Largan Precision Co., Ltd. (hereinafter referred to as Largan," "The Company" or "We"), the leading manufacturer of optical lenses was founded in 1987 (formerly known as Dagen Precision Optical Co., Ltd. Founded in 1980), and officially went publicly listed on the Taiwan Stock Exchange in 2002. The headquarter of the group is located in the Precision Machinery Park.

In addition to developing various light, thin, short and small optical components, at Largan we also produce voice coil motors (Largan Digital Co., Ltd.), contact lenses (Largan Medical), sleep monitoring devices (Largan Health), automotive lenses (Largan Industrial Optics), advanced fiber laser and space communication technology (Photonicore Technologies), various single crystal and ceramic materials (Taiwan Applied Crystal), and anode materials (Largan Energy Material). We actively expand product categories and production capacity with the aim to get ahead of the development trends and fulfill the demand of the market.

# **Company Introduction**

- · Date of Establishment: April 17, 1987
- Registered Capital: NT\$ 1,334,682,000
- Stock Symbol: Taiwan Stock Exchange (3008), public listed started in 2002
- Number of employees: 8,165 (Accounting until end of December 2024)
- · Line of Business: Optical lenses

- · Headquarter Address: No.11, Jingke Road, Precision Machinery Innovation Technology Park, Nantun District, Taichung City, Taiwan
- · Global Location: Taiwan and China
- Website: http://www.largan.com.tw/



# Headquarter and Branches

#### Headquarter and Branches (A Total of 10 Sites)

The Taichung City Precision Machinery Innovation Technology Park:

- · No. 11, Jingke Road, Nantun District, Taichung City, Taiwan (HQ)
- · No. 13, Jingke Road, Nantun District, Taichung City, Taiwan
- No. 7, Jingke 2nd Road, Nantun District, Taichung City, Taiwan

- Taichung Industrial Park:
- No. 4 and No.6 Gongyequ 16th Road, Taichung City,
- · No. 14, Gongyequ 23rd Rd., Nantun Dist., Taichung City
- No. 1, Gongyequ 5th Rd., Xitun Dist., Taichung City
- · No. 32, Gongyequ 18th Rd., Nantun Dist., Taichung City
- No. 18, Gongyequ 7th Rd., Xitun Dist., Taichung City (Rental Factory)
- No. 3 and No.5, Gongyequ 22nd Rd., Nantun Dist., Taichung City (Rental Factory)
- 2F-1, 2, 8~10 and 4F-9, 10, No. 206 and NO. 210, Gongyequ 38th Rd., Xitun Dist., Taichung City (Rental Factory)





tement from Chairman Summary and Fulfillment of Sustainable Corporate Governance Operational Performance Innovation Sustainable Supply Green Friendly Shared Prosperity Appendix Italiaable Development Strategy Scope Management & & Sustainable Operation & Customer Service Development Chain Management Production Workplace with Society

Company Introduction / Corporate Governance / Risk Management / Business Integrity and Regulatory Compliance / Internal Control and Management System Verification / Information Security





2021

2020

2018

2015

2014

2013

2012

2011

2010

2009

2008

2024 Est coll
2023 Nev

Established a subsidiary, Largen Energy Materials Co., Ltd., in collaboration with the Industrial Technology Research Institute (ITRI).

New Taichung Industrial Park Plant Completion (Factory No. 3)

Established the subsidiary "Dagen Optical Industry Co., Ltd."

Certified as a compliant of ISO 45001 Occupational safety & health regulation

Financial Times 1000 High-Growth Companies Asia-Pacific ranked #629.

Awarded Excellent Trading Business and ranked #4 in "Most Innovative Companies" by the Ministry of Economic Affairs.

Ranked #10 in "Most Innovative Companies of 2014" survey by the Bureau of Industry, Ministry of Economic Affairs.

- Ranked #19 in "Most Innovative Companies of 2013" survey by the Bureau of Industry, Ministry of Economic Affairs.
- Selected as one of the Top 200 "Best Under a Billion" companies in 2013 by Forbes Asia.

Ranked #13 in "Most Innovative Companies of 2012" survey by the Bureau of Industry, Ministry of Economic Affairs.

Ranked #16 in "Most Innovative Companies of 2012" survey by the Bureau of Industry, Ministry of Economic Affairs.

