

Bonraybio Co., Ltd.

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Corporate Governance Best Practice Principles

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Chapter 1 General Principles

Article 1 Purpose

The Company has created this Code based on the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” to ensure good governance. The Company should establish its own code, implement an effective governance framework, and disclose it on MOPS.

Article 2 Principles of Corporate Governance

In establishing its corporate governance system, in addition to complying with laws, regulations, and its Articles of Incorporation, as well as contracts signed with the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEX) and other relevant regulations, the Company shall follow the principles below

1. Protect shareholders’ rights and interests.
2. Strengthen the functions of the Board of Directors.
3. Harnessing the functions of the Audit Committee.
4. Respect the rights and interests of stakeholders.
5. Enhance information transparency.

Article 3 Establish an internal control system

The Company shall, in accordance with the “Regulations Governing Establishment of Internal Control Systems by Public Companies,” take into consideration the overall operational activities of the Company and its subsidiaries in designing and effectively implementing its internal control system. Such system shall be reviewed at all times in response to changes in both internal and external environments, so as to ensure the continued effectiveness of its design and implementation.

In addition to faithfully conducting self-assessments of the internal control system, the Board of Directors and management shall, at least annually, review the self-assessment results of each department and, on a quarterly basis, review the audit reports issued by the internal audit unit. The Audit Committee shall also pay close attention to and supervise these matters. Directors shall regularly hold meetings with internal auditors regarding reviews of deficiencies in the internal control system, and such meetings shall be documented. Follow-up actions and improvements shall be tracked and implemented, and reports shall be submitted to the Board of Directors. The Company is advised to establish communication channels and mechanisms among independent directors, the Audit Committee, and the chief internal auditor. The convener of the Audit Committee shall report to the shareholders’ meeting on the communication between Audit Committee members and the chief internal auditor.

The management of the Company shall place importance on the internal audit unit and its personnel, grant them sufficient authority, and facilitate their effective examination and evaluation of deficiencies in the internal control system, as well as the assessment of operational efficiency. This is to ensure the continued effective implementation of the system, assist the Board of Directors and management in fulfilling their responsibilities, and thereby strengthen corporate governance.

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The appointment, discharge, evaluation, and remuneration of the Company's internal auditors shall be submitted by the chief internal auditor to the Chairman for approval.

Article 3-1 Personnel Responsible for Corporate Governance

The Company is advised to allocate a sufficient number of competent corporate governance personnel based on its scale, business conditions, and management needs, and shall designate a chief corporate governance officer as the highest-ranking officer in charge of corporate governance-related affairs in accordance with the regulations of the competent authority, the Taiwan Stock Exchange (TWSE), or the Taipei Exchange (TPEX). The officer shall be a qualified lawyer or certified public accountant (CPA), or have served in a managerial position for at least three years in a legal affairs, compliance, internal audit, finance, stock affairs, or corporate governance department of a securities, financial, or futures-related institution or a public company.

This officer is responsible for:

1. Handling matters relating to meetings of the Board of Directors and the shareholders' meetings according in accordance with the laws.
2. Preparing minutes of the meetings of the Board of Directors and the shareholders' meetings.
3. Assisting with directors' appointments and continuous professional development.
4. Providing information required by directors for the performance of their duties.
5. Assisting directors in complying with laws and regulations.
6. Reporting to the Board of Directors the results of the review on whether the qualifications of independent directors comply with relevant laws and regulations during nomination, election, and their term of office.
7. Handling matters relating to changes in directors.
8. Other matters prescribed by the Articles of Incorporation or contracts.

Chapter 2 Enhancing Corporate Governance

Section 1: Encouraging Shareholder Participation in Corporate Governance

Article 4 Protecting Shareholders' Rights and Interests

The Company's corporate governance system shall protect shareholders' rights and interests and treat all shareholders fairly.

The Company shall establish a corporate governance system that ensures shareholders are fully informed of, participate in, and have the right to decide on material matters of the Company.

Article 5 Convene Shareholders' Meetings and Establish Comprehensive Rules of Procedure

The Company shall hold shareholders' meetings according to the Company Act and other laws, following clear rules of procedure.

All resolutions must comply with laws, regulations, and the Company's Articles of Association.

Article 6 The Board of Directors Shall Properly Arrange the Agenda and Procedures for the Shareholders' Meeting.

