

# King Yuan Electronics Co., Ltd. Rules and Procedures for Board of Directors Meetings

Amended on February 23, 2024

Article 1 These Rules and Procedures are adopted pursuant to Article 26-3, paragraph 8, of the Securities and Exchange Act and the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 2 The rules and procedures for the meetings of the Company's Board of Directors, except as otherwise provided by law, regulation, or the articles of incorporation, shall be handled in accordance with these Rules.

Article 3 The Board of Directors of the Company shall meet at least quarterly.

The reasons for calling a board of directors meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice.

The notice to be given under the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.

All matters set out in the subparagraphs of Article 7, paragraph 1, shall be specified in the notice of the reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion.

Article 4 A board meeting shall be held at the premises and during the business hours of the Company, or at a place and time convenient for all directors to attend and suitable for holding board meetings.

Article 5 The Department of Finance has been designated by the Company's Board of Directors as the administrator of all board meeting affairs.

The unit responsible for board meetings shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting.

Directors may request for supplemental information from the administrator of all board meeting affairs should they consider the existing information to be insufficient. Directors may resolve to postpone certain agendas if they consider the information presented to them to be inadequate.

Article 6 The following agendas shall be covered as the minimum during regular board meetings:

I. Reporting Items:

(I) Minutes of the last meeting and action taken.

(II) Reporting on important financial and business matters.

- (III) Internal auditing operations.
- (IV) Reports on other important issues.
- II. Discussion Items:
  - (I) Matters for continued discussion from the last meeting.
  - (II) Items scheduled for discussion at this meeting.
- III. Extraordinary Motions.

Article 7 The following items shall be raised for discussion in the Company's board meetings:

- I. The Company's business plan.
- II. Matters required by Paragraph 4 of this Article.
- III. Donations to related parties or major donations to non-related parties, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
- IV. If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.
- V. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 3 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1% of net operating revenue or 5% of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

The following items shall be approved by at least one half of the Audit Committee members and submitted to the Board of Directors for resolution:

- I. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- II. Assessment of the effectiveness of the internal control system.

- III. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
- IV. Matters bearing on the personal interest of a director.
- V. Asset transactions or derivatives trading of a material nature.
- VI. Loans of funds, endorsements, or provision of guarantees of a material nature.
- VII. Offering, issuance, or private placement of equity-type securities.
- VIII. Appointment, dismissal of, or remuneration of certified public accountants.
- IX. Appointment or discharge of a financial, accounting, or internal audit officer.
- X. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA).
- XI. Other material matters as may be required by the Company or by the competent authority.

With the exception of subparagraph 10, any matter under a subparagraph of the preceding paragraph that has not been approved with the consent of one-half or more of all audit committee members may be undertaken upon the consent of two-thirds or more of all directors, without regard to the restrictions of the preceding paragraph, and the resolution of the audit committee shall be recorded in the minutes of the directors meeting.

“All audit committee members” as used in paragraph 4 and “all directors” as used in the preceding paragraph, shall mean the actual number of persons currently holding those positions.

At least one independent director shall attend the meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

Article 8 Apart from matters referred to in paragraph 1 of Article 7, which are required to be submitted

for discussion by the board of directors, when the board of directors delegates any exercise of its powers pursuant to laws or regulations or the company's articles of incorporation, matters such as the level and substance of the delegation shall be concretely and specifically set out.

Article 9 When a meeting of the board of directors is held, an attendance book shall be made ready for signature by directors attending the meeting.

All board directors shall attend board meetings in person; if attendance in person is not possible, they may, pursuant to the company's articles of incorporation, appoint another director to attend as their proxy. Attendance via tele- or video-conference is deemed as attendance in person.

A director appointing another director to attend a board meeting in his or her place shall in each case give to that director a written proxy stating the scope of authorization with respect to the reasons for meeting.

A proxy under paragraph 2 may accept a proxy from one person only.

Article 10 Where a meeting of the board of directors is called by the chairperson of the board, the meeting shall be chaired by the chairperson. However, where the first meeting of each newly elected board of directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.

Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.

When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairperson shall do so in place of the chairperson, or, if there is no vice chairperson or the vice chairperson also is on leave or for any reason is unable to act, by a director designated by the chairperson, or, if the chairperson does not make such a designation, by a director elected by and from among themselves.

