

2025 Board and functional committee performance evaluation

The Company has established the “Board Performance Evaluation Procedures” as approved by the Board of Directors, with revisions adopted at the second Board meeting in 2021. The Company conducts an annual performance evaluation of the Board of Directors, individual directors, the Audit Committee, the Compensation Committee, and the Risk Management Committee, completing the assessment by the end of the first quarter of the following year. At least once every three years, an external professional independent institution or a team of external experts and scholars shall conduct an assessment. Both internal and external assessment results shall be submitted to the Board of Directors in the same year. These results shall serve as a reference for future director selection or nomination. Additionally, the performance evaluation results of individual directors (excluding independent directors) shall be used as a reference for determining the distribution of remuneration for corporate directors.

The implementation situation is as follows:

Item	Description
Cycle	Once per year
Period	January 1–December 31 each year
Scope	The performance evaluation covers the Board of Directors, individual directors, functional committees (the Remuneration Committee, the Audit Committee, and the Risk Management).
Method	Internal self-evaluation of the Board of Directors, board members’ self-evaluation, peer evaluation, appointment of external professional organizations or experts for performance evaluation at least once every three years, or other appropriate methods.
Content	<p>1. The board performance evaluation indicators shall cover at least the aspects below: Degree of involvement in the Company's operations; improvement to the quality of the Board of Directors’ decision-making; composition and selection of members of the Board of Directors; election of directors and their continuing education; internal control.</p> <p>2. The board member performance evaluation indicators shall cover at least the aspects below: Alignment with the Company’ s goals and mission; awareness of responsibilities as a director; degree of involvement in the Company's operations; management and communication of internal relations; directors’ professional and continuing education; internal control.</p> <p>3. The functional committee performance evaluation indicators shall cover at least the aspects below: Degree of involvement in the Company's operations; awareness of responsibilities as a functional committee member; improvement to the quality of the functional committee’ s decision-making; composition and selection of members of the functional committees; internal control.</p>

1. The objectives of reinforcement of the competency of the Board of Directors in the current year and the most recent year and the implementation:

(1) Reinforce the functions of the Board of Directors and functional committees:

- As per Article 14 of the Articles of Incorporation, there shall be seven directors on the board. With a candidate nomination system adopted, directors shall be elected by the shareholders' meeting from the list of candidates to serve a term of three years and may be re-elected.
- The Company has established an Audit Committee, a Remuneration Committee, and a Risk Management Committee, to evaluate and manage all strategies, operations, finances, and hazards that may affect the Company’ s operations and profits. Each functional committee is entirely composed of independent directors. With their independence and professionalism,

they strengthen the Company' s corporate governance and the functions of the Board of Directors.

- The manager reports to the board of directors on the results of the implementation of the Company's sustainable development, the operation and implementation of ethical corporate management, concerns and responses of stakeholders, intellectual property management plans and implementation, information security management implementation, etc., and includes goals and suggestions for operational strategies.

(2) The implementation of the performance evaluation of the Board of Directors and functional committees

- Performance evaluation self-evaluation indicators and grades of board of directors

1 Very dissatisfied; 2 dissatisfied; 3 Ordinary; 4 satisfactory; 5 very satisfactory.

Board performance self-evaluation	Board member performance self-evaluation	Audit Committee performance self-evaluation	Remuneration Committee performance self-evaluation	Risk Management Committee performance self-evaluation
26 self-evaluation indicators	20 self-evaluation indicators	21 self-evaluation indicators	19 self-evaluation indicators	18 self-evaluation indicators

- 2025 self-evaluation results

Board of Directors performance self-evaluation	Board member performance self-evaluation	Audit Committee performance self-evaluation	Remuneration Committee performance self-evaluation	Risk Management Committee performance self-evaluation
4.99 points	4.94 points	4.98 points	5.00 points	5.00points

1. Performance evaluation of the Board of Directors: All of the individual indicators were scored between 5 (very satisfactory) to 4 (satisfactory). The Board of Directors is well-functioning, and the operation of the Board of Directors meets the requirements of corporate governance and directors' expectations.

2. Performance evaluation of of the functional committees: All of the individual indicators were scored between 5 (very satisfactory) to4 (satisfactory). Indicates that the functional committees are functioning well and meet the requirements of corporate governance.

3. The aforementioned performance self-assessment results were reported to the Compensation Committee and the Board of Directors on February 24, 2026, as part of the 2025 Board of Directors performance evaluation.