The Board shall plan shareholders' meeting properly, including agenda, procedures, and handling shareholder proposals or director nominations according to the law. Meetings

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should be at convenient locations, allow enough discussion time, and have qualified staff for registration. The Company shall not arbitrarily impose additional documentation requirements beyond the proof documents required for shareholders' attendance. The Company shall allocate reasonable time for the discussion of each agenda item and provide shareholders with appropriate opportunities to speak.

The Chairman should preside, with over half the directors (including at least one independent director), the Audit Committee convener, and at least one member from other functional committees attending. Attendance must be recorded in the shareholders' meeting minutes.

Article 7 Encouraging Shareholder Participation in Corporate Governance

The Company shall encourage shareholder to participate in corporate governance and is advised to appoint a professional stock affairs agent to manage shareholders' meeting affairs, ensuring the meeting is held in a legal, effective, and secure basis.

The company shall seek all ways and means including fully technologies for information disclosure, to upload annual reports, annual financial statements, meeting notices, agendas and supplementary information of the shareholders' meeting in both Chinese and English concurrently. Electronic voting should be available to help shareholders exercise their rights, so as to increase the attendance rate of shareholders at the shareholders' meeting.

The Company should avoid extraordinary motions or changing original proposals during the shareholders' meeting. Each agenda item should be voted on separately, and the results (for, against, abstain) should be uploaded to the Market Observation Post System (MOPS) on the meeting day.

Article 8 Meeting Minute of Shareholders' meeting

The Company shall, in accordance with the Company Act and relevant laws and regulations, record in the minutes of the shareholders' meeting the date, location, presiding chair, resolution method, key discussion points, and results. For director elections, the minutes should include the voting method and votes received. Meeting minutes must be properly kept for the life of the Company and, if a website exists, fully disclosed online.

Article 9 The Chairman of the Shareholders' Meeting Shall Fully Understand and Comply with the Company's Rules of Procedure

The chairman of the shareholders' meeting must follow the Company's rules of procedure and keep the meeting orderly. To assure the rights and interests of the majority of shareholders, if the chairman improperly adjourns the meeting, other members of the Board of Directors should assist the attending shareholders elect a new chairman by majority vote to continue the meeting.

Article 10 Respect Shareholders' Right to Know and Prevent Insider Trading

The Company shall respect shareholders' right to know and disclose timely, regular information on financials, operations, insider holdings, and governance via MOPS or the Company website. To ensure equal treatment of shareholders, the disclosures of the various types of information referred to in the preceding paragraph should be made simultaneously in English.

To protect shareholders' rights and ensure equal treatment, the Company shall adopt

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internal policies prohibiting insiders from trading securities based on non-public information in the market.

Such policies shall include control measures governing stock trading by insiders of listed or over-the-counter companies from the time they become aware of the Company's financial reports or related operating results, including, but not limited to, a blackout period during which directors shall not trade their shares within thirty days prior to the announcement of annual financial reports and within fifteen days prior to the announcement of each quarterly financial report.

Article 10-1 Report Directors' Remuneration at the Annual General Shareholders' Meeting

The Company is encouraged to report directors' remuneration at the annual shareholders' general meeting, including the remuneration policy, details and amounts of individual remuneration, and the relationship between remuneration and performance evaluation results.

Article 11 Shareholders' Right to Share in Company Profits

Shareholders shall have the right to share in the Company's profits. To safeguard shareholders' investment interests, the shareholders' meeting may, in accordance with Article 184 of the Company Act, examine the statements prepared by the Board of Directors and the reports of the Audit Committee, and resolve on the distribution of earnings or the allocation of losses.

When the shareholders' meeting conducts the aforementioned examination, it may appoint an inspector to carry out such examination.

Shareholders may, in accordance with Article 245 of the Company Act, petition the court to appoint an inspector to examine the Company's business accounts, assets, specific matters, and specific transaction documents and records.

The Board of Directors, the Audit Committee, and the managerial officers of the Company shall fully cooperate with the inspection procedures conducted by the inspectors referred to in the preceding two paragraphs, and shall not evade, obstruct, or refuse such inspections.

Article 12 Major Financial and Business Transactions Shall Be Approved by the Shareholders' Meeting

The Company's major financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees—shall proceed in accordance with the applicable laws and established procedures, which should be submitted to the shareholders' meeting for approval to protect shareholders' rights.