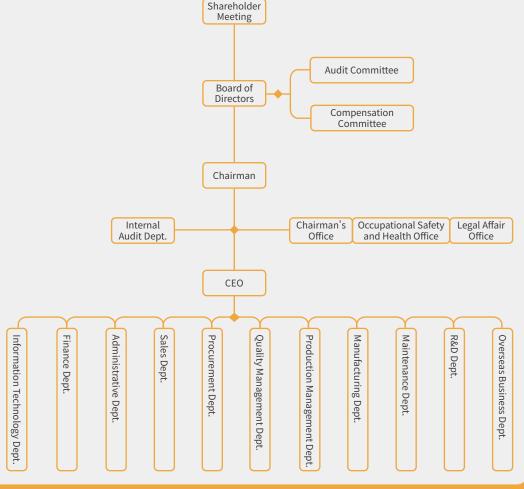
- Ranked #53 in the Top 100 Tech Company in Taiwan by Business Next Magazine.
- Ranked #6 by profit rate, #54 by net profit after tax, #182 by revenue growth rate, and annual industry ranking #293 by CommonWealth Magazine's Top 1,000 survey in the manufacturing industry.
- Grand opening of new headquarters in Taichung Precision Machinery R&D Park.
- The world's first mass-production of EDOF lens for mobile phones
- Mass produced 8.0 Megapixels AutoFocus lens for mobile phones.
- Completed developing 12.0 Megapixels Auto Focus lens for mobile phones.
- Ranked #2 by profit rate, #38 by net profit after tax, #116 by revenue growth rate, and annual industry ranking #341 by CommonWealth Magazine's Top 1,000 survey in the manufacturing industry.
- Completed developing 8.0 Megapixels Auto Focus lens for mobile phones.
- Certified as a compliant of ISO 14001.
- Ranked #7 by profit rate, #74 by net profit after tax, #959 by revenue growth rate, and annual industry ranking #413 by CommonWealth Magazine's Top 1,000 survey in the manufacturing industry.

# 2-2 Corporate Governance

### 2-2-1 Company Organizations

The composition of the Board of Directors is based on the directors elected during the general shareholders' meeting. Following the law, the Compensation Committee is set up under the Board of Directors, and the chairman's office consists of occupational Safety and Health Office, Legal Affairs Office, and Internal Audit Department. The top level of management includes CEO followed by Information Technology, Finance, Management, Sales, Procurement, Quality Departments. The production business unit includes Production Management, Manufacturing, Maintenance, R&D and Overseas Business Departments.

Detailed structure is as shown in the picture:



# Responsibilities and Functions

The responsibilities and functions of each department is as shown in the table: Chairman's Office Manage and supervise the overall business operation, planning, execution and improvement. Procurement Purchase raw materials, equipment, and consumables. Department Inspect and evaluate the internal operations and provide analysis report and improvement Internal Audit Dept. Quality Manageme-Perform quality assurance inspection on incoming material, production, and finished nt Department goods. Business ethics and regulatory compliance affairs such as personal privacy, whistleblower Legal Affair Office protection, intellectual property protection, company confidential information, etc. **Production Manage** Production and sales planning, raw materials management, outsourcing, and shipping. ment Department Planning, implementing and promoting safety and health management issues and instructions to Occupational Safety Manufacturing and Health Office related departments. Producing optical component Department Information Techno-Overall planning and maintenance of the Company's IT system. Maintenance Machinery and equipment maintenance, repair and inspection. logy Department Department Finances, accounting, shareholder services, and taxation affairs. (Finance Department) 1. New product development and design. 2. Manufacturing technology upgrade. 3. **R&D** Department Administrative Designing and developing molding and tooling technology. Human resources, general affairs, employee benefits, and labor relations. Department **Overseas Business** Assist in the production, quality assurance, and other services for overseas businesses. Sales Department Product marketing, market research, and customer after-sales services. Department

### 2-2-2 The Board of Directors (BOD)

Largan established the Corporate Governance Code of Conduct, specifying the structure of the Board of Directors, rules of meetings, and individual obligations. Director elections are based on a nomination system to ensure that the BOD elections are open, fair, and inclusive.

### 2-2-2-1 Structure of the Board of Directors

The appropriate number of seats in BOD are determined by the scale and operational needs of Largan. The Board of Directors is composed of members who have backgrounds and education in the relevant industries, management experience, critical knowledge and skills in law and finance to successfully execute tasks and obligations required.

