

VSO ELECTRONICS CO., LTD.

Rules of Procedure for Board of Directors 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.)

1. Purpose

1.1 These rules are established in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" to ensure proper governance of the board of directors, enhance its supervisory functions, and strengthen management capabilities.

2. Scope

2.1 The rules govern the procedures for board meetings of the company, including the content of meetings, operational procedures, items to be included in the minutes, public announcements, and other compliance matters.

3. Reference Documents

3.1 Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

4. Definitions

4.1 None.

5. Responsibilities

5.1 These rules must be approved by the board of directors and reported to the shareholders' meeting. Amendments to these rules may also be authorized by resolution of the board of directors.

6. Procedures

6.1 Convening Board Meetings and Notifications

6.1.1 The board of directors shall convene at least once every quarter.

6.1.2 Meetings shall specify their purpose and notify all directors at least seven days in advance. In urgent cases, meetings may be convened at any time.

6.1.3 Notification as mentioned above may be made in writing, via email, or by fax as per the company's Articles of Association.

6.1.4 Items under Section 6.11.1 must be included in the meeting agenda and cannot be proposed as ad hoc motions.

6.2 Meeting Notifications and Materials

6.2.1 The company designates the finance and accounting unit as the administrative unit for board meetings.

6.2.2 The administrative unit may consult with relevant departments to prepare the meeting agenda and provide adequate meeting materials, which shall be distributed along with the meeting notice.

6.2.3 If any director deems the meeting materials insufficient, they may request supplementary information from the administrative unit. If a director considers the agenda items inadequately supported, the board may resolve to defer deliberation.

6.3 Attendance Logs and Proxy Arrangements

6.3.1 During board meetings, a sign-in sheet shall be provided for directors to register their attendance. Directors must attend board meetings in person. If unable to attend, they may appoint another director to attend as their proxy in accordance with the company's Articles of Association. Participation via video conferencing is considered attendance in person.

6.3.2 When appointing a proxy, the director must issue a written authorization for each instance, specifying the scope of delegation concerning the meeting agenda.

6.3.3 A proxy may represent only one director at a time.

6.4 Meeting Location and Timing

6.4.1 Board meetings shall be held at the company's registered location during office hours or at a time and place convenient for directors to attend and suitable for board meetings.

6.5 Chairperson and Proxy of Board Meetings

6.5.1 Board meetings convened by the chairperson shall be presided over by the chairperson. The first meeting of each board term, convened by the director elected with the highest number of votes at the shareholders' meeting, shall be chaired by that director. If there are multiple directors with equal votes, one shall be mutually selected as chairperson.

6.5.2 For meetings convened under Article 203(4) or Article 203-1(3) of the Company Act by a majority of directors, the directors shall mutually select one among them to serve as chairperson.

6.5.3 If the chairperson is on leave or unable to perform their duties, the vice-chairperson shall act as proxy. If there is no vice-chairperson, or the vice-chairperson is also unable to perform their duties, the chairperson shall designate a director to act as proxy. If no proxy is designated, the directors shall mutually select one to act as proxy.

6.6 Reference Materials, Attendees, and Conduct of Meetings

6.6.1 During board meetings, the administrative unit shall prepare relevant materials for directors' reference.

6.6.2 Depending on the meeting agenda, personnel from relevant departments or subsidiaries may be notified to attend.

6.6.3 If necessary, accountants, legal counsel, or other professionals may be invited to attend and provide explanations but must leave during discussions and voting.

6.6.4 The chairperson shall call the meeting to order when a majority of directors are present at the scheduled time.

6.6.5 If a majority of directors are not present at the scheduled time, the chairperson may announce a rescheduled meeting on the same day, limited to two postponements. If there is still no quorum after two postponements, the chairperson may reconvene the meeting under the procedures outlined in Section 6.1.2.

6.6.6 The term "all directors" in the preceding clause and in Section 6.15.2.2 refers to the actual number of directors in office.

6.7 Recording and Archiving of Meeting Proceedings

6.7.1 The entire proceedings of board meetings shall be recorded or videotaped and retained for at least five years. The recordings may be preserved electronically.

