

# **VSO ELECTRONICS CO., LTD.**

## **Rules of Procedure for Shareholders' Meetings**

(This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there are any inconsistencies between the Chinese version and this translation, the Chinese version shall prevail.)

### **Article 1**

To establish a good governance system for shareholders' meetings, enhance supervisory functions, and strengthen management capabilities, these Rules are formulated in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

### **Article 2**

The rules of procedure for shareholders' meetings of this Company shall follow these Rules unless otherwise specified by laws or the Articles of Incorporation.

### **Article 3**

Except as otherwise provided by law, shareholders' meetings shall be convened by the Board of Directors. Any change to the manner of convening a shareholders' meeting must be resolved by the Board and made no later than the issuance of the meeting notice.

The Company shall, at least 30 days before the annual shareholders' meeting and 15 days before an extraordinary shareholders' meeting, submit the meeting notice, proxy form, proposals for ratification, discussion items, and related information in electronic form to the Market Observation Post System (MOPS). Additionally, at least 21 days before the annual shareholders' meeting and 15 days before an extraordinary meeting, the meeting manual and supplemental information shall also be submitted in electronic form to MOPS. If the Company's paid-in capital is NT\$10 billion or more, or if foreign and Mainland Chinese shareholders hold 30% or more of the Company's shares, the electronic files must be uploaded to MOPS at least 30 days before the annual shareholders' meeting.

The meeting manual and supplemental information shall be made available to shareholders for review 15 days before the shareholders' meeting and displayed at the Company and its shareholder services agent. On the day of the meeting, these materials shall be distributed at the meeting venue for physical meetings or provided on the video conferencing platform for virtual meetings.

The meeting notice must state the purpose of the meeting. If both parties consent, the notice may be delivered electronically.

The notice must list and explain any significant matters, such as the election or removal of directors, amendments to the Articles of Incorporation, capital reductions, application for ceasing public issuance, director competition permission, allocation of surplus to capital, allocation of reserves to capital, company dissolution, merger, division, and matters under Article 185 of the Company Act, Article 26-1, Article 43-6 of the Securities and Exchange Act, and other relevant securities laws and regulations. These matters may not be raised as ad hoc motions.

If the agenda includes the full re-election of directors and supervisors with a specified assumption date, this date may not be changed via ad hoc motions or other means after the election is completed.

Shareholders holding 1% or more of the total issued shares may submit one proposal for the annual shareholders' meeting. If more than one proposal is submitted, only the first will be included in the agenda. Proposals falling under any of the categories in Article 172-1, Paragraph 4 of the Company Act may be excluded by the Board.

Shareholders may submit suggestions for the Company to enhance public welfare or fulfill social responsibilities, with the submission limited to one proposal per shareholder according to Article 172-1 of the Company Act. The Company shall announce the acceptance period for shareholder proposals before the record date of the annual shareholders' meeting. The acceptance period must be no less than 10 days.

Each shareholder proposal is limited to 300 words; proposals exceeding this limit will not be included in the agenda. Shareholders who submit proposals must attend the annual shareholders' meeting in person or by proxy to participate in discussions.

The Company shall notify the proposing shareholder of the disposition of their proposal before the meeting notice is issued. Proposals included in the meeting notice shall be explained in the shareholders' meeting. For those not included, the Board shall explain the reason at the shareholders' meeting.

#### **Article 4**

Shareholders may issue a proxy form provided by the Company, specifying the scope of authorization to appoint a proxy to attend the shareholders' meeting. Each shareholder may issue only one proxy form, appointing one person as a proxy, and must submit the proxy form to the Company at least five days before the meeting. In case of multiple submissions, the first one received will prevail unless a prior submission is explicitly revoked.

If a shareholder wishes to attend the meeting in person or exercise voting rights in writing or electronically after submitting a proxy, they must notify the Company in writing at least two days

before the meeting to revoke the proxy. If the notice is not submitted on time, the proxy shall attend the meeting on the shareholder's behalf.

If the shareholder plans to attend the meeting virtually after submitting a proxy, they must notify the Company in writing at least two days prior to the meeting to revoke the proxy. Otherwise, the proxy will attend on their behalf.

