider trading, and the RBA Code of Conduct. The completion rate for 2025 reached 100%. New employees are also required to complete onboarding orientation and training covering the Company's key policies, conflict-of-interest avoidance requirements, and the prohibition against using one's position or authority to seek improper benefits for oneself or third parties. The new employee training completion rate for 2025 was 100%. In addition, suppliers have completed the signing of the Supplier Code of Conduct, with a completion rate of 100%.

In 2025, the Company conducted anti-corruption and ethical corporate management awareness training across its global operating locations. The completion rate among directors and employees reached 100%. Personnel found to have committed material violations of ethical corporate management standards or codes of professional conduct that may cause harm to the Company will be reported to the Board of Directors immediately, with written notification provided to the Independent Directors, and appropriate measures — including dismissal or termination of employment — will be taken in accordance with applicable laws and regulations or the Company's personnel policies.

■ 2025 Anti-Corruption Policy and Ethical Corporate Management Training Completion Status

Functional Category	Communication Channel/ Method	Persons/Entities Required to Complete Training	Persons/Entities Completing Training	Completion Rate
Board of Directors		8	8	100%
Research & Development	• New employee orientation and mandatory onboarding courses	651	651	100%
Engineering & Technical		119	119	100%
Sales & Marketing	• Annual mandatory courses	55	55	100%
General & Administrative		49	49	100%
Business Partners	• Risk Assessment Survey & RBA SAQ	24	24	100%

- Note: 1. The training completion rate is calculated as the number of employees completing training divided by the number of employees in the applicable category required to undergo training during the year. The completion rate for the highest governance body is calculated as the number of directors completing training divided by the total number of directors. Data covers all global operating locations.
2. The number of employees required to undergo training in a given year refers to the headcount at the time training was conducted, not the total year-end headcount.
3. The number of applicable business partners (suppliers) refers to Tier 1 Significant Suppliers. For the proportion of procurement spend, see Section [5.3.2 Supplier Identification](#).

To ensure the sustained effectiveness of training programs and to provide employees and stakeholders with a secure reporting channel, the Company has established an independent whistleblowing mechanism. The relevant procedures and governance framework are described in the [Risk Management](#) chapter.

3.3.2 Legal Compliance

The management team of GUC continuously monitors domestic and international policies and regulations that affect the Company's financial and operational performance, and has established the "Regulations Governing Compliance Management." The President designates a senior officer to serve as the Compliance Officer, with overall responsibility for compliance matters. The Legal Affairs unit has implemented a real-time regulatory update monitoring mechanism to alert business units to revise their management policies and procedures, and has designated compliance liaisons within each unit to conduct self-assessments. Each unit conducts compliance assessments of laws and regulations relevant to its day-to-day operations on a semi-annual basis. The annual compliance assessment results, upon approval by the respective unit heads, are submitted to the Legal Affairs unit for recordkeeping.

The Company is committed to compliance with applicable domestic and international laws and regulations, and incorporates compliance indicators into its annual monitoring framework. To protect personal data and the security of the Company's operational information, the Company has established a Confidential Information Protection Policy applicable to all employees, directors, agents, subcontractors, and other third parties. An internal governance body — the PIP Committee — has been established to oversee policy implementation, with internal audits conducted on a regular basis. In addition, in accordance with the RBA Responsible Business Alliance Code of Conduct, the Company takes reasonable measures to protect the personal data and privacy of individuals with whom it conducts business, in compliance with applicable laws and regulatory requirements.

The Company's Privacy Policy, published on the Company's website, sets out clear rules governing the collection, storage, use, and sharing of customer data, discloses customers' rights with respect to their data, and affirms the Company's commitment to using data solely for specified purposes.

In terms of environmental regulatory compliance, the Company incurred no material fines for violations of environmental laws and regulations in 2025, and no sanctions or environmental impact complaints were recorded. In terms of social regulatory compliance, no violations or other sanctions occurred in 2025 with respect to financial reporting, workplace discrimination, or corruption, and no human rights complaints were formally filed, processed, or resolved. In terms of product and service regulatory compliance, no incidents involving violations of laws and regulations governing products and services occurred in 2025, and no incidents or litigation arose in connection with anti-competitive conduct or violations of antitrust and monopoly regulations.