For mergers, acquisitions, or public tender offers, the Company must ensure fairness, properly disclose information, and maintain a sound financial structure, in addition to complying with laws.

When management or major shareholders are involved in a merger or acquisition, Audit Committee members reviewing the deal shall comply with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." Furthermore, such members shall not be related parties of the M&A counterparty, nor shall they remain free of any conflict of interest that could compromise their independence.

An independent lawyer must provide a legal opinion confirming that the procedures comply

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with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and that information is fully disclosed. The lawyer must also meet independence requirements and have no conflicting interests with the counterparty.

Personnel responsible for handling the aforementioned matters shall be attentive to potential conflicts of interest and shall recuse themselves when appropriate.

Article 13 Dedicated Personnel Should Properly Handle Shareholders' Suggestions

To protect shareholders' rights, the Company should assign personnel to handle shareholder suggestions, concerns, and disputes. If any shareholder meeting or Board resolution, or any directors/managers action, violates laws or the Company's Articles of Incorporation and harms shareholders, the Company shall properly address related legal actions.

The Company should set internal procedures, keep written records, and include these processes in its internal control system.

Section 2: Establish Mechanisms for Shareholder Interaction

Article 13-1 The Board of Directors Is Responsible for Establishing Mechanisms for Shareholder Interaction

The Company's Board of Directors is responsible for establishing mechanisms for interaction with shareholders to enhance mutual understanding of the Company's strategic goals and development.

Article 13-2 Communicate and Engage with Shareholders Efficiently to Gain Support

In addition to communicating with shareholders through the shareholders' meeting and encouraging shareholder participation, the Company's Board of Directors shall maintain efficient communication with shareholders. Together with management and independent directors, the Board of Directors shall understand shareholders' opinions and concerns, clearly explain the Company's policies, and seek shareholders' support.

Article 13-3 Formulate Plans to Enhance Corporate Value

The Company shall formulate and disclose its operational strategies and business plans, outlining specific measures to enhance corporate value. These plans should be submitted to the Board of Directors and actively communicated with shareholders.

Section 3 Corporate Governance Relationship Between the Company and Its Related Parties

Article 14 Establishing Firewalls

The management objectives and responsibilities regarding personnel, assets, and finances between the company and its related entities should be clearly defined. Risk assessments must be properly conducted, and appropriate firewalls should be established

Article 15 Managers should not concurrently hold managerial positions in related entities

Unless required by law, company managers shall not hold management positions in affiliated enterprises at the same time.

Directors engaging in activities within the company's business scope, for themselves or others, must disclose key details to the shareholders' meeting and obtain approval.

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Article 16 Establishment of Completed Financial, Business, and Accounting Management Systems
The Company shall establish sound management objectives and systems for finance, business, and accounting in accordance with relevant laws and regulations. The Company shall also coordinate with its affiliated companies to properly conduct comprehensive risk assessments regarding major banks, customers, and suppliers, and implement necessary control mechanisms to reduce credit risk.

Article 17 Transactions with Related Parties and Shareholders Should Be Based on Principles of Fairness and Reasonableness
Financial or business transactions with related parties or shareholders must be fair and reasonable. Written rules should clearly define prices, payment terms, and prevent unusual or improper benefits. These rules should cover the purchase and sale of goods, acquisition or disposal of assets, monetary loans of funds, endorsements/guarantees. Material transactions require the Board of Directors for resolution or to the Shareholders' Meeting for approval or reporting.

Article 18 Obligations of Corporate Shareholders with Control over the Company
Corporate shareholders with control over the Company must:

1. Act in good faith toward other shareholders and not cause the Company to act against business norms or harm others.
2. Ensure their representatives follow Company rules, vote in good faith, and act in the best interest of all shareholders when attending meetings.
3. Nominate directors according to relevant laws and the Company's Articles of Incorporation, without exceeding the authority of the shareholders' meeting or the Board of Directors.
4. Avoid interfering with Company decisions or business operations.
5. Refrain from unfairly restricting Company operations, such as monopolizing procurement or blocking sales channels.
6. Ensure any corporate representative appointed as a director meets required professional qualifications and is not arbitrarily replaced

Article 19 List of Major Shareholders and Their Ultimate Controllers
The Company shall maintain an up-to-date list of major shareholders and their ultimate controllers, including those who hold a significant shareholding and can effectively control the Company.
The Company shall regularly disclose information regarding the pledge, increases or decreases of the Company's shares by shareholders holding more than 10% of the Company's shares, or any other material matters that may affect shareholding, so that other shareholders can monitor them.
For the purposes of the first paragraph, a "major shareholder" refers to a shareholder holding 5% or more of shares, or among the top ten shareholders by shareholding. However, the Company may set a lower threshold based on the actual control over the Company.