### **Article 5 (Location and Time of the Shareholders' Meeting)**

Shareholders' meetings shall be held at the Company's headquarters or at a convenient location suitable for holding such meetings. Meetings may not commence earlier than 9:00 AM or later than 3:00 PM. The time and location should consider the opinions of independent directors.

If the meeting is held virtually, the location restriction does not apply.

### **Article 6 (Preparation of Sign-In Sheets and Documents)**

The Company shall specify the check-in time, check-in location, and other important details in the meeting notice.

The check-in time shall start at least 30 minutes before the meeting. The check-in area should be clearly marked and staffed appropriately. For virtual meetings, shareholders should check in via the virtual platform, and those who complete check-in will be deemed to have attended the meeting in person.

Shareholders should present an attendance certificate, sign-in card, or other proof of attendance. The Company shall not arbitrarily request additional identification from shareholders. Proxy solicitors must present identification for verification.

The Company shall prepare a sign-in sheet for attending shareholders to sign, or they may submit a sign-in card as a substitute. Meeting materials, including the meeting manual, annual report, attendance certificate, speaking slips, and ballots, should be provided to attending shareholders. If there is an election, ballots shall also be provided.

If a shareholder is a government or legal entity, it may appoint multiple representatives to attend. If a legal entity is appointed as a proxy, only one person may represent it.

For virtual meetings, shareholders planning to attend virtually should register at least two days in advance. The Company shall upload the meeting manual, annual report, and other documents to the virtual platform at least 30 minutes before the meeting and keep them accessible until the meeting ends.

## **Article 6-1 (Matters to Include in Notice for Virtual Meetings)**

If the shareholders' meeting is held virtually, the Company shall include the following details in the meeting notice:

1. Instructions for shareholders to participate and exercise their rights virtually.
2. Procedures for handling interruptions due to force majeure, such as natural disasters, which should at least cover the following:
  - Time for rescheduling or continuation if the interruption persists and meeting resumption details if applicable.
  - Unregistered shareholders may not participate in rescheduled or continued meetings.
  - In hybrid meetings, if the virtual portion is disrupted and a quorum is maintained without it, the meeting shall proceed. Virtual attendees will be counted in the quorum but will be deemed to abstain on all agenda items.
3. The availability of alternative arrangements for shareholders who face difficulty attending virtually.

## **Article 7 (Chairperson and Attendees at Shareholders' Meetings)**

If the shareholders' meeting is convened by the Board of Directors, the Chairperson of the Board shall preside. If the Chairperson is on leave or unable to exercise their duties, the Vice Chairperson shall preside. If there is no Vice Chairperson or if the Vice Chairperson is also unable to exercise their duties, a managing director shall be appointed to preside. If there is no managing director, a director shall be appointed as the proxy. If the Chairperson has not designated a proxy, one shall be elected among the managing directors or directors to preside.

If the presiding officer is a managing director or director, they must have served for at least six months and be familiar with the Company's financial and business operations. The same applies if the presiding officer is the representative of a corporate director.

If the Board convenes the shareholders' meeting, the Chairperson of the Board should preferably preside, and more than half of the directors, at least one supervisor, and members of functional committees should attend in person. The attendance of directors and supervisors shall be recorded in the meeting minutes.

If the shareholders' meeting is convened by a party with the right to convene other than the Board, the convener shall preside. If there are multiple conveners, they shall elect one person to preside.

The Company may designate attorneys, accountants, or other relevant personnel to attend the shareholders' meeting.

## **Article 8 (Recording of Shareholders' Meeting Process)**

The Company shall record, continuously and without interruption, the registration of shareholders, the meeting proceedings, and the voting and vote-counting processes.

These audio and video recordings shall be retained for at least one year. If a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the recordings shall be kept until the conclusion of the lawsuit.

If the shareholders' meeting is held virtually, the Company shall record and retain the registration, check-in, questions, voting, and results of the vote counting, as well as continuously record the video and audio of the entire virtual meeting.

These materials shall be properly stored and made available to any agent managing the virtual meeting on the Company's behalf.

For virtual shareholders' meetings, the Company is advised to record the operations of the virtual meeting platform's backend interface.