The Company is committed to making no political contributions and adheres to fair and transparent corporate social responsibility principles, avoiding any involvement in or interference with political interests.

■ Environmental Regulatory Compliance and Environmental Protection Expenditures

The Company continues to allocate resources toward regulatory compliance and environmental performance improvement. In 2025, the Company incurred no material fines for violations of environmental regulations and recorded no formal environmental complaints.

Environmental Protection Expenditure Item	Amount (NT\$/dollar)
Environmental Management System Certification	41,250
Contracted Household Waste Removal	70,000
Office Cleaning and Floor Washing	5,130,855
Landscaping Maintenance	192,620
Water Tank Cleaning	30,000
Pest Control	18,000
Cleaning Consumables	336,000
Total Expenditures	5,818,725

■ Summary of external regulatory violations and fines in 2025

Category	Number of Incidents	Amount (NT\$/dollar)	Description
Environmental Regulations	0	0	Zero material violations
Social Regulations	0	0	Zero material violations
Product and Service Regulations	0	0	Zero material violations
Other Laws and Regulations	0	0	Zero material violations
Total	0	0	Zero material violations

Note: Material violations are defined as fines of NT\$1,000,000 or above. No fines or sanctions of this nature occurred during the current or prior reporting period.

3.4 Risk Management

3.4.1 Risk Management Unit and Scope

GUC established its “[Risk Management Policy](#)” in 2010, with approval by the Board of Directors, as the highest governing principle for the Company's risk management framework. Each management unit regularly assesses and reviews risks in accordance with the “Risk Management Procedures,” reporting to the Operations Management Committee. The President consolidates material risk matters and reports to the Board of Directors on a periodic basis.

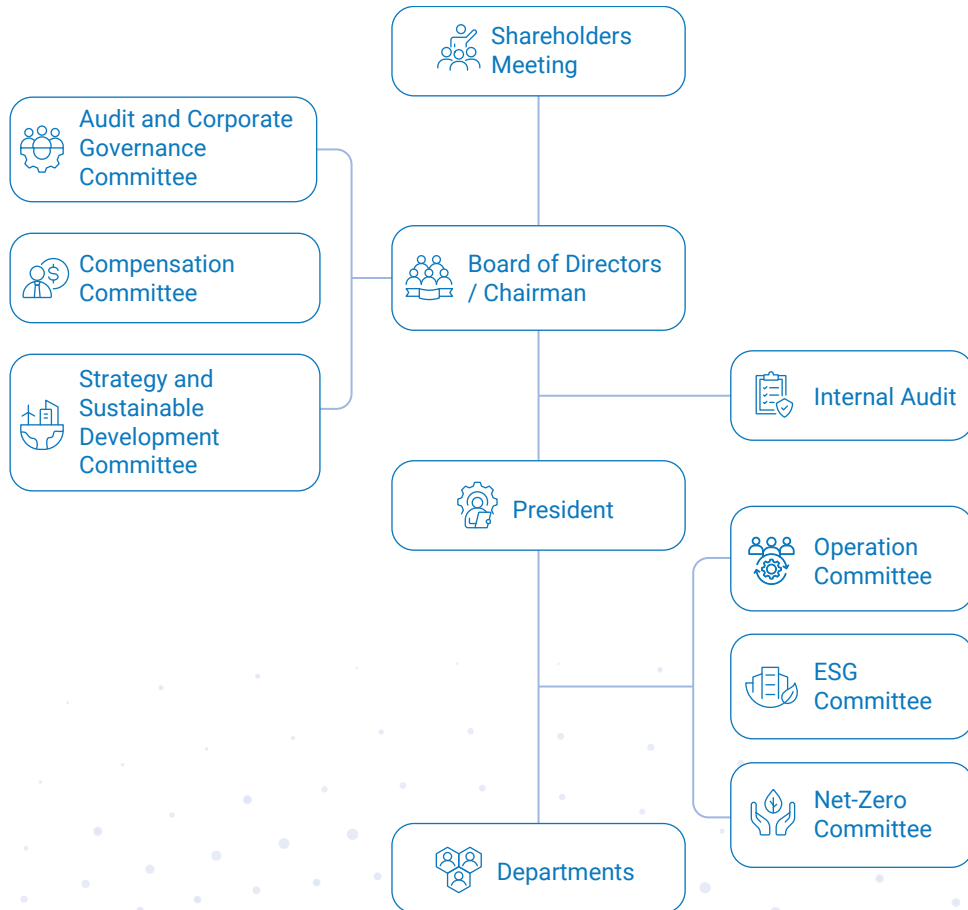
The Company evaluates operational risks based on the materiality principle, establishes preventive and early-warning measures to ensure risks are maintained within acceptable thresholds, and incorporates risk assessments as a reference for operational strategy and decision-making. Risk management awareness is incorporated into annual performance evaluations for managerial personnel. The performance and compensation of senior management are linked to risk management outcomes, and employees are encouraged to continuously review and improve risk control measures. All new business activities and initiatives are subject to assessment of potential risks and adoption of necessary mitigation measures, to ensure the Company operates soundly within the bounds of applicable law and in support of its ESG commitments.