Chapter 3 Strengthening the Function of the Board of Directors

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Section 1 Structure of the Board of Directors

Article 20 Competencies Required of the Board of Directors

The Board of Directors guides the Company's strategy, supervises management, and is accountable to the Company and its shareholders. The various operations and arrangements of its governance system practices shall ensure that the Board exercises its powers in accordance with laws, the Articles of Incorporation, and resolutions of the Shareholders' meeting.

The composition of the Company's Board of Directors should have at least five directors and be structured based on the scale of its business development and the shareholding of its major shareholders.

Board composition should consider diversity, Directors who concurrently serve as managerial officers of the Company should not exceed one-third of the total number of board seats. In addition, the Company should formulate appropriate diversity policies based on its operations, business model, and development needs. Such policies should include, but are not limited to, standards covering the following two major aspects:

1. Basic Conditions and Values: gender, age, nationality, and culture. Female directors should ideally make up one-third of the Board.
2. Professional Knowledge and Skills: backgrounds in law, accounting, finance, marketing, technology, or industry experience.

All members of the board should have the knowledge, skills, and literacy needed for their roles. To achieve the ideal goals of corporate governance, the Board as a whole shall possess the following capabilities:

1. Operational judgment
2. Accounting and financial analysis
3. Business management
4. Crisis management
5. Industry knowledge
6. International market perspective
7. Leadership
8. Decision-making

Article 21 Establishment of a Fair, Just, and Transparent Director Election Procedure

The Company should have a fair, just, and transparent process for electing directors, protecting shareholders' rights and encouraging their participation. The cumulative voting system shall be adopted in accordance with the Company Act to fully reflect shareholder opinions.

More than half of the Board seats should not be held by directors who are spouses or close relatives (within the second degree), unless the competent authority.

When the number of directors falls below five due to the discharge of a director for any reason, the company shall hold a by-election for director at the following shareholders' meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation the company shall convene a special shareholders' meeting within 60 days of the occurrence of that fact for a by-election for director(s).

The aggregate shareholding percentage of all of the directors must comply with the law. Any share transfers, pledges, or changes must comply with regulations and be fully disclosed.

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Article 22 Adoption of Candidate Nomination System for Director Elections in the Articles of Incorporation

The Company shall in accordance with applicable laws and regulations prescribed by the competent authority, stipulate in its Articles of Incorporation that the election of directors shall adopt a candidate nomination system. The Company shall carefully evaluate the qualifications of the nominees and whether any of the circumstances set forth in Article 30 of the Company Act apply, and shall handle such matters in accordance with Article 192-1 of the Company Act.

Article 23 Separation of Authority and Responsibilities for the Board, Functional Committees, Chairman, and General Manager

The responsibilities of the Chairman and the General Manager should be clearly defined. The roles of Chairman and General Manager (or equivalent) should not be held by the same person.
If the Company establishes functional committees, their responsibilities should be clearly assigned.

Section 2 Independent Director System

Article 24 Establishment of Independent Directors

The Company shall appoint at least two independent directors as required by the Articles of Incorporation, and they should account for no less than one-third of the Board. The consecutive term for an independent director should not exceed three terms.
Independent directors must have professional expertise and their shareholding is limited. Except as required by law, they should not serve as a director (including independent director) in more than five publicly listed companies and must maintain independence in performing their duties, without any direct or indirect conflicts of interest with the Company. If the Company or its group organizations and another company or its group enterprises and organizations nominate each other's directors or managers as independent director candidates, the Company must disclose the nomination and explain the candidate's qualifications. If elected, the voting rights obtained by the independent director should be disclosed.

The "group enterprises and organizations" as mentioned in the preceding paragraph comprise the Company's subsidiaries, any foundation to which the Company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the company.

Independent directors and non-independent directors may not change their status during their term.

Rules regarding professional qualifications, shareholding and concurrent position limits, independence criteria, nomination procedures, and other compliance matters for independent directors shall follow the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and regulations of Taiwan Stock Exchange or the Taipei Exchange.

