

## Advantech Co., Ltd.

### 2024 The Implementation of Corporate Governance

Evaluation Item	Implementation Status			Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Abstract Illustration	
1.Does the Company base on the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” to set up and disclose the Company’s corporate governance best-practice principles?	V		The Company has based on the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” to set up and disclose the Company’s corporate governance best-practice principles for guidelines on the MOPS.	None
2.The Company’s equity structure and shareholders’ equity (1 ) Does the Company have the internal procedures regulated to handle shareholders’ proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly? (2) Does the Company possess the list of the	V		(1)The Company has a spokesperson, investor relations manager, stock affairs supervisor, and associated person assigned to effectively handle shareholder’s suggestions or disputes. Legal issues, if any, will be handled with the assistance of the legal affair personnel. (2)Regularly disclose the pledge, increase or decrease of shareholding, or the occurrence of other events that may cause significant changes in the shares of the shareholders with over 10% shareholding; also, maintain a good relationship with the major	None

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<p>Company’s major shareholders and the list of the ultimate controllers of the major shareholders?</p> <p>(3) Does the Company establish and implement the risk control and firewall mechanism with the related parties?</p> <p>(4) Does the Company set up internal norms to prohibit the insiders from utilizing the undisclosed information to trade securities?</p>	V		<p>shareholder at any time for control.</p> <p>(3)The management responsibilities of the Company and the affiliated enterprises are clearly defined; also, business transactions are conducted in compliance with the Company’s internal control system and the relevant requirements. For strengthening the control mechanism, the procedures for monitoring subsidiaries are regulated with proper risk control.</p> <p>(4)The company has established "Prevention of Insider Trading Management Measures" and " Procedures for Handling Material inside information" and related legal education and promotion. At least once a year, we provide 10-minute E-learning online education and training to current directors, managers, and all employees, totaling 3,491 people. They are required to read the digital materials on preventing insider trading and related penalties thoroughly. The content of the course covers the definition including , purpose, and essential elements of internal major information and prevention of insider trading, including the subjects, abnormal situations, and violation handling. The video also includes storytelling of practical cases to deepen the understanding of the importance of internal major information and prevention of insider trading among all employees and directors.Furthermore, in response to</p>	

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			the amendments to Article 10 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" by the competent authority, the Company has amended Article 10 of the "Corporate Governance Best Practice Principles" on February 25, 2022, stipulating that directors may not trade the Company's stock during the closed period within 30 days of announcing the annual financial reports and within 15 days of announcing the quarterly financial reports.	
<p>3.Composition and Responsibilities of the Board of Directors</p> <p>(1) Does the Board of Directors develop and implement a policy to promote diversity in the composition of its members?</p> <p>(2) Does the Company, in addition to setting the Remuneration Committee and Audit Committee lawfully, have other functional committee set up voluntarily?</p> <p>(3) Does the company establish standards and method</p>	V		(1)The Company has the board directors diversification policy defined in the “Corporate Governance Best-Practice Principles.” The incumbent nine (9) board directors are with professional abilities in the fields of finance, accounting, legal affairs, leadership, decision-making, management, marketing, and sustainability, which are helpful to the company’s long-term strategic development and are in compliance with the diversity policy (See Director Diversity and Independence). The company’s board of directors is composed of 33% board	None

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<p>for evaluating Board performance, conduct annual performance evaluations, submit performance evaluation results to the Board, and use the results as a basis for determining the remuneration and nomination of individual directors?</p> <p>(4) Does the Company have the independence of the public accountant evaluated regularly?</p>	V		<p>directors who are also employees of the company, 33% external board directors, and 33% independent directors.</p> <p>(2) According to July 29th ,2022 resolution, the Board of directors approved the establishment of the Corporate Sustainability Committee responsible for formulating sustainability policies, decisions, and talent development, as well as the enterprise succession plan. The Sustainable Development Committee will implement from environment, society, and governance(ESG) aspects including communication and information disclosure and report to board of directors.</p> <p>(3) Advantech implements internal self-evaluation and external evaluation of the performance of board of directors in accordance with the “Rules for Performance</p>	

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			<p>Evaluation of Board of Directors.”</p> <p><b>Self-evaluation:</b> The 2024 internal self-evaluation of the performance of the board of directors has been completed with the evaluation scope defined as follows: The overall board performance, board director performance, and functional committee performance (remuneration committee, audit committee, and sustainable development committee). The evaluation results were fully reported at the 11th meeting of the 15th Board of Directors on February 27, 2025, including a full explanation of the suggestions of each individual director and future improvement plans. The overall evaluation result is rated “excellent.” The company will strive to improve the operational effectiveness of the board of directors and to promote directors’ participation and communication in the company’s operations continuously in the future.</p>	