Risk Management Units

GUC integrates risk management into its corporate governance framework, with the Board of Directors holding ultimate oversight responsibility and risk controls implemented through dedicated units and functional committees.

- **Board of Directors:** As the highest governance body, responsible for comprehensive oversight of the Company’s operations, strategy, and risk management.
- **Audit and Corporate Governance Committee:** Assists the Board of Directors in overseeing financial reporting, regulatory compliance, and internal controls, and evaluates and manages the Company’s operational and financial risks.
- **Operations Committee:** Reviews the execution of operational strategies, assesses material potential risks and formulates corresponding response measures, and reports to the Board of Directors on a regular basis.
- **Strategy and Sustainable Development Committee and Net-Zero Committee:** Oversees and monitors long-, medium-, and short-term strategic and environmental sustainability risks to ensure the Company’s sustainability objectives are realized.

For the complete Board governance structure and the responsibilities of each committee, see [Section 3.1.1 Dedicated Corporate Governance Units](#).



Risk Management Scope

In accordance with operational and strategic requirements, principal risks are categorized as follows, with control measures established for each risk category. Relevant units and functional committees conduct periodic oversight and review to ensure risks remain within acceptable thresholds.

Risk Category	Potential Impact	Control Measures
Intellectual Property Management	Technology leakage, loss of competitiveness	IP protection, patent portfolio management, contractual licensing controls
Information Security	Data breach, operational disruption	Information security management system, periodic audits, employee training
Contractual risk	Legal disputes, financial losses	Contract review process, legal support, risk assessment
Product Quality and Competitiveness	Customer attrition, damage to brand reputation	Quality management system, technology upgrades, customer feedback tracking
Climate Change and Environmental Risk	Business disruption, regulatory fines	Net-zero plan, greenhouse gas inventory, environmental management system
Operational Risk	Production delays, supply chain disruption	Operations Management Committee monitoring, contingency planning, supply chain risk assessment

3.4.2 Risk Management Procedures

To effectively identify and manage operational risks, GUC has established a range of management systems and operating procedures, including:

- **Risk Management Systems:** Encompassing the “[Risk Management Policy](#),” “Risk Management Procedures,” “Regulations Governing Supervision of Subsidiaries,” “Statement on Internal Control System,” and “[Regulations Governing Financial and Business Transactions among Related Parties](#),” establishing risk control mechanisms for the Company and its affiliates. Beginning in 2024, sustainability information management has been incorporated into the internal control system in alignment with the Financial Supervisory Commission’s Action Plan for Sustainable Development of Listed and OTC Companies and the IFRS Sustainability Disclosure Roadmap.
- **Ethical Corporate Management and Compliance:** [The Ethical Corporate Management Procedures and Guidelines of Professional Conduct](#) prohibit insiders from trading securities on the basis of material non-public information, ensuring the Company’s lawful and compliant operations.
- **Employee Complaints and Whistleblowing:** The Complaint Procedures safeguard employee rights and interests and promote harmonious labor-management relations. The Whistleblowing Procedures establish clear reporting channels and investigation processes to protect the Company’s lawful interests.
- **Information Security and Personal Data Protection:** The Confidential Information Protection (PIP) Policy governs the management of confidential information, with appropriate controls over trade secrets and material non-public information to protect the interests of the Company, shareholders, employees, customers, and suppliers.