Article 25 Matters to be Resolved by Board of Directors

The Company shall, in accordance with the Securities and Exchange Act, submit following

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matters must be approved by the Board of Directors. Independent directors' objections or reservations should be recorded:

1. Establishing or amending internal control systems (Article 14-1, Securities and Exchange Act).
2. Establishing or amending procedures for material financial or business activities, such as acquiring or disposing of assets, derivative trading, lending of funds to others, endorsements or guarantees for others (Article 36-1, Securities and Exchange Act).
3. Matters involving the personal interest for directors.
4. Material asset or derivative transactions.
5. Material loaning of funds, endorsements, or provision of guarantees.
6. The offering, issuance, or private placement of equity-type securities.
7. Appointment, dismissal, or remuneration of attesting Certified Public Accountant.
8. Appointment or removal of financial, accounting, or internal audit officer.
9. Other significant matters as required by the competent authority.

Article 26 Scope of Duties for Independent Directors

The Company shall clearly define the responsibilities of independent directors and provide the necessary resources and support for them to exercise their authority. The Company or other Board members shall not obstruct, refuse, or avoid independent directors in performing their duties.

Director remuneration shall be set in accordance with relevant laws, reflecting individual performance and the Company's long-term management performance, while considering business overall operating risks. The Company may set a reasonable remuneration for independent directors may receive reasonable remuneration that is different from other directors.

Chapter 3 Functional Committees

Article 27 Establishment the Functional Committees

To establish sound supervisory functions and strengthen management mechanisms, the board of directors may set up functional committees—such as audit, remuneration, nomination, risk management, or other functional committees—based on its size, business, and the number of board members. These committees should be defined in the Articles of Incorporation if applicable.

Functional committees shall be accountable to the Board of Directors and shall submit their proposals to the Board for resolution. However, this shall not apply where the Audit Committee exercises the powers of a supervisor in accordance with Article 14-4, Paragraph 4 of the Securities and Exchange Act.

Functional committees shall adopt organizational charters to be approved by a resolution of the board of directors. The organizational charters shall specify the number of committee members, terms of office, powers and duties, rules of procedure, and the resources to be provided by the company when the committee exercises its powers.

Article 28 Establishment of the Audit Committees

The company shall establish the Audit Committees

The Audit Committee shall be composed entirely of independent directors, with no fewer than three members. One member shall serve as the convener, and at least one member

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must have accounting or financial expertise.

The exercise of authority and related matters for the Audit Committee and its members shall follow the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules of the TWSE or TPEX.

Article 28-1 Establishment of the Remuneration Committee

The Company shall establish a Remuneration Committee, with a majority of members preferably being independent directors. The members' professional qualifications, exercise of authority, organizational rules, and related matters shall follow the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committees of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.

Article 28-2 Establishment of the Nomination Committee

The Company should establish a Nomination Committee and adopt its organizational charter.. A majority of the members should be independent directors, and an independent director be its chairperson.

Article 28-3 Whistleblowing System

The Company should establish and publicize channels for both internal and external whistleblowers and implement a protection system for them. The unit handling reports should be independent, encrypt and protect submitted files, restrict access appropriately, and establish internal procedures incorporated into the internal control system for monitoring and management.

Article 29 Enhancing the Quality of Financial Reporting

To improve financial reporting quality, the Company shall appoint a deputy for the principal accounting officer. The deputy should receive annual continuing education, similar to the principal accounting officer, to strengthen professional competence. Accounting personnel involved in preparing financial reports should also complete at least six hours of professional training each year, either through internal company training or external professional courses organized by recognized professional education institutions for accounting officers.

The Company shall select a professional, responsible, and independent certified public accountant (CPA) to regularly audit the Company's financial status and internal controls. Any irregularities, deficiencies, or recommendations identified by the CPA should be reviewed and improved. The Company should establish communication channels between independent directors, the Audit Committee, and the CPA, with procedures incorporated into the internal control system.

The Company shall regularly (at least once a year) use Audit Quality Indicators (AQIs) to assess the CPA's independence and competence. If the same CPA has been engaged for seven consecutive years or has been sanctioned or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate whether a replacement is necessary and report the evaluation to the Board of Directors.

