

2-1 Company Introduction

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/>

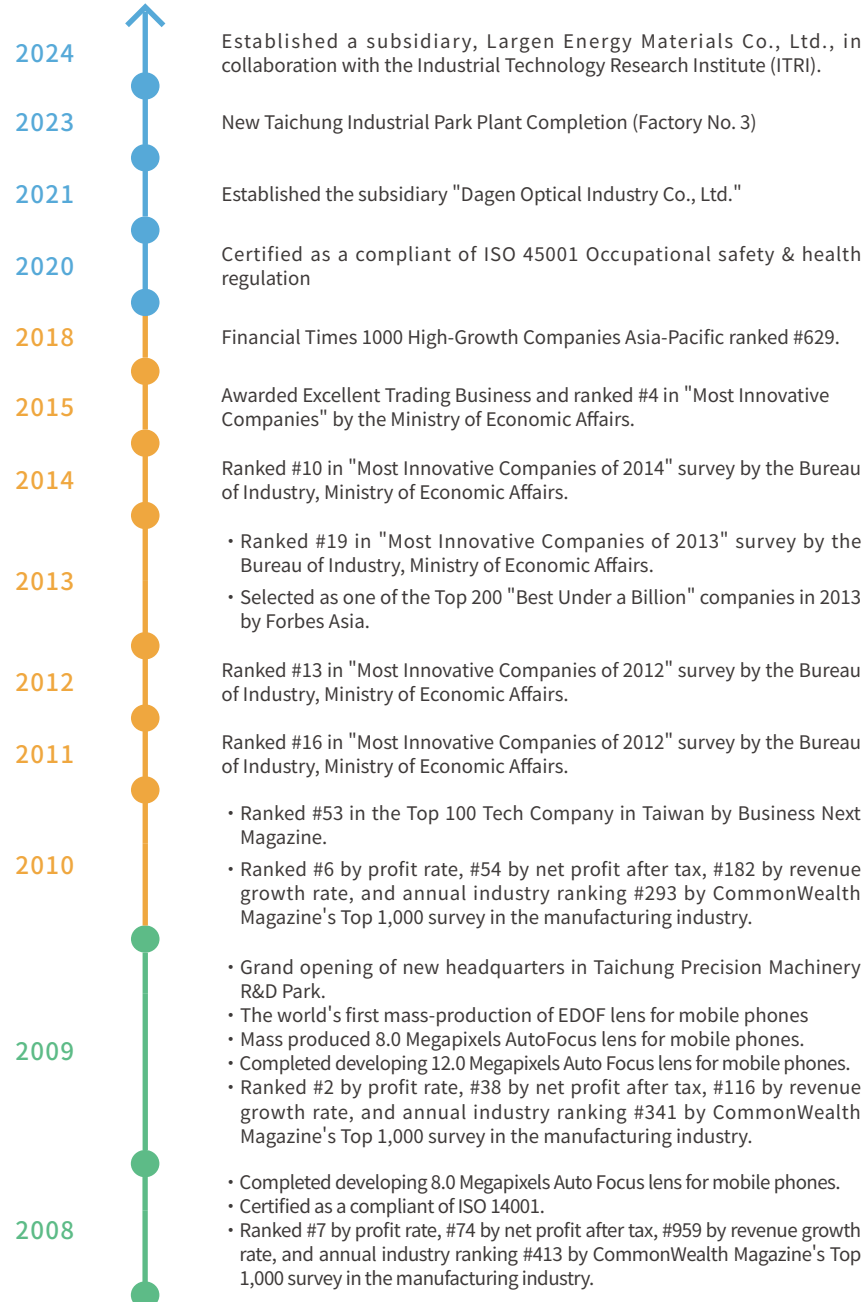


Headquarter and Branches

Headquarter and Branches (A Total of 10 Sites)	
The Taichung City Precision Machinery Innovation Technology Park:	Taichung Industrial Park:
<ul style="list-style-type: none"><li>• No. 11, Jingke Road, Nantun District, Taichung City, Taiwan (HQ)</li><li>• No. 13, Jingke Road, Nantun District, Taichung City, Taiwan</li><li>• No. 7, Jingke 2nd Road, Nantun District, Taichung City, Taiwan</li></ul>	<ul style="list-style-type: none"><li>• No. 4 and No.6 Gongyequ 16th Road, Taichung City,</li><li>• No. 14, Gongyequ 23rd Rd., Nantun Dist., Taichung City</li><li>• No. 1, Gongyequ 5th Rd., Xitun Dist., Taichung City</li><li>• No. 32, Gongyequ 18th Rd., Nantun Dist., Taichung City</li><li>• No. 18, Gongyequ 7th Rd., Xitun Dist., Taichung City (Rental Factory)</li><li>• No. 3 and No.5, Gongyequ 22nd Rd., Nantun Dist., Taichung City (Rental Factory)</li><li>• 2F-1, 2, 8~10 and 4F-9, 10, No. 206 and NO. 210, Gongyequ 38th Rd., Xitun Dist., Taichung City (Rental Factory)</li></ul>