These systems span financial reporting, operations, regulatory compliance, employee rights, and information security, ensuring that risk controls are implemented across all levels of the Company.

2025 Risk-Related Training Outcomes

To strengthen employees’ risk management awareness and practical competencies, GUC plans annual training programs organized by risk category, covering enterprise operations, information security, legal compliance, environmental management, and workplace safety.

Risk Category	Implementation Content	Frequency	Target Participants
Enterprise Risk Management	Annual mandatory risk management course	Once per year	All employees; completion rate 100%
Confidential Information Leakage Risk Management	Information Security Training	Twice per year	All employees; completion rate 100%
Legal and Compliance Risk Management	Ethical Corporate Management and Codes of Professional Conduct	Once per year	All employees; completion rate 100%
Environmental and Safety Risk Management	Emergency evacuation drill	Once per year	Hsinchu-based employees; 389 participants
	Fire brigade organization training	Twice per year	Fire brigade members; 40 participants
	Prevention of workplace unlawful infringement training	Once per year	All employees; completion rate 100%

3.4.3 Complaint and Suggestion Channels

Key Material Incident Communication

In 2025, the Board of Directors of GUC convened 5 meetings, with regular meetings held at least once per quarter. The average attendance rate among all directors for the year reached 96%. The Board primarily reviews operational performance, discusses ESG strategy, and addresses material incidents — including significant whistleblowing complaints, adverse impacts, and public opinion matters — and designates relevant units to handle and track follow-up actions. Annual agenda items encompassed oversight of operational performance, prevention of conflicts of interest, and regulatory compliance.

For further details, please refer to the Corporate Governance section of the 2025 [Annual Report](#).

Whistleblowing and Complaint Channels

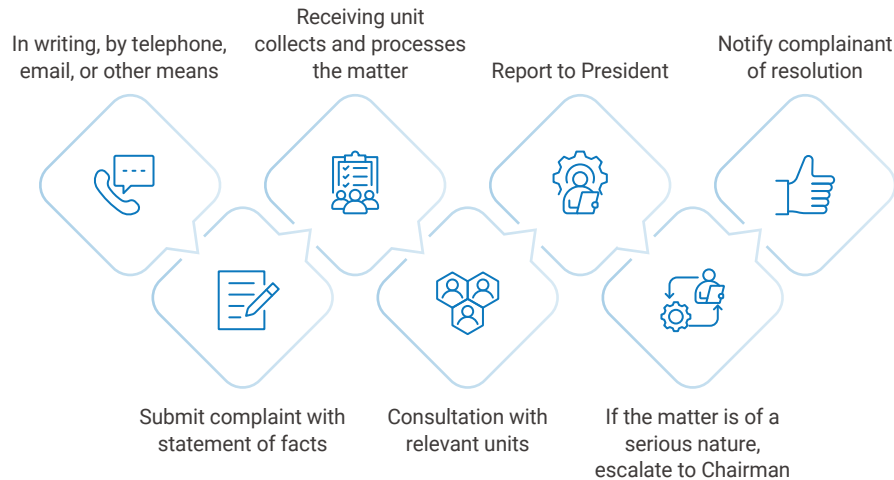
To safeguard the rights and interests of employees and external stakeholders, promote regulatory compliance, and uphold ethical corporate management, GUC provides employees and external stakeholders with protected channels for submitting complaints or reports in accordance with the Complaint Procedures and Whistleblowing Procedures.