Article 30 Providing the Company with Proper Legal Service

The Company should appoint qualified professional lawyers to provide legal advice, assist

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the directors and management in improving legal knowledge, prevent violations of laws, and ensure corporate governance operates within the legal framework.

If directors or management are involved in litigation or disputes with shareholders in the course of their duties, the Company may engage lawyers to provide assistance as needed. The Audit Committee or its independent directors may, on behalf of the Company, engage lawyers, CPAs, or other professionals for necessary reviews or advice in exercising their authority, with the Company covering the costs.

Section 4 Rules of Procedure for Board Meetings and Decision-Making Procedures

Article 31 Convening of Board Meetings

The Board of Directors shall meet at least quarterly and may be convened at any time in case of emergency. Meeting notices must include the purpose, be sent at least seven days in advance, and provide sufficient materials. Directors may request more information or the meeting may be deferred by a resolution of the Board of Directors if materials are incomplete.

The Company shall formulate rules procedure for Board meetings; the contents of the main agenda items, procedures, required meeting minutes, disclosure, and other matters for compliance shall be handled in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 32 Self-Discipline of Directors

Directors shall maintain a high level of self-discipline. If a director has a personal interest in any Board agenda item, or represents an entity with such interest, they must disclose the material content at the meeting. If there is a potential conflict with the Company's interests, the director must not participate in discussion or voting and must recuse themselves. They may not vote on behalf of other directors.

Matters requiring a director to voluntarily recuse themselves shall be clearly stated in the Board's meeting procedures.

Article 33 Independent Directors and the Board of Directors

The independent directors of the Company, with concerning matters stipulated in Article 14-3 of the Securities and Exchange Act to be submitted to the Board of Directors, the independent directors shall attend the Board of directors' meetings in person for required matters and shall not appoint non-independent directors as proxies. Opposition or reservation must be recorded in the minutes. If the independent director cannot attend to voice an opposition or reservation, they should submit written opinions in advance (unless there's a valid reason), which will also be recorded.

Where any of the following circumstances applies to a resolution of the Board of Directors, shall not only be recorded in the meeting minutes, but also shall be announced and filed on the Market Observation Post System before the first business day, and at least two hours prior thereto, following the date of the board meeting:

1. Independent directors' opposition or reservation.
 2. Matters not approved by the Audit Committee but passed by two-thirds of all directors.
- During Board meeting, non-director managers may be invited to report and answer questions, and professionals like CPAs, lawyers or other professionals may attend for advice

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but must leave before discussion and voting.

Article 34 Meeting Minutes of the Board

The personnel responsible for the Board of Directors' proceedings shall faithfully record, in accordance with relevant regulations, the meeting reports, summaries of discussions for each proposal, the methods of resolution, and the results.

The minutes of the board meeting shall be signed or sealed by the meeting chairperson and the recording personnel, and distributed to each director within 20 days after the meeting. The director attendance record shall form part of the minutes and shall be included among the Company's important records and properly retained for the duration of the Company's existence.

The preparation, distribution, and retention of the minutes may be conducted in electronic form.

The Company shall make audio or video recordings of the entire proceedings of board meetings and retain such records for at least five years; such retention may also be in electronic form.

If, prior to the expiration of the retention period specified in the preceding paragraph, any litigation arises in connection with a resolution of the Board of Directors, the relevant audio or video records shall continue be preserved and shall not be subject to the aforesaid retention period.

Where a board meeting is held via video conference, the audio and video records of the meeting shall form part of the minutes and shall be permanently retained.

Where a resolution of the Board of Directors violates laws, regulations, the articles of incorporation, or resolutions of the shareholders' meeting, thereby causing damage to the Company, a director who has expressed dissent and whose dissent is recorded in the minutes or supported by a written statement shall be exempt from liability for damages.

Article 35 Matters to be Submitted for Board Discussion

The following matters shall be submitted to the Board for discussion:

1. Company operating plans
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are not required by relevant laws to be audited and attested by a CPA.
3. The adoption or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act, and the assessment of the effectiveness of the internal control system.
4. The adoption or amendment, in accordance with Article 36-1 of the Securities and Exchange Act, of the procedures governing material financial and business activities, including the acquisition or disposal of assets, derivatives trading, lending of funds to others, and endorsements or guarantees provided for others.
5. The offering, issuance, or private placement of equity -type securities
6. The performance assessment and the standard of remuneration of the managerial officers.
7. Remuneration structure for directors
8. The appointment or discharge of finance, accounting, or internal audit officer.
9. Donations to related parties or significant donations to non-related parties (except urgent disaster relief, which may be reported to the next Board meeting for ratification)

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10. Other matter pursuant to Article 14-3 of the Securities and Exchange Act, other laws or regulations, or the Company's Articles of Incorporation, are required to be resolved by the shareholders' meeting or submitted to the Board of Directors for resolution, or other material matters as required by the competent authority.