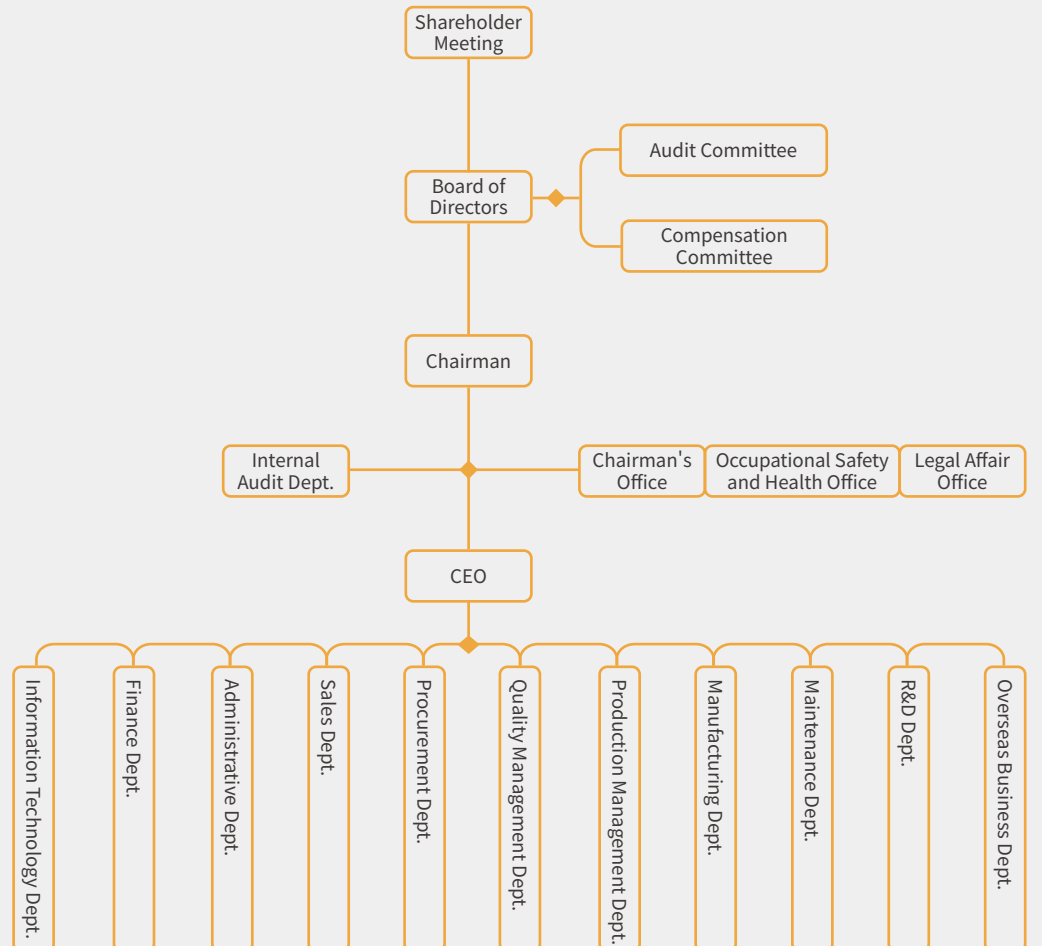
## History Highlights (After 2008)



## 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:





● 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	Employee Identification	Professionalism						
			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.

● 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	Please refer to pages 11–12 of the 2024 Annual Report.
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?	At present, the Company has not yet linked ESG goals and performance to the individual compensation of the Board of Directors or managerial officers. However, the Company will continue to monitor this issue and evaluate its integration once ESG implementation becomes more mature.	

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:

- 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.
Enforcement	1. Term of service: 2022/06/08-2025/06/07. 2. Two Compensation Committee meetings were held in 2022 (February and July), and the attendance rate reached 100%.  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 Attendance		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		Delegated Attendance		Actual Attendance Rate	
		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.