## **Article 9 (Calculation of Attendance at Shareholders' Meetings)**

Attendance at shareholders' meetings shall be calculated based on shares held. The attendance tally shall be determined by sign-in sheets or sign-in cards, as well as the number of shares checked in through the virtual platform, combined with the shares represented by votes cast in writing or electronically.

Once the scheduled meeting time has arrived, the presiding officer shall announce the commencement of the meeting and disclose the number of non-voting shares and total shares in attendance.

If shareholders representing less than half of the total issued shares are not present, the presiding officer may postpone the meeting, but this postponement shall not exceed twice and the cumulative delay shall not exceed one hour. If the quorum is still not met after two postponements, and shareholders representing one-third or more of the total issued shares are present, a provisional resolution may be passed according to Article 175, Paragraph 1 of the Company Act. The provisional resolution must be notified to all shareholders, and a new meeting convened within one month.

If, during the ongoing meeting, shareholders representing more than half of the total issued shares arrive, the provisional resolution can be presented for final approval according to Article 174 of the Company Act.

## **Article 10**

If the shareholders' meeting is convened by the Board, the agenda shall be set by the Board. Each proposal, including ad hoc motions and amendments, shall be voted on individually. The meeting shall follow the scheduled agenda and shall not be changed without a resolution by the shareholders' meeting.

If the shareholders' meeting is convened by a party with convening rights other than the Board, the preceding rules shall apply.

The meeting agenda shall not be adjourned by the presiding officer without a resolution, even if the agenda (including ad hoc motions) has not been fully addressed. If the presiding officer violates these rules and declares the meeting adjourned, the other members of the Board shall promptly assist shareholders present to elect a new chairperson to continue the meeting according to statutory procedures.

The presiding officer shall ensure adequate time for discussion of each proposal and allow for ample explanation and discussion. When the proposal has been sufficiently discussed, the presiding officer may announce the end of the discussion and submit the proposal for voting, allowing adequate time for voting.

### **Article 11 (Shareholder Speech)**

Before addressing the meeting, attending shareholders must complete a speaker's slip stating the key points of their speech, shareholder account number (or attendance card number), and account name. The presiding officer shall determine the order of speeches.

If a shareholder submits a speaker's slip but does not speak, it will be considered that they have not spoken. If the content of the speech differs from what was stated on the slip, the spoken content shall prevail.

Each shareholder may speak twice on the same proposal, with each speech limited to five minutes unless otherwise permitted by the presiding officer. If a shareholder's speech violates the rules or exceeds the scope of the topic, the presiding officer may stop the speech.

During a shareholder's speech, other shareholders shall not interrupt without the consent of the presiding officer and the speaker. The presiding officer shall stop any interference.

When a corporate shareholder appoints multiple representatives, only one representative may speak on each proposal.

After a shareholder's speech, the presiding officer may respond in person or designate a relevant person to respond.

If the meeting is held virtually, shareholders participating virtually may submit questions in text form on the virtual meeting platform from the time the meeting is called to order until it is adjourned. Each shareholder may submit questions twice per proposal, with each question limited to 200 characters, which is an exception to the rules specified in Paragraphs 1 to 5.

Questions that comply with the rules and are relevant to the proposal should be disclosed on the virtual meeting platform for general awareness.

## **Article 12 (Calculation of Voting Shares and Recusal)**

Voting at shareholders' meetings shall be based on the number of shares held.

Decisions made at shareholders' meetings shall exclude shares held by shareholders without voting rights from the total number of issued shares.

If a shareholder has a personal interest in a matter being discussed at the meeting that may harm the Company's interests, they must abstain from voting and cannot represent another shareholder to exercise their voting rights.

Shares that cannot exercise voting rights as per the preceding paragraph shall not be included in the total number of voting rights of attending shareholders.

Except for trust businesses or proxy agencies approved by the securities regulatory authority, if one person is concurrently representing two or more shareholders, the total voting rights represented by that person shall not exceed 3% of the total voting rights of all issued shares. Any voting rights exceeding this limit shall not be counted.

## **Article 13**

Each share entitles the shareholder to one vote, except for shares that are restricted or have no voting rights as specified in Article 179, Paragraph 2 of the Company Act.