The designated unit also conducts periodic training for Company personnel and incorporates ethical corporate management policies into employee performance evaluations and human resources policies, establishing clear and effective reward, disciplinary, and complaint mechanisms, including:

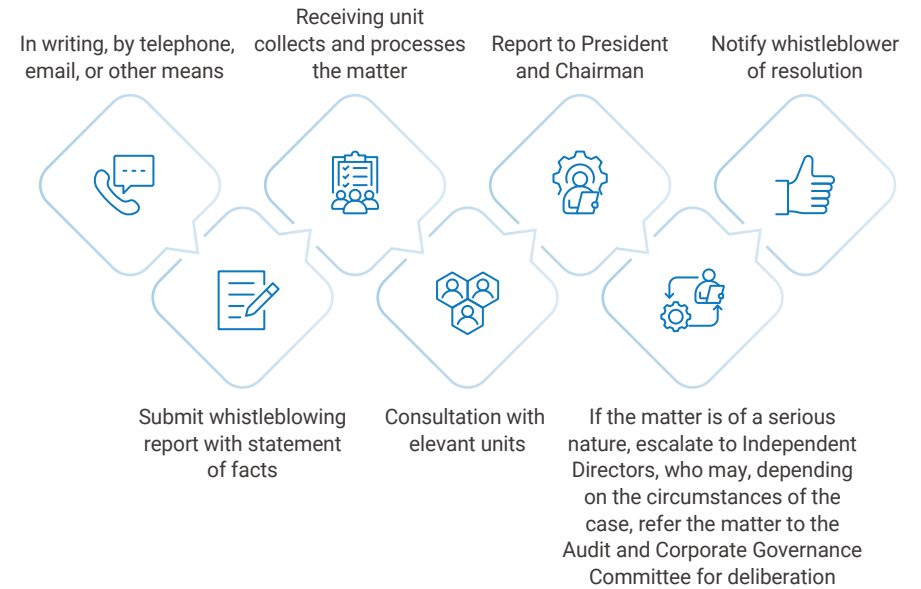
- **Whistleblowing Channels:** Internal independent whistleblowing mailbox (ombudsman@guc-asic.com); fax/telephone hotline (03-5790696); postal address (No. 10, Li-Hsin 6th Road, Hsinchu Science Park, Hsinchu City / Attn: Internal Audit Unit, Global Unichip Corporation); online reporting system on the Company’s website; and Audit and Corporate Governance Committee mailbox (acinfo@guc-asic.com).
- **Dedicated Receipt and Investigation:** Designated personnel or units are assigned to receive whistleblowing reports, document investigation processes and outcomes, and retain relevant records.
- **Confidentiality and Protection Measures:** The personal data of whistleblowers and complainants is protected against improper treatment arising from the act of reporting.
- **Reward and Disciplinary System:** Disciplinary action is taken against bad-faith reports, while good-faith complaints are encouraged.

In addition, GUC incorporates ethical corporate management policies into employee performance evaluations and human resources policies, and conducts regular training to ensure employees are familiar with complaint and whistleblowing procedures and ethical standards.

GUC Complaint Process



GUC Whistleblowing Process



Complaint and Whistleblowing Case Receipt and Investigation Status

	2023	2024	2025	2025 Incident Description
Independent Directors' Mailbox (Audit and Corporate Governance Committee)	1	0	0	
Professional Conduct Reporting System	0	0	0	
Employee Complaints	2	1	0	
Sexual Harassment and Unlawful Infringement Complaints	0	0	1 ^{Note}	A colleague submitted a sexual harassment complaint
Other Reports	0	2 incidents	0	
Cases Substantiated Upon Investigation	0 incidents	2 incidents	1 case ^{Note}	

Note: The matter was investigated and handled in accordance with applicable procedures, and a response was provided to the complainant, who expressed satisfaction with the Company's handling of the case. Closed

3.4.4 Emerging Risks

Against a backdrop of rapid industry change and increasingly stringent regulation, GUC actively monitors emerging risks that may affect operations and stakeholders. Through cross-functional collaboration and institutionalized processes, we continuously strengthen our risk identification, assessment, and management capabilities to ensure the resilience and competitiveness of our sustainable operations.