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			<p><b>External evaluation:</b> The company had entrusted an external independent organization “The Taiwan Institute of Ethical Business (TIEB)” to carry out an effectiveness evaluation on the board of directors and functional committees in September - December 2023. The TIEB is not affiliated with Advantech and has no business relationship established; therefore, TIEB operates independently from the company. The four aspects of the board of directors, including professional functions, decision-making effectiveness, attitude toward sustainable development, and internal control and supervision, were evaluated with questionnaires and on-site inspections. The company had the said evaluation results fully reported at the 7th meeting of the 15th Board of Directors on February 27, 2024 so as to enhance the functions of the board of directors (please visit the official website for the evaluation report in detail)</p>	

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			<p>continuously.</p> <p>(4) The company’s audit committee evaluates the independence and competency of the certified public accountants (CPAs) every year, and requires the CPAs to provide the “Declaration of Independence” and “Audit Quality Indicators (AQIs);” also, perform evaluations in accordance with the standards stated in Note 1. It has been confirmed that the CPAs have no other financial interests or business relationships with the company except for collecting the attestation and taxation fees from the company; also, the CPAs do not violate the independence requirements. Regarding the evaluation results of the most recent year, the board of directors resolved to approve the evaluation of the CPAs’ independence and competency on February 27, 2025.</p>	

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4.Does the company set up a corporate governance unit or appoint personnel responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, handling work related to meetings of the board of directors and the shareholders' meetings, filing company registration and changes to company registration, and producing minutes of board meetings and shareholders' meetings)?	V		<p>The dedicated Corporate Governance Officer appointed by the Company’s Board of Directors meets all legal requirements and was appointed through a resolution of the Board. The scope of responsibilities includes matters related to corporate governance, such as:</p> <ul style="list-style-type: none"> <li>• Handling matters related to Board of Directors and Shareholders’ meetings in accordance with the law.</li> <li>• Assisting in planning for Board meetings, expanded SDC, and Shareholders’ meetings.</li> <li>• Assisting directors with onboarding and continued education.</li> <li>• Assisting in providing directors with the necessary information to perform their duties.</li> <li>• Assisting in ensuring directors’ compliance with applicable laws and regulations.</li> </ul>	None

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			<ul style="list-style-type: none"> <li>Assisting in the execution of other matters as stipulated in the Company’s Articles of Incorporation.</li> <li>Assisting in the planning of annual training roadmaps for directors and supervisors across various knowledges.</li> <li><b>"Corporate Governance Management Platform"</b>: Based on the evaluation indicators of the Taiwan Stock Exchange’s "Corporate Governance Evaluation," the platform regularly reviews and optimizes the implementation status with relevant departments.</li> </ul>	
5.Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and	V		(1) The Company has a spokesperson, investor relations manager, and stock affairs supervisor assigned to establish a comprehensive communication channel, and regularly or irregularly held briefings to offer a	None

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suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?			<p>face-to-face and comprehensive communication interface targeting on various issues and inquiries.</p> <p>The Company sets up the Advantech CSR website in English and the stakeholder section on the Company’s website, assigns contact person to communicate with the stakeholders. The Company also responds to the stakeholder’s concern over CSR issues through stakeholder questionnaire, notice of collection, website, and CSR reports. For more details, please refer to the 'Stakeholder Engagement' section under Corporate Sustainability on Advantech’s official website.</p>	
6.Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company commissioned a professional stock affairs service agent - KGI Securities Co., Ltd. Shareholder Service Department to handle the Company’s stock service matters, and with the “Guidelines for Handling of Stock Affairs” stipulated to regulate the relevant operations.	None

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<p>7.Information disclosure</p> <p>(1)Does the Company have a website setup and the financial business and corporate governance information disclosed?</p> <p>(2)Does the Company have adopted other information disclosure methods (such as, establishing an English website, designating responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, placing the juristic person seminar program on the Company’s website, etc.)?</p> <p>(3)Does the company announce and report annual financial statements within two months after the end of each fiscal year,and announce and report Q1, Q2,and Q3 financial statements, as well as monthly operation</p>	V		<p>(1)The company profile and business information is disclosed in the Company’s website with the shareholder’s section setup to disclose financial information and corporate governance; also,to establish a communication channel for communicating to investors.</p> <p>(2) The Company has information fully disclosed through the English website, assigning the Investor Relations Commissioner for information collection and disclosure, a clear spokesperson system, and the investor conference on the Company’s website.</p> <p>(3) The Company announces and reports annual financial statements Within two months of the end of each fiscal year,and announces and reports Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit.</p>	None