Largan has a Board comprising nine directors, including three independent directors. Directors holding employee status account for 44%. The term of office is from June 8, 2022 to June 7, 2025. None of the independent directors has served more than three consecutive terms. The appointment of all directors complies with the Company's Articles of Association, the "Rules for Election of Directors," the "Regulations Governing Appointment of Independent Directors and Matters to be Complied with by Public Companies," Article 14-2 of the Securities and Exchange Act, and Article 26-3 of the same Act. The board emphasizes independent operation, with directors and independent directors exercising their powers independently. All current board members are Taiwanese nationals, and an audit committee was established in June 2022. Business policies and other material decisions are determined by the Board of Directors. Except as otherwise

# Education and Experience of the Board of Directors

Job Title	Name	Age	Major Education and Career Background, and Current Positions Held
Chairman	En-Ping Lin	3 Years	Master of Business Administration (MBA), Dominican University, USA / Representative at Mao Yu Ji Nien Co., Ltd.
Vice Chairman	Yu-Chih Huang	3 Years	Master of Power Mechanical Engineering, National Tsing Hua University / CTO, Largan Precision Co. Ltd.
Director	En-Chou Lin	3 Years	Bachelor's degree in insurance and Banking, Tamkang University Vice President, Largan Digital Co., Ltd. Representative at Mao Yu Ji Nien Co., Ltd.
Director	Jung-Ren Laing	3 Years	Department of Finance and Taxation, National Chengchi University / Supervisor at Largan Medical Co., Ltd / Largan Digital Co., Ltd.
Director	Chun-Ming Chen	3 Years	${\tt DoctorofComputerScienceandInformationEngineering,OhioStateUniversity/Manager,LarganPrecisionCo.Ltd.})$
Director	Ming-Yuan Hsieh	3 Years	Department of Applied Mathematics, Feng Chia University
Independent Director	Shan-Chieh Yen	3 Years	Department of Electrical Engineering, Taichung Industrial High School / Associate Vice President, Largan Precision Co., Ltd.
Independent Director	Ming-Hua Peng	3 Years	Department of Mechanical Engineering, Ming Chi Institute of Technology / Associate Vice President, Largan Precision Co., Ltd.
Independent Director	Chun-Yi Lu	3 Years	Department of Telecommunication, Kuang Hua Vocational High School / Vice President, Largan Digital Co., Ltd.



# Diversified Experience

One should acquire diversified professionalism and management skills such as operational judgment, mathematical skill, crisis management, industrial knowledge, insights for global affairs, leadership, decision-making and other critical skills to be a qualified member at the Board of Directors. The ability of each Director at Largan is summarized in the table as shown.

Name	Gender		Professionalism								
		Employee Identification	Operational Judgement	Accounting/Finance/ Mathematics	Management	Crisis Management	Industrial Knowledge	Global Market Insight	Leadership&Decision Making Skill		
En-Chou Lin	Male	•	•	•	•	•	•	•	•		
En-Ping Lin	Male	•	•	•	•	•	•	•	•		
Yu-Chih Huang	Male	•	•	•	•	•	•	•	•		
Jung-Ren Laing	Male			•			•	•			
Ming-Yuan Hsieh	Male			•			•	•			
Chun-Ming Chen	Male	•		•			•	•	•		
Shan-Chieh Yen	Male			•			•	•	•		
Ming-Hua Peng	Male			•			•	•	•		
Chun-Yi Lu	Male			•			•	•	•		

Largan Precision values the diverse capabilities of its board members, aiming to increase the ratio of directors possessing at least four competencies to over 50%. The target ratio of directors with at least four competencies is 78%, achieving the goal.

### **Board Diversity Policy**

Promote generational diversity among board members by maintaining at least five members under the age of 65.

→ Achieved: 2 members under 50; 3 members aged 51–60; 3 members aged 61–70; 1 member above 71.

Independent directors shall comprise 30% of the board, with at least one not serving more than three consecutive terms.

→ Achieved: Three independent directors have been appointed, accounting for 33% of the board. One has served for less than 3 years, and two have served for less than 9 years.

Diversified professional expertise on the board, with at least one director having a background in law or finance.