Expanded Functional Safety and Design Liability Risk in Automotive Chips

Category	Regulatory Changes and Liability Attribution
Description	Global automotive manufacturers and regulatory bodies — including UNECE WP.29 — are placing growing emphasis on functional and cybersecurity requirements for autonomous vehicles and ADAS systems. Under ISO 26262 (Functional Safety) and ISO/SAE 21434 (Cybersecurity) standards, IC design companies may no longer be regarded solely as component suppliers in the event of automotive chip failures causing accidents; they may instead be required to bear design liability. Should GUC participate in Tier 1 automotive supply chains, it will face new challenges including expanded design liability, heightened technical validation requirements, and increased contractual exposure.
Impact	A comprehensive review and adjustment of design processes will be required, with greater attention to the attribution of design liability and safety validation responsibility, and enhanced capacity for functional safety mechanism design, failure analysis, and verification. Research and development and legal costs are expected to increase substantially. Failure to adequately address design liability and contractual terms could jeopardize eligibility for participation in Tier 1 automotive supply chains and increase legal risk exposure.
Mitigation Measures	The Company has established a dedicated automotive project team, introduced ISO 26262 functional safety training, and built a safety culture and design processes throughout the organization. In collaboration with Tier 1 customers, the Company has developed interface protocols and functional safety verification mechanisms aligned with ASIL classification requirements. Risk assessment and management, safety mechanism design, and third-party certification processes have been initiated for high-risk items. The legal team has concurrently revised contract templates to address liability attribution, warranty obligations, and risk transfer clauses, ensuring consistency between contractual protections and risk management.

3.5 Information Security Management

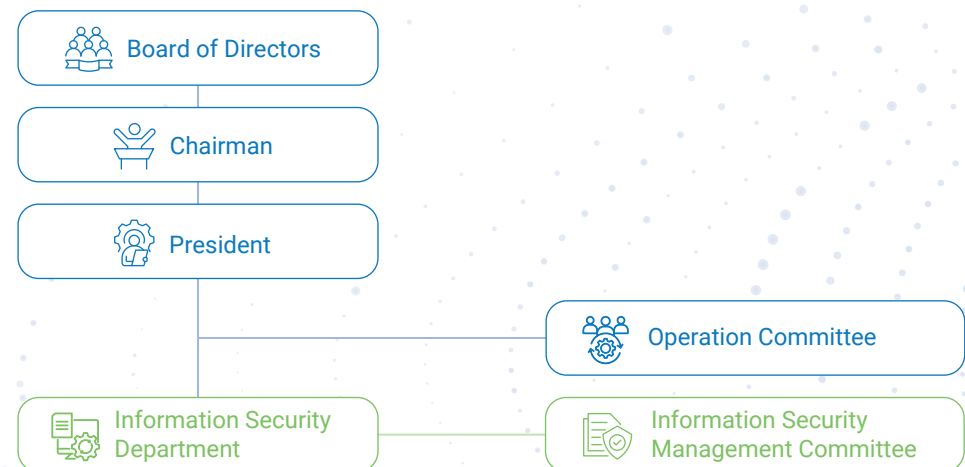
3.5.1 Information Security Governance and Organizational Structure

GUC builds its information security program on a foundation of governance consistency, progressively enhancing comprehensive protection capabilities with the goal of establishing a robust and mature information security management system. Information security is overseen by a dedicated unit responsible for system development, compliance, and risk management, ensuring the confidentiality, integrity, and availability of Company and customer information.

The Company has established an “Information Security Management Committee,” supervised by the Chief Information Security Officer, who oversees Company-wide information security operations and risk management mechanisms and reports regularly to the President, senior management meetings, and the Board of Directors on information security governance outcomes. An information security representatives' meeting is convened at least once per year, bringing together IT system owners and external information security consultants to review information security development plans and implementation results.

A PIP Committee has also been established, chaired by a Vice President-level officer, with representatives designated by each department. The Committee convenes quarterly and is responsible for developing, promoting, and auditing confidential information protection policies for the Company and its global subsidiaries, fulfilling the Company's commitment to protecting the information of customers, shareholders, and employees.