- External evaluation is as follows:

Evaluation cycle/ evaluation period	Assessment scope	Assessment method	Assessment content
Performed at least once every three years /	Board of Directors, Board Members and Functional	The Taipei Financial Research and Development Foundation reviewed the relevant documents provided by our company for assessment	This performance evaluation assesses the seven key dimensions of institutional development while

2024.01.01 ~ 2025.07.11	Committees of the Board of Directors	purposes. On August 12, 2025, it dispatched four assessment experts (the Tsai Wei-che Evaluation Committee, the Mei Kuo-chung Evaluation Committee, the Fang Hsiu-chung Evaluation Committee, and the Secretary of the Cheng Yu-chung Evaluation Committee) to our company for an on-site evaluation. The experts interviewed the Company's Chairman, conveners of the Board of Directors and functional committees, General Manager, Deputy General Managers, Corporate Governance Officer, and Chief Auditor.	appropriately incorporating additional evaluation considerations. 1. Safeguarding shareholder interests 2. Strengthening board structure and operations 3. Engagement in company operations 4. Enhancing board decision-making quality 5. Improving information transparency 6. Internal controls 7. Promoting sustainable development 8. Other evaluation considerations
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The Company commissioned the Taipei Financial Research and Development Foundation to conduct an effectiveness assessment of its Board of Directors and functional committees for the 2025 fiscal year. An on-site evaluation was conducted on August 12, 2025, and an assessment report was submitted. The Company reported the results to the Board of Directors and the Compensation Committee on October 28, 2025. The Taipei Financial Research and Development Foundation issued a "Board Performance Evaluation Certificate." The overall assessment, recommendations, and the Company's implementation of improvements are as follows:

(I) Overall Comments:

1. The evaluated company is dedicated to the research, development, production, and sales of specialty alloys for use in the optoelectronics and biomedical industries. Its primary products include optoelectronic target materials, semiconductor target materials, titanium alloy products, nickel-based alloy products, powder metallurgy products, and equipment metal components. The company actively cooperated with the board's performance evaluation process, providing all necessary written and online materials. During the on-site assessment, the Chairman, independent directors, General Manager, and senior executives exchanged views on board operations and other matters, offering the evaluation committee comprehensive information.
2. The Chairman and General Manager of the evaluated company possess a clear blueprint for the future operational prospects of their industry. Internal management also follows a well-defined and explicit strategic direction. Overall business plans are adjusted in response to environmental and market developments, demonstrating high flexibility and foresight. In 2024, the evaluated company acquired China Steel Precision Materials, gradually advancing upstream and downstream integration. Vertical integration of product manufacturing technologies will also progressively enhance the company's synergies.

3. The company's board actively promotes professional and gender diversity among its members and fulfills government-mandated continuing education requirements. Directors and independent directors engage proactively in company operations, assisting through the board, audit committee, and risk management committee to thoroughly assess and oversee existing or potential risks and opportunities. Independent directors maintain close communication with the chief audit executive and auditors, scheduling at least one separate communication meeting annually.
4. To promote environmental sustainability, the company utilizes its internal sustainability task force to assess potential risks and opportunities from climate change for the present and future. Concurrently, it enhances customer service, prioritizes employee communication and rights, workplace safety, and health. Following integration of the company's upstream and downstream operations, the Chairman and senior executives actively promote various ESG management initiatives. They establish KPIs (Key Performance Indicators) to incentivize departments and employees, striving to create a friendly and harmonious work environment to enhance the company's overall competitive advantage.
5. The evaluated company aligns with corporate governance assessment indicators, strengthening overall information disclosure, adhering to the Corporate Governance Best Practices for Listed Companies and the Code of Integrity in Business Operations. It implements robust corporate governance systems, demonstrating a high level of commitment to regulatory compliance. Despite relatively limited resources and a smaller scale, the company has continuously deepened its investor relations and steadily refined its institutional designs. It has been honored with awards recognizing potential progress in investor relations, demonstrating the company's significant potential in corporate governance initiatives.

(II) Recommendations and Improvements in Implementation

Recommendation 1: The organizational chart of the evaluated company shows the Audit Committee reporting to the Chairman. To align with standard organizational structures, it is recommended that the Audit Committee report to the Board of Directors.

Improvements in implementation: The Company has revised the organizational chart on its website in accordance with the recommendation.

Recommendation 2: The evaluated company's risk management is overseen by the "Risk Management Committee." It is advisable to amend relevant provisions in the Audit Committee's organizational regulations to clarify the division of responsibilities.

Improvements in implementation: The Company has amended the Audit Committee Organizational Regulations as recommended and submitted them for review by the Audit Committee and Board of Directors on October 28, 2025.

Recommendation 3: To address future sustainable development, it is recommended that the existing Sustainable Development Task Force be elevated to a

Board functional committee. The responsibilities of the Risk Management Committee should be integrated into this committee, which shall be collectively named the Sustainable Development Committee.

Improvements in implementation: The Company has merged the “Risk Management Committee” into the “Sustainable Operations and Risk Management Committee” as recommended. Three operational task forces—Risk Management, Sustainable Development, and Integrity Operations—have been established under this committee. The proposal was submitted for review by the Audit Committee and Board of Directors on October 28, 2025.

Recommendation 4: The company has established comprehensive internal and external whistleblowing, complaint, and protection systems and procedures. It is recommended that all cases be notified to all independent directors via email, telephone, or written communication. The Audit Committee may also report regularly to the Board of Directors to implement corporate governance operational mechanisms.

Improvements in implementation: In accordance with the recommendation, starting from the Board of Directors meeting on October 28, 2025, the Audit Committee will report on the status of whistleblowing and complaint cases to the Board of Directors.