Gender diversity: A female director was elected during the 2025 board re-election.

#### Board Independence

The board consists of nine directors, including three independent directors, accounting for 33% of the total.

Among all directors, only two general directors have a kinship relationship within the second degree. The remaining directors account for 77% of the board, thereby satisfying the independence requirement set forth in Paragraph 3, Article 26-3 of the Securities and Exchange Act.

Of the nine directors, only two are corporate directors. Only two general directors have a kinship relationship within the second degree. Hence, the board complies with Paragraph 3, Article 26-3 of the Securities and Exchange Act.

All independent directors meet the statutory independence requirements.





# Board Responsibilities:

- $1.\ Establish\ or\ amend\ internal\ control\ systems\ as\ per\ Article\ 14-1\ of\ the\ Securities\ and\ Exchange\ Act.$
- 2.Formulate or amend procedures for major financial transactions like acquiring or disposing of assets, engaging in derivative transactions, lending funds to others, and endorsing or providing guarantees for others as per Article 36-1 of the Securities and Exchange Act.
- 3. Matters involving directors' interests.
- 4. Major asset or derivative transactions.
- 5. Significant lending, endorsements, or guarantees.
- 6. Raising, issuing, or privately placing securities with equity characteristics.
- 7. Appointing, dismissing, or remunerating certified public accountants.
- 8. Appointing or dismissing financial, accounting, or internal audit officers.
- 9. Other major matters prescribed by competent authorities.
- 10. Promote sustainable operations with vision, strategies, and timelines.

#### Board Conflict of Interest Avoidance

The "Rules of Procedure for Board Meetings" stipulate that if any board proposal involves a conflict of interest concerning a director or the legal entity the director represents, the director shall explain the material aspects of the conflict at that meeting. If the conflict is deemed likely to harm the interests of the Company, the director must refrain from participating in the discussion or voting on the proposal. Furthermore, the director is prohibited from voting on behalf of other directors. According to the Rules of Procedure, if a director's spouse, blood relatives within the second degree, or any company with a controlling or subordinate relationship to the director has a conflict of interest in the matter under discussion, it shall be regarded as a conflict of interest of the director themselves. In such cases, the director must state the reason for recusal during the board meeting. For details regarding recusal due to conflicts of interest at board meetings in 2024, please refer to pages 13 and 15 of the Company's 2024 Annual Report.

#### 2-2-2-2 The Role of the Board of Directors

The Directors play the role of overseeing and providing guidance to the Company's comprehensive management strategies such as organizational development, performance improvement, operational performance, and risk management. The Board strives to perform the responsibilities through communication and discussion to carry out future planning and prospects of the Company.

The company's Board of Directors has approved the appointment of a corporate governance supervisor, whose qualifications are complied with the Code of Practice for Corporate Governance of Listed Companies and the regulations for corporate governance supervisors. The duties of the corporate governance supervisor include providing Directors with information needed to execute their business, assisting Directors in complying with laws and regulations, handling matters related to meetings of the Board of Directors and shareholders' meeting in accordance with the law, and assisting Directors in continuing education.

Followings are the business execution topics of company's corporate governance executives in 2024:

### Director's Remuneration

The remuneration of Directors and Supervisors are determined pursuant to Article 26 of the Largan's Articles. It states that if the Company is profitable for the year, a bonus no more than 5% may be allocated as remuneration for Directors and Supervisors. The criteria for determining remuneration include the overall performance of the Company, industry risk, development trends as well as the individual's performance achievement rate and contribution to the Company.

Item	Board of Directors	Managerial Officers		
Fixed Salary	Independent Directors: Director remuneration Non-Independent Directors: Director remuneration	. 0		
Signing Bonus or Recruitment Incentives	None	None		
Clawback Mechanism	None	None		
None None Retirement Benefits	Please refer to page 8 of the 2024 Annual Report.	In accordance with the Labor Standards Act, the Company allocates 6% of monthly wages to the Supervisory Committee's pension fund account; alternatively, under the Labor Pension Act, 6% is contributed to the employees' individual pension accounts managed by the Bureau of Labor Insurance.		
How are the Board of Directors and managerial officers' goals and performance on economic, environmental, and social topics linked to the Company's remuneration policies?		s and performance to the individual compensation of ver, the Company will continue to monitor this issue n becomes more mature.		