Information Security Management Organizational Chart



3.5.2 System Development and Management Mechanisms

We continuously improve its information security and confidential information protection management in accordance with the Plan-Do-Check-Act (PDCA) cycle. [The Confidential Information Protection \(PIP\) Policy](#) has been established to clearly govern the management procedures for trade secrets and material non-public information. Information security and ethical corporate management are incorporated into employee performance evaluations to reinforce institutional implementation.

With respect to international standards, the Company has maintained ISO/IEC 27001 certification since 2021 and continuously refines its management mechanisms through annual surveillance audits. In response to the updated ISO/IEC 27001:2022 standard, the Company completed its transition audit and recertification in 2024 with zero nonconformities, and passed its annual surveillance audit in 2025, demonstrating the continued effective operation of its information security management system.

3.5.3 Education, Training, and Cybersecurity Culture

To mitigate human risk and enhance overall defensive capabilities, GUC continues to promote organization-wide cybersecurity education and training to establish a shared cybersecurity awareness culture across the organization. Content relating to confidential information protection and cybersecurity management is designated as mandatory coursework for new hires. All employees are required to complete two PIP cybersecurity training sessions per year, and the completion rate has reached 100% for each of the past three years.

In addition to routine training, the Company reinforces practical response capabilities through a range of exercises and awareness initiatives, including two social engineering attack simulation exercises per year, with supplementary training arranged for personnel who do not pass. Cybersecurity awareness activities are conducted on a quarterly basis in accordance with internal and external threat trends to continuously deepen employees' ability to identify and respond to cybersecurity risks.

PIP Cybersecurity Training	2023	2024	2025
Total Number of Employees for the Year	819	First Half: 841 Second Half: 839	First Half: 862 Second Half: 874
Training Completion Rate	100%	100%	100%

Note: 1. The employee headcount reflects the total number of employees required to undergo training for the year, not the total headcount as of year-end.

2. Beginning in 2024, one PIP training session is held in each of the first and second halves of the year.

3.5.4 Resource Allocation and Risk Response Measures

GUC continues to invest human, technological, and institutional resources in information security governance, encompassing defensive equipment enhancement, threat intelligence monitoring and analysis, red team exercises, penetration testing, cybersecurity incident response drills, and education and training, to comprehensively strengthen cybersecurity defense capabilities.

To address the rapidly evolving cybersecurity threat landscape, the Company has established the following four key cybersecurity risk management measures:

1. Strengthening Defense Capabilities and Maturity Assessment

Regular system testing and remediation are conducted, with at least two business continuity and recovery drills per year to ensure critical systems can be restored promptly. Third-party risk assessments and threat intelligence analysis are also leveraged to continuously improve the cybersecurity management framework.

In 2025, the Company achieved a Security Scorecard rating of 99 and a Panorays rating of 98.

2. Advancing Cybersecurity Management Procedures

Through the ISO/IEC 27001 management system and internal audit mechanisms, the Company ensures the effective implementation of established policies and drives continuous improvement.

3. Deepening Cybersecurity Education and Training

By integrating social engineering exercises, periodic awareness initiatives, and PIP refresher training, the Company works to reduce human risk.

4. Monitoring Emerging Cybersecurity Risks

Through red team exercises, annual penetration testing, and vulnerability scanning — upgraded to daily execution beginning in 2022 — high-risk vulnerabilities are remediated promptly to strengthen overall defensive resilience.

Incident Management and Performance Outcomes

The PIP Committee conducts reviews on a quarterly basis and has established mechanisms for violation reporting, investigation, and disciplinary action. In 2025, no incidents of employee violations of confidential information protection policies occurred. One violation by an outsourced vendor was recorded, for which disciplinary action has been completed and enhanced training and corrective measures have been implemented.

No material cybersecurity incidents, data breaches, or regulatory penalties arising from cybersecurity incidents have occurred in the past three years, reflecting the stable operation of the Company's information security management framework.

	2023	2024	2025
Material Cybersecurity Incidents (Incidents)	0	0	0
Data Breach Incidents (Incidents)	0	0	0
Incidents Of Personal Data Leakage Involving Employees and Customers (Incidents)	0	0	0
Fines Imposed Due To Cybersecurity Incidents (NT\$)	0	0	0