Article 11 When holding a meeting of the board of directors, the Company may, as necessary for the agenda items of the meeting, notify personnel of relevant departments or subsidiaries to attend the meeting as nonvoting participants.

When necessary, the Company may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that the aforementioned professionals shall leave the meeting when deliberation or voting takes place.

Article 12 The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.

If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time on the day of the meeting, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.

The term “all directors” as used in the preceding paragraph and in Article 17, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.

Article 13 The Company’s board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.

The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting.

If at any time during the proceeding of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case Article 12, paragraph 2 shall apply *mutatis mutandis*.

If at any time during the proceeding of a board of directors meeting the chair is unable to chair a meeting due to any other reason or did not declare the meeting closed as stipulated in paragraph 2, the chair shall appoint a proxy to act on his/her behalf, in which case Article 10 paragraph 3 shall apply *mutatis mutandis*.

Article 14 When the chair at a board of directors meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chair may announce the discussion closed and bring the matter to vote.

When a proposal comes to a vote at a board of directors meeting, if the chair puts the matter before all directors present at the meeting and none voices an objection, the matter is deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.

One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:

I. A show of hands or a vote by voting machine.

II. A roll call vote.

III. A vote by ballot.

Except for the case of unanimous consent of all directors present at the meeting upon inquiry, the method of voting on matters at board of directors meetings and the methods of vote monitoring and counting shall also be specified. The method of voting on matters at board of directors meetings shall be specified in the meeting minutes.

“All directors present at the meeting” in the preceding two paragraphs shall not include directors prohibited from exercising voting rights pursuant to Article 16, paragraph 1.

Article 15 Except as otherwise stated in the Securities and Exchange Act or in the Company Act, a resolution on a matter at a board of directors meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If any one among them is passed, the other proposals shall then be deemed rejected, and no further voting on them shall be required.

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors.

Voting results shall be made known on-site immediately and recorded in writing.

Article 16 If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the company, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director. If a director violates the aforesaid rule and participates in voting on that agenda item that requires him or her to enter recusal, the voting rights exercised by said director shall be invalid.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests

in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding two paragraphs from exercising voting rights.

Article 17 Minutes shall be prepared of the discussions at board of directors meetings. The meeting minutes shall record the following:

- I. Session, time, and place of meeting.
- II. Name of the meeting chair.
- III. Attendance of directors at the meeting, specifying the names and number of members present, excused, and absent.
- IV. Names and titles of those attending the meeting as nonvoting participants.
- V. Name of minutes taker.
- VI. Reporting Items.
- VII. Discussion Items: the method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Article 7, paragraph 7.
- VIII. Extraordinary Motions: the name of the mover; the method of resolution and the result for each motion; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.
- IX. Other items to be stated.

Any of the following matters in relation to a resolution passed at a meeting of the board of directors shall be stated in the meeting minutes and within two days of the meeting be

published on an information reporting website designated by the competent authority:

- I. Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.
- II. Any matter that has not been passed by more than one-half of the audit committee members, but has been adopted with the approval of two-thirds or more of all board directors.

The attendance book forms a part of the minutes for each board of directors meeting and shall be well preserved during the existence of the company.

The minutes of a board of directors meeting shall bear the signature or seal of both the meeting chair and the minutes taker; a copy of the minutes shall be distributed to each director within 20 days after the meeting and well preserved as important company records during the existence of the company.

The production and distribution of the meeting minutes referred to in paragraph 1 may be done in electronic form.

Article 18 The Company shall record on audio or video tape the entire proceedings of a board of directors meeting, and preserve the recordings for at least five years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph any litigation arises in connection with a resolution of a board of directors meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.

Where a board of directors meeting is held via tele- or video conferencing, the audio and visual documentation of the meeting form a part of the meeting minutes and shall be well preserved during the existence of the company.

Article 19 If the board of directors has managing directors, the provisions of Article 2, paragraph 2 of Article 3, Articles 4 to 6, Article 9, and Articles 11 to the preceding article shall apply mutatis mutandis to the procedure for meetings of the managing directors and the provisions of paragraph 4 of Article 3 shall apply mutatis mutandis to the election or discharge of the chairman of the board of directors. However, if a meeting of managing directors is scheduled to be convened within seven days, the notice to each managing director may be made two days in advance.

Article 20 These Rules shall be adopted by the approval of meeting of the Board of Directors and shall be reported to the shareholders' meeting. The same procedures shall apply for future

amendments.