- 1. Held 4 board meetings in 2024.
- 2. Held 1 regular meeting of shareholders in 2024.
- 3. Held 4 audit committee meetings in 2024.
- 4. The Company purchased liability insurance for Directors and will report to the Board of Directors after renewal.
- 5. Assist Independent Directors to complete at least 6 hours of refresher courses.
- 6. The total training hours for corporate governance supervisors are 12 hours and has been reported to the Market Observation Post System in 2024. The training status is as follows:

Date	Name of Corporate Governance Executive Course	Training Hours / person	Organizer
2024/11/19	Sustainability Committee and Chief Sustainability Officer Roundtable	3 hours*1 person	Securities and Futures Institute
2024/11/1	Climate Risk Identification Workshop and Net-Zero Emissions Awareness Session – Taichung Session	3 hours*1 person	Taiwan Corporate Governance Association
2024/10/4	Climate Risk Identification Workshop and Net-Zero Emissions Awareness Session	6 hours*1 person	Taiwan Corporate Governance Association

Operations: The board convened 4 times in 2024, with an overall average attendance rate of 94.44% (refer to the 2024 annual report, page 13).



## 2-2-3 Compensation Committee

There are 3 members in the Compensation Committee, which operates in accordance with the Largan's Compensation Committee Charter. The summary of the Committee is as shown in table:

Category	Enforcement in the Last Two Years					
Members	Independent Director: Shan-Chieh Yen、Ming-Hua Peng、Chun-Yi Lu					
Tasks	Evaluate compensation policies, systems, salary structures and standards for Directors and Managers.					
	Term of service: 2022/06/08-2025/06/07.     Two Compensation Committee meetings were held in 2022 (February and July), and the attendance rate reached 100%.					
Enforcement	Two Compensation Committee meetings were held in 2023 (February and July), and the attendance rate reached 100%.					
	Two Compensation Committee meetings were held in 2024 (February and July), and the attendance rate reached 100%.					

● The Compensation Committee were held twice a year in the past two year. The attendance of each committee member is as follows:

Title	Name	Actual At	tendance	Delegated	Attendance	Actual Attendance Rate		
		2023	2024	2023	2024	2023	2024	
Convenor	Shan-Chieh Yen	2	2	0	0	100%	100%	
Committee Member	Ming-Hua Peng	2	2	0	0	100%	100%	
Committee Member	Chun-Yi Lu	2	2	0	0	100%	100%	

### 2-2-4 The Audit Committee (1st Term – Tenure: June 8, 2022 to June 7, 2025)

4 Audit Committee meetings were held in the past two year. The attendance of each committee member is as follows:

Title	Name	Actual Attendance			Delegate	d Atten	dance	Actual Attendance Rate	
Title	Name	2023	2024		2023		2024	2023	2024
Independent Director	Shan-Chieh Yen	5	4		0		0	100%	100%
Independent Director	Ming-Hua Peng	5	4		0		0	100%	100%
Independent Director	Chun-Yi Lu	4	4		1		0	93.33%	100%

### Board Performance Evaluation

Largan Precision's board has established the "Board Performance Evaluation Procedures," conducting an annual internal evaluation of the board, board members, and functional committees. The evaluation period is from January 1 to December 31, 2024, with results reported to the board. Recent goals and performance of board functions were assessed, with the first audit committee and fifth remuneration committee established on June 8, 2022, assisting the board in regularly evaluating and setting compensation for directors and managers, as well as reviewing performance evaluation and compensation policies, systems, standards, and structures.

- Board and Functional Committee Internal Evaluation Results in 2024: Excellent.
- Communication Between Independent Directors and Certifying Accountants in following: Independent Directors and certified accountant hold a symposium once a year, the purpose is for the certified accountant to explain audit results of financial reports, scope and discovery, important regulatory updates and annual audit planning to the Independent Directors. The overall Independent Director attendance rate reached 100% and had the great communication.
- Communication Between Independent Directors & Head of Internal Audit Department

The Independent Directors and the internal audit supervisor hold symposiums every year. The audit supervisors request the Directors to review the audit report and present the important business reports of the Company and the subsidiaries to the Independent Directors. The overall Independent Director attendance rate of 2024 reached 100% and communication between independent directors and certifying accountants has been fully conducted to ensure the effectiveness and execution of audit operations.