When the Company convenes a shareholders' meeting, voting shall be conducted electronically and may also be conducted in writing. The methods for exercising voting rights in writing or electronically shall be stated in the meeting notice. Shareholders who exercise voting rights in writing or electronically shall be deemed to have attended the meeting in person. However, ad hoc motions and amendments to the original proposals shall be deemed as abstentions. Therefore, the Company should avoid introducing ad hoc motions and amendments to original proposals.

Shareholders who exercise voting rights in writing or electronically must submit their expressions of intent to the Company in the same manner at least two days before the meeting. If multiple expressions of intent are submitted, the first one received shall prevail unless a prior expression is explicitly revoked.

If a shareholder has exercised voting rights in writing or electronically and wishes to attend the meeting in person or virtually, they must notify the Company to revoke their prior expression of intent at least two days before the meeting. Failure to revoke in time shall result in the proxy attending on their behalf.

If a shareholder exercises voting rights in writing or electronically and also appoints a proxy to attend the meeting, the voting rights exercised through the proxy shall prevail.

Voting on agenda items, unless otherwise provided by the Company Act or the Company's Articles of Incorporation, shall be approved by more than half of the voting rights of attending shareholders. During voting, the presiding officer or their designated personnel shall announce the total number of voting rights of attending shareholders and proceed to vote on each agenda item sequentially. The results of approval, opposition, and abstention shall be uploaded to the Market Observation Post System (MOPS) on the same day as the meeting.

If an agenda item has amendments or alternative proposals, the presiding officer shall determine the order of voting together with the original proposal. If one proposal is passed, the other proposal shall be considered rejected without further voting.

The observers and counters for voting shall be designated by the presiding officer, and observers must be shareholders.

Voting and counting of agenda items shall be conducted publicly within the meeting venue, and the voting results, including the total number of voting rights, shall be announced on the spot and recorded.

If the meeting is held virtually, shareholders participating virtually shall vote on agenda items through the virtual platform after the presiding officer announces the start of the meeting and before the announcement of the adjournment. Votes submitted after the voting deadline shall be considered abstentions.

If the meeting is held virtually, the Company shall conduct a single round of vote counting after the presiding officer announces the end of voting and announce the results immediately.



When the Company convenes a hybrid shareholders' meeting, shareholders who have registered for virtual participation but wish to attend in person must revoke their virtual registration at least two days before the meeting using the same method as their prior voting rights expression. If they fail to revoke in time, they may only attend virtually.

Shareholders who have exercised voting rights in writing or electronically and have not revoked their expression of intent to participate virtually may not exercise voting rights on the original proposals or submit amendments to the original proposals, except for ad hoc motions.

#### **Article 14 (Election Matters)**

When the shareholders' meeting is to elect directors or supervisors, it shall be conducted in accordance with the Company's 'Director Election Procedures' and the election results, including the list of elected directors and supervisors, the number of votes received by each elected director and supervisor, and the list of directors and supervisors who were not elected along with the number of votes they received, shall be announced on the spot.

Election ballots for these matters shall be sealed, signed by the scrutineers, and properly stored for at least one year. If a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be preserved until the conclusion of the lawsuit.

#### **Article 15**

Resolutions made at the shareholders' meeting shall be recorded in minutes, signed or sealed by the presiding officer, and distributed to each shareholder within 20 days after the meeting. The preparation and distribution of minutes may be done electronically.

The Company may publish the minutes by submitting them to the Market Observation Post System (MOPS).

The minutes shall accurately record the year, month, day, location, name of the presiding officer, method of resolution, summary of proceedings, and the voting results (including the total number of voting rights). If directors or supervisors are elected, the number of votes each candidate received must be disclosed. The minutes shall be permanently preserved during the Company's existence.

If the meeting is held virtually, the minutes shall, in addition to the aforementioned, include the start and end times of the meeting, the method of holding the meeting, the names of the presiding officer and the recorder, and the procedures and circumstances for handling any interruptions in the virtual platform or virtual participation due to force majeure.

When the Company convenes a virtual shareholders' meeting, in addition to complying with the preceding, the minutes shall state the alternative arrangements provided for shareholders who have difficulty participating virtually.