With the exception of the matters to be discussed by the Board of Directors as specified in the preceding paragraph, where the Board of Directors delegates the exercise of its powers during periods when the Board is not in session in accordance with laws and regulations or the Company's Articles of Incorporation, any delegated authority must be clearly defined in scope and content, and cannot be granted in a general or vague manner.

Article 36 Clear Assignment and Implementation of Board Resolutions

The Company shall assign Board resolutions to appropriate departments or personnel for execution, with clear timelines and objectives. Progress should be tracked and performance properly reviewed.

The Board shall monitor implementation progress and receive updates at the next meeting to ensure decisions of the Board are effectively carried out.

Section 5 Directors' Duties of Loyalty, Care, and Responsibilities

Article 37 Directors' Duty of Loyalty, Care, and Performance Evaluation

Board members shall faithfully perform their duties and exercise their powers with the care of a prudent manager, acting with high self-discipline and diligence. Except for matters requiring shareholder approval by law or the Articles of Incorporation, all company business must follow Board resolutions.

The Company should establish procedures for evaluating Board. In addition to conducting annual regular self-evaluations or peer evaluations of the Board and individual directors, the Company may also appoint external professional institutions or use other appropriate methods for performance evaluation. which may include self-assessment, peer review, or external professional evaluation. The evaluation of the board's performance should include the following dimensions, and appropriate evaluation indicators should be established taking into account the company's needs.

1. Participation in company operations
2. Quality of Board decision-making
3. Board composition and structure
4. Election and continuing education of directors.
5. Internal controls

The performance assessments of board members (self-assessments or peer-to-peer assessments) shall include the following aspects, with appropriate adjustments made on the basis of the company's needs:

1. Understanding of company goals and tasks
2. Awareness of director duties
3. Participation in company operations
4. Internal relations and communication
5. Professional competence and continuing professional education
6. Internal controls

Functional committees should also be evaluated on:

1. Participation in company operations

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2. Understanding of committee responsibilities
3. Quality of committee decision-making
4. Committee composition and member selection
5. Internal controls

Evaluation results shall be reported to the Board of Directors and used as a reference for individual director's remuneration and nomination for re-election.

Article 37-1 Succession Planning for Management

The Company should establish a succession plan for management and have the Board regularly evaluate its development and execution to ensure sustainable operations

Article 37-2 Intellectual Property Management System

The Board of Directors should evaluate and supervise the management direction and performance of the Company's intellectual property (IP) from the following dimensions based on the PDCA (Plan-Do-Check-Act) cycle:

1. Set IP policies, goals, and systems aligned with business strategy.
2. Develop, implement, maintain, and on the basis of scale and form its regulatory systems governing the procurement, protection, maintenance and utilization of intellectual properties IP management processes.
3. Provide enough resources for effective IP management.
4. Monitor IP risks and opportunities and take appropriate action.
5. Continuously improve the IP management system to meet company objectives.

Article 38 Shareholder or Independent Director Request to Notify the Board to Suspend Execution of a Resolution

Shareholders with over one year of holdings or independent directors can request the Board to suspend a resolution that violates laws or the Articles. Board members must act promptly. When a member of the Board of Directors discovers that the Company is at risk of suffering material damage, they shall proceed in accordance with the preceding paragraph and immediately report to the Audit Committee or the Independent Director members of the Audit Committee.

Article 39 Directors' Liability Insurance

The Company shall, during the term of office of its directors, procure liability insurance for them in respect of legal liability arising from the performance of their duties, in order to reduce and distribute the risk of significant losses to the Company and its shareholders caused by errors or negligent acts of directors.

After the Company has arranged or renewed such directors' liability insurance, it shall report to the most recent Board of Directors meeting on key details of the insurance, including the insured amount, coverage scope, and premium rate.

Article 40 Director Continuing Education

Board members should participate in continuing education programs offered by institutions designated under the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies". The continuing education attend continuing education courses covering topics related to corporate governance, such

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as finance, risk management, business, commerce, accounting, law, or corporate social responsibility.