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results, before the prescribed time limit?				
8.Are there any other important information (including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the continuing education of directors and supervisors, the implementation of risk management policies and risk measurement standards, the execution of customer policy, the purchase of liability insurance for the Company’s directors and supervisors) that are helpful in understanding the corporate governance operation of the Company?	V		(1) Employee interests and rights and employee care: Provide all employees with a salary that is higher than the minimum wage under the Labor Standards Act, provide employee with benefits that are better than those offered in the industry; provide various insurance benefits and pension provisions lawfully, provide additional group insurance and overseas business trips insurance so to protect the work and life safety of colleagues; clearly define labor safety and health best practice principle, implement equality in employment, provide a healthy, safe, and harassment-free working environment and culture, and obtain ISO-14001 (Environmental Management International Standards) and ISO-45001 (Occupational Health and Safety Management Systems) certification; moreover, the interim and annual performance evaluation of all colleagues in the company are conducted to achieve the overall operating plan and to serve as a reference for personnel promotion, employee training and development, and salary payment. Ensure and protect the “Collective Bargaining Agreement” of all employees through labor-management meetings,	None

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			<p>department meetings, symposiums, Suggestion Box, and other communication channels.</p> <p>(2) Supplier relations: In terms of supplier management, Advantech has introduced the “Responsible Business Alliance (RBA)” management system since 2010, has environmental protection principles strictly incorporated into the supplier management mechanism so to establish a “Green Supply Chain” management system, to carry out supplier management through the SRM (Supplier Relationship Management) platform, and to conduct supplier code of conduct reviews/factory inspections on important suppliers, including the addition/change of suppliers and the supplier evaluation process, which are all clearly defined and standardized in the company’s management document (M-001_Procurement Procedure). The “Advantech Procurement Code of Conduct” is stipulated internally to clearly regulate procurement act. Also, suppliers are required to sign a letter of undertaking of integrity to have themselves committed to complying with the principles of ethical conduct jointly.</p> <p>(3) Investor Relations: Information is fully disclosed through</p>	

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			<p>the MOPS and the Company’s Website to help investors understand the Company’s operating conditions and to communicate with investors through the shareholders’ meeting and the spokesman.</p> <p>(4)Continuing education of directors and supervisors: In the 2024, each director received an average of 7.2 hours of training, exceeding the regulatory recommended hours of 6 hours. The Company encourages directors to continuously pursue further education and stay abreast of professional fields and international trends. In addition to regularly disseminating information about governance courses organized by professional institutions such as the Chinese Corporate Governance Association, the Securities and Futures Institute, and the Taiwan Directors Association for directors to consider and enroll in, the company also holds periodic director training seminars. The topics for these seminars are selected based on references from the comprehensive operational risk map and significant issues.</p>	

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			<p>The training courses include collective knowledge of the highest governance body in areas related to sustainability and corporate governance. In 2024, the directors collectively completed a total of 20 hours of training related to sustainability and corporate governance.</p> <p>(5)Customer Policy: The Company maintains close communication with customers through online/telephone customer service and the Account Manager system on a regular basis to understand their needs. Additionally, customer feedback is actively collected through annual customer satisfaction surveys, serving as the basis for Advantech's product and service optimization efforts. Throughout the year, we also hold periodic product or solution briefings for customers to engage with Advantech more directly. Furthermore, the company provides product solutions, technical support, and after-sales services on its online platform, ensuring product reliability and quality.</p> <p>(6)The acquisition of liability insurance for directors : According to Article 39 of our company's Corporate</p>	

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			<p>Governance Practices Guidelines, the Company has acquired liability insurance for directors and supervisors . Renewal matters are reported to the board of directors in the second quarter of each year, including important details such as the insured amount, coverage scope, and premium rates. Board members provide guidance on company strategy and supervise management based on their professional expertise and experience, bearing responsibility to both the Company and its shareholders. Currently, Advantech does not impose a limit on directors' liability. To mitigate associated risks, the Company annually arranges liability insurance coverage for its directors and key personnel. The coverage includes corporate indemnification liability, securities claims against the Company, and employment practices liability, among others. Regular reports on the insurance coverage are submitted to the Board of Directors.</p>	
<p>9.Does the Company have a corporate governance self-assessment report prepared or a corporate governance assessment report issued by the commissioned professional institutions? (If yes, please state the opinion of the board of directors, the self-assessment or outsourcing evaluation results, the main nonconformity or suggestion, and implementation of improvement)</p>				

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<p>1. The company was awarded the highest level of evaluation for corporate governance in the top 5% ranking in the 2024 (11th) corporate governance assessment. The company will strengthen the disclosure of relevant information on the company's official website to comply with corporate governance regulations.</p> <p>2. ACL particularly disclosed the information on our website to meet the corporate governance requirements. The Company will make improvement progressively according to the plan to be made for the matters that have not been improved.</p>				