### **Article 16 (Public Announcements)**

The number of shares solicited, the number of shares represented by proxies, and the number of shares represented by shareholders exercising their rights in writing or electronically shall be compiled into a statistical table according to the prescribed format and clearly disclosed within the meeting venue on the day of the shareholders' meeting. If the meeting is held virtually, the Company shall upload these data to the virtual meeting platform at least 30 minutes before the meeting starts and continue to disclose them until the meeting ends.

When the Company convenes a virtual shareholders' meeting and announces the start of the meeting, the total number of shares represented by attending shareholders shall be disclosed on the virtual meeting platform. If additional statistics on the total number of attending shares and voting rights are produced during the meeting, the same disclosure shall apply.

If a resolution at the shareholders' meeting contains information that is significant under the law or the rules of the Taiwan Stock Exchange or the OTC market, the Company shall transmit the content to the Market Observation Post System (MOPS) within the prescribed timeframe.

### **Article 17 (Maintenance of Order at the Meeting Venue)**

Meeting staff managing the shareholders' meeting shall wear identification badges or armbands.

The presiding officer may direct inspectors or security personnel to assist in maintaining order in the meeting venue. Inspectors or security personnel assisting in maintaining order shall wear "Inspector" armbands or identification badges.

If the meeting venue is equipped with a sound system, the presiding officer may stop shareholders from speaking unless they use the Company's designated equipment.

Shareholders who violate the rules of procedure and do not comply with corrections by the presiding officer, thereby disrupting the meeting, may be removed from the meeting venue by inspectors or security personnel as directed by the presiding officer.

### **Article 18 (Breaks and Resumption of Meetings)**

During the meeting, the presiding officer may announce breaks at appropriate times. In cases of force majeure, the presiding officer may decide to temporarily suspend the meeting and, depending on the situation, announce the resumption time.

If the scheduled agenda cannot be continued at the original location due to not being fully addressed (including ad hoc motions), the shareholders' meeting may resolve to find an alternative venue to continue the meeting.

The shareholders' meeting may resolve, in accordance with Article 182 of the Company Act, to postpone or continue the meeting within five days.

### **Article 19 (Information Disclosure in Virtual Meetings)**

If the shareholders' meeting is held virtually, the Company shall disclose the results of each proposal vote and election results on the virtual meeting platform immediately after voting concludes and continue to disclose them for at least fifteen minutes after the presiding officer announces the adjournment.

### **Article 20 (Location of the Chairperson and Recorder in Virtual Meetings)**

When the Company holds a virtual shareholders' meeting, the presiding officer and the recorder shall be in the same location within Taiwan. The presiding officer shall announce the address of this location at the beginning of the meeting.

### **Article 21 (Handling Disconnection)**

If the shareholders' meeting is held virtually, the Company may provide a simple connection test before the meeting and offer related services both before and during the meeting to assist in handling technical communication issues in real-time.

If the shareholders' meeting is held virtually, and before the presiding officer announces the adjournment, due to force majeure such as natural disasters, and the virtual platform or virtual participation is disrupted for 30 minutes or more, the meeting shall be postponed or continued within five days as per the presiding officer's announcement, without applying the provisions of Article 182 of the Company Act.

Shareholders who have not registered for virtual participation in the original meeting may not participate in the postponed or continued meeting.

For a postponed or continued meeting as per the second paragraph, shareholders who had registered for virtual participation in the original meeting and completed check-in but did not attend the

postponed or continued meeting shall have their attendance, voting rights, and election rights in the original meeting counted towards the postponed or continued meeting.

When handling the postponement or continuation of the shareholders' meeting as per the second paragraph, the Company shall comply with the relevant procedures of the rules governing proxy handling as stipulated in Articles 12 of the Rules for Public Companies' Proxy Use, Article 3 of Paragraph 3 of Article 13, Article 2 of Article 44-5, Paragraph 15 of Article 44-10-7, and similar provisions.

For public companies, shareholders who have used proxy forms as per the later articles shall follow the postponed or continued meeting dates as per the second paragraph.

### **Article 22 (Handling the Digital Divide)**

When the Company convenes a virtual shareholders' meeting, appropriate alternative arrangements shall be provided for shareholders who have difficulty participating virtually.

### **Article 23**

These Rules shall take effect upon approval by the shareholders' meeting and shall apply likewise upon amendment.