6.7.2 If a lawsuit involving resolutions from a board meeting occurs before the expiration of the retention period, the relevant audio or video recordings shall be kept until the conclusion of the litigation.

6.7.3 For meetings held via video conferencing, the video and audio recordings shall be considered part of the meeting records and must be properly preserved during the company's existence.

6.8 Agenda Content

6.8.1 Regular board meetings shall include at least the following items:

6.8.1.1 Reporting Items:

- (1) The minutes and implementation of the previous meeting.
- (2) Significant financial and business reports.
- (3) Internal audit reports.
- (4) Other important reports.

6.8.1.2 Discussion Items:

- (1) Matters reserved for further discussion from the previous meeting.
- (2) Matters scheduled for discussion at the current meeting.

6.8.1.3 Ad Hoc Motions.

6.9 Changes to the Agenda

6.9.1 Board meetings shall proceed in accordance with the agenda specified in the meeting notice unless more than half of the attending directors agree to changes.

6.9.2 The chairperson may not adjourn the meeting without the consent of a majority of the attending directors.

6.9.3 If, during the meeting, the number of directors present falls below a majority of those attending, the chairperson shall suspend the meeting upon the proposal of the attending directors and apply the provisions of Section 6.6.5.

6.9.4 During the meeting, the chairperson may announce a recess or a negotiation break at their discretion.

6.9.5 If the chairperson is unable to preside over the meeting or adjourns it without proper consent, a proxy shall be selected in accordance with Section 6.5.3.

6.10 Speaking Guidelines for Attending Directors

6.10.1 After a director speaks, the chairperson may respond directly or designate relevant personnel or attending professionals to provide necessary information.

6.10.2 If a director repeatedly speaks on the same issue, strays off-topic, or disrupts the proceedings, the chairperson may intervene to stop their speech.

6.11 Matters Requiring Board Discussion

6.11.1 The following matters shall be submitted to the board for discussion:

6.11.1.1 The company's operational plans.

6.11.1.2 Annual financial reports and semi-annual financial reports that require CPA certification.

6.11.1.3 The establishment or amendment of internal control systems and evaluations of their effectiveness, in accordance with Article 14-1 of the Securities and Exchange Act.

6.11.1.4 The establishment or amendment of procedures for major financial transactions involving asset acquisition or disposal, derivative trading, lending funds to others, or providing endorsements or guarantees, as required by Article 36-1 of the Securities and Exchange Act.

6.11.1.5 Fundraising, issuance, or private placement of equity-type securities.

6.11.1.6 Appointment or dismissal of the chairperson.

6.11.1.7 Appointment or dismissal of financial, accounting, or internal audit officers.

6.11.1.8 Donations to related parties or significant donations to non-related parties. However, public welfare donations made in response to major natural disasters may be presented for ratification at the next board meeting.

6.11.1.9 Other matters required by law, the Articles of Association, or as specified by the competent authority.

6.11.2 Donations to related parties shall be defined as per the financial reporting standards governing related-party transactions. Significant donations to non-related parties refer to single donations

exceeding NT\$100 million or those exceeding 1% of net revenue or 5% of paid-in capital, based on the most recent CPA-audited financial statements.

6.11.3 The term "within one year" shall be calculated from the date of the current board meeting, retroactively one year, and excludes amounts previously resolved by the board.

6.11.4 If the company has independent directors, at least one must attend board meetings in person. For matters requiring board resolution, all independent directors must attend. If an independent director cannot attend, they may appoint another independent director as proxy.

6.11.5 If an independent director expresses dissent or reservations, it shall be recorded in the meeting minutes. If they cannot attend, they shall provide a written opinion, which shall also be recorded.

6.12 Voting Procedures (Part 1)

6.12.1 When the chairperson determines that a proposal has been sufficiently discussed, they may announce the end of discussions and proceed to a vote.

6.12.2 When voting on a proposal, if the chairperson solicits opinions from all attending directors and no objections are raised, the proposal shall be deemed approved. Its effect is equivalent to approval by vote. If objections are raised, the proposal shall be put to a vote.