The Company should also encourage employees at all levels to strengthen their professional and legal knowledge.

Chapter 4 Respect the Rights and Interests of Stakeholders

Article 41 Maintaining Communication with Stakeholders and Protecting Their Rights

The Company shall keep open communication with stakeholders—banks, creditors, employees, customers, suppliers, and the community—protecting their rights. A stakeholder section should be on the Company website. Any rights violations must be handled properly and in good faith.

Article 42 Providing Adequate Information to Banks and Other Creditors

The Company shall provide sufficient information to banks and other creditors to enable them to assess the Company's operations and financial condition for informed decision-making. If their legitimate rights are infringed, the Company shall respond appropriately and take responsibility, ensuring creditors have proper channels to seek remuneration.

Article 43 Establishing Employee Communication Channels

The Company shall establish communication channels for employees, encouraging them to communicate directly with management and the directors to appropriately express opinions on the Company's operations, financial status, or major decisions affecting employee interests.

Article 44 Company Social Responsibility

Balance business growth with social responsibility, including consumer rights, community, and environmental concerns.

Chapter 5 Enhance Information Transparency

Section 1 Strengthen Information Disclosure

Article 45 Information Disclosure and Internet Reporting System

Information disclosure is a fundamental responsibility of the Company. The Company shall faithfully perform its obligations in accordance with applicable laws and regulations, as well as the rules of the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEX).

The Company is encouraged to publicly announce and file its annual financial reports within two months after the end of each fiscal year, and to publicly announce and file its first-, second-, and third-quarter financial reports, as well as monthly operating results, in advance of the prescribed deadlines.

The Company shall establish an online reporting system for the disclosure of public information, designate dedicated personnel responsible for the collection and disclosure of company information, and implement a spokesperson system to ensure that information which may affect the decisions of shareholders and stakeholders is disclosed in a timely and appropriate manner.

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Article 46 Appointment of Corporate Spokespersons

To enhance the accuracy and timeliness of the disclosure of material information, the Company shall appoint individuals who have a comprehensive understanding of the Company's financial and business matters, or who are capable of coordinating relevant departments to provide necessary information, and who are able to independently represent the Company in external communications, to serve as the Company's spokesperson and acting spokesperson(s).

The Company shall appoint one or more acting spokespersons. In the event that the spokesperson is unable to perform his or her duties, any acting spokesperson shall be able to independently serve as the spokesperson in making external statements; however, the order of representation shall be clearly established to avoid confusion.

To implement the spokesperson system, the Company shall establish standardized procedures for public statements and require management and employees to maintain the confidentiality of financial and business information, and shall prohibit the unauthorized disclosure or dissemination of information.

In the event of any change in the spokesperson or acting spokesperson, the Company shall promptly disclose such information.

Article 47 Corporate Governance Website

The Company should set up a website to provide financial, business, and corporate governance information for shareholders and stakeholders, preferably including an English version.

A dedicated person should maintain the website, ensuring information is accurate, complete, and updated in a timely manner to avoid misleading users.

Article 48 Procedures for Holding Investor Conferences

The Company should hold investor conferences in accordance with the rules of the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEX) and record the meetings via audio or video.

Financial and business information presented should be uploaded to the Market Observation Post System (MOPS) and made available on the company website or other appropriate channels.

Section 2 Corporate Governance Information Disclosure

Article 49 Disclosure of Corporate Governance Information

The Company should set up a dedicated section on its website to disclose corporate governance information and keep it updated, including:

1. Board of Directors: Members' profiles, roles, and responsibilities; board diversity policies and their implementation.
2. Functional Committees: Members' profiles and responsibilities of each committee.
3. Corporate Governance Regulations : Such as the Articles of Incorporation, Rules of Procedure for Board Meetings, and the charters of functional committees..
4. Other Material Information Related to Corporate Governance : Such as information regarding the appointment of a Chief corporate governance officer.

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Chapter 6 Supplementary Provisions

Article 50 Attention on Domestic and International Developments

The Company shall keep track of domestic and international corporate governance developments and use them to review and improve its own corporate governance system, in order to enhance governance effectiveness.

Article 51 Implementation

This Principles shall be implemented after approval by the Board of Directors, and the same shall apply to any amendments thereto.