

# VSO ELECTRONICS CO., LTD.

## Director Election Procedure

(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 ensure a fair, just, and transparent process for electing directors, this procedure is established according to Articles 21 and 41 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."

### Article 2

The election of directors of the Company shall be conducted in accordance with this procedure, unless otherwise stipulated by law or the Articles of Incorporation.

### Article 3

The nomination and selection of directors shall consider the overall composition of the board. Board composition should embrace diversity and should formulate appropriate diversification policies based on operational needs and development requirements. Key diversity criteria may include, but are not limited to, the following two areas:

1. **Basic Criteria and Values:** Gender, age, nationality, and culture.
2. **Professional Knowledge and Skills:** Background in fields such as law, accounting, industry, finance, marketing, or technology; professional skills; and industry experience.

Board members should generally possess the knowledge, skills, and character required to perform their duties effectively, including 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 abilities

More than half of the board seats must not be held by individuals related by marriage or within the second degree of kinship. The composition of the board should be reviewed based on performance evaluations.

#### **Article 4**

The qualifications for independent directors must comply with Articles 2, 3, and 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.”

The appointment of independent directors must adhere to Articles 5 through 9 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and be conducted per Article 24 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.”

#### **Article 5**

The election of directors shall proceed according to the candidate nomination system as stipulated in Article 192-1 of the Company Act.

In the event of a director's dismissal resulting in fewer than five directors, a by-election should be held at the next shareholders' meeting. If the vacancy reaches one-third of the seats specified in the Articles of Incorporation, an extraordinary shareholders' meeting should be convened within sixty days to hold a by-election.

If the number of independent directors falls below the requirement outlined in Article 14-2 of the Securities and Exchange Act, a by-election shall be held at the next shareholders' meeting. If all independent directors are dismissed, an extraordinary shareholders' meeting shall be convened within sixty days for a by-election.

#### **Article 6**

The Company shall conduct director elections using a single transferable voting system. Each share confers a number of votes equal to the number of directors to be elected, which may be cast for one candidate or distributed among multiple candidates.

#### **Article 7**

The board shall prepare ballots equal to the number of directors to be elected, noting the voting power per ballot. These ballots will be distributed to shareholders attending the shareholders' meeting. Voter identification may be represented by the printed attendance certificate number.

## **Article 8**

In accordance with the number of directors specified in the Company's Articles of Incorporation, election rights for independent and non-independent directors shall be calculated separately. Candidates receiving the highest number of votes will be elected in descending order. In the event of a tie for the last seat, the tie shall be resolved by drawing lots. The chairperson will draw lots on behalf of any absent candidates.

## **Article 9**

Before the election, the chairperson shall appoint shareholders as vote supervisors and counters to oversee the process. Ballot boxes shall be prepared by the board and verified by the vote supervisors before voting begins.

## **Article 10**

Ballots will be deemed invalid if:

1. An unauthorized ballot is used.
2. A blank ballot is cast.
3. The handwriting is illegible or altered.
4. The selected candidate's name does not match the list of nominees.
5. Any additional text is added beyond the allocation of voting rights.

## **Article 11**

Votes shall be counted on-site immediately after voting concludes, and the results, including the list of elected directors and their respective vote counts, shall be announced by the chairperson.

The ballots must be signed and sealed by the vote supervisors and retained for at least one year. However, if litigation is initiated by shareholders under Article 189 of the Company Act, ballots shall be kept until the end of the litigation.

## **Article 12**

The Company's board shall issue a notice of election to the newly elected directors.

## **Article 13**

This procedure shall take effect upon approval by the shareholders' meeting, with amendments also subject to shareholder approval.