6.12.3 The voting method shall be determined by the chairperson from the following options. However, if there are objections among the attendees, the method shall be decided by majority opinion:

- (1) Show of hands or use of voting devices.
- (2) Roll-call voting.
- (3) Ballot voting.

6.12.4 The term "all attending directors" in the preceding clauses does not include directors who are prohibited from voting under Section 6.14.1.

6.13 Voting Procedures (Part 2) and Monitoring of Votes

6.13.1 Resolutions on proposals, unless otherwise stipulated by the Securities and Exchange Act, the Company Act, or the Articles of Association, require the attendance of a majority of directors and approval by a majority of the attending directors.

6.13.2 If there are amendments or substitute motions for a single proposal, the chairperson shall decide the voting sequence. If one proposal is approved, the others shall be considered rejected and will not require further voting.

6.13.3 If it is necessary to appoint scrutineers or vote counters for a proposal, the chairperson shall designate them. However, scrutineers must be directors. The voting results shall be announced on the spot and recorded.

6.13.4 Significant matters approved by the board as required by law shall be disclosed on the Market Observation Post System (MOPS) within the prescribed timeframe.

6.14 Conflict of Interest for Directors

6.14.1 If a director or a legal entity they represent has a conflict of interest concerning a matter discussed at the meeting, the director shall explain the material details of the conflict during the meeting. If such conflict is likely to harm the company's interests, the director shall not participate in the discussion or voting and must recuse themselves during deliberation and voting. Furthermore, the director may not act as a proxy for other directors in voting on that matter.

6.14.2 A director's spouse, relatives within the second degree of kinship, or companies with a controlling or subordinate relationship to the director are also deemed to have a conflict of interest concerning the matter.

6.14.3 Resolutions passed by the board concerning matters where directors are prohibited from voting shall comply with Article 206(4) of the Company Act, as applicable to Article 180(2).

6.15 Meeting Minutes and Documentation

6.15.1 Board meeting minutes shall be prepared and include the following details:

- (1) Session (or year), time, and venue of the meeting.
- (2) Name of the chairperson.
- (3) Attendance status, including the names and numbers of directors present, excused, or absent.
- (4) Names and titles of attendees.
- (5) Name of the minute taker.
- (6) Reporting items.
- (7) Discussion items, including the method and results of each resolution, summaries of speeches by directors, experts, and other attendees, names of directors with conflicts of interest, explanations of significant aspects of the conflict, reasons for recusal or non-recusal, and dissenting or reserved opinions, whether in verbal or written form, submitted by independent directors per Section 6.11.5.
- (8) Ad hoc motions, including the names of proposers, methods and results of resolutions, summaries of speeches by directors, experts, and other attendees, and disclosures related to conflicts of interest as per the previous clause.
- (9) Other matters that must be recorded.

6.15.2 If any of the following circumstances occur during a board meeting, they must be recorded in the minutes and disclosed via MOPS within two days of the meeting:

- (1) Independent directors express dissent or reservations in the form of verbal statements or written documents.
- (2) If the company has an audit committee, resolutions passed by two-thirds of all directors without the approval of the audit committee.

6.15.3 The sign-in sheet for the meeting shall be part of the official record and must be preserved throughout the company's existence.

6.15.4 The minutes shall be signed or sealed by the chairperson and minute taker and distributed to all

directors within 20 days after the meeting. They shall be classified as important company records and preserved throughout the company's existence.

6.15.5 Preparation and distribution of the minutes may be done electronically.

6.16 Delegation Principles of the Board

6.16.1 In accordance with the company's Articles of Association, the board of directors may authorize the chairperson to exercise board powers during the recess of the board, except for matters that must be resolved by the board, are within the powers of independent directors, or involve related-party transactions as stipulated by law or relevant regulations. The scope of authorization includes the following:

- (1) Approval of significant contracts.
- (2) Approval of real estate mortgage loans and other loans.
- (3) Approval of the acquisition or disposal of general property and real estate.
- (4) Designation and re-designation of directors and supervisors for investee companies.
- (5) Determination of record dates for capital increases or decreases, distribution of cash dividends, stock distributions, subscription rights, and changes in dividend distribution ratios.