



HannsTouch Solution Inc. 2023 Annual General Shareholders' Meeting Minutes (Translation)

Annual General Shareholders' Meeting 2023

Type of meeting: In person

Time: May 29, 2023 at 9 am

Venue: No. 7, Beiyuan 1st Road (Southern Taiwan Science Park),
Shanhua District, Tainan City 74149

Time and date: 9 AM, May 29, 2022

Place: No. 7, Beiyuan 1st Road (Southern Taiwan Science Park), Shanhua District, Tainan City

Total outstanding shares: 802,907,529 shares

Total shares represented by shareholders present in person or by proxy: 520,177,308 shares (including 45,383,326 shares casted electronically), which makes up 64.79% of the total number of shares issued by the Company, or 4,041,000 share (after deducting shares without voting rights pursuant to Article 179 of the Company Act.)

Percentage of shares held by shareholders present in person or by proxy: 64.79%

Present:

Independent director TienShang Chang (via video conference)

Independent director TingWong,Cheng

Independent director JinFu, Chang

Director ChihChung,Chou

Ching-Chang Chen for and on behalf of Pricewaterhouse Coopers, Taiwan

Lawrence Liang for and on behalf of Giantera International Law Office

CFO Amon, Chien

Chairman: Wei-Hsin Ma, Chairman of the Board

Recorder: Yuhua, Yen

As of 9:00 AM, the aggregate shareholding of the shareholders present in person or by proxy constituted a quorum (520,177,308 shares). The Chairman called meeting to order.

Chairman's address: (omitted)

[Report Items]

I. 2022 Business Report.

For the Company's 2022 Business Report, please see Attachment 1.

II. Audit Committee's Review Report of Audited Financial Statements for 2022.

For Audit Committee's review report, please see Attachment 2.

III. Status report on the distributions of employee compensation and Director remuneration for 2022.

1. In accordance with Articles of Incorporation, Article 29, if the Company is profitable for the year, it shall appropriate 0.001% to 15% of the profit as employee compensation and not more than 2% as Director remuneration. By resolution of the Board meeting on February 20, 2023, the earnings distribution of the Company for 2022 is as follows:

Item	Amount (NT\$1)	Distribution percentage %
Employee compensation - cash	400	0.005%

Director Remuneration - Cash	-	-%
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- The remuneration policy, and content and amount of individual Directors:
The Director remuneration policy complies with the Company Act and Articles of Incorporation, and takes into account the annual performance assessment results (including the Director's performance in the comprehension of the Company's targets, missions and duties, the participation level of the management, fostering and communication of internal working relationship, professionalism and continuing education, internal control and other factors). The Remuneration Committee shall make the proposal pertaining to the Directors' remuneration, which shall be executed after the resolution is passed by the Board of Directors. For remuneration of individual Directors, please see Attachment 3.

IV. Status Report on Earnings Distribution for 2022.

- According to Article 30 of the "Articles of Incorporation", earnings concluded in a year are first subject to taxation and reimbursement of previous losses, followed by a 10% provision for legal reserve. However, no further provision of legal reserve is required if the Company has accumulated legal reserve to an amount equal to the paid-up capital. Moreover, provision or reversal for special reserve shall be made in accordance with the regulations. Any earnings remaining shall be added to undistributed earnings carried from previous years and distributed as shareholder dividends or retained at the Board of Directors' proposal, subject to resolution in a Shareholders' Meeting. In addition, according to Article 31 of the "Articles of Incorporation", the Company shall adopt a stable earnings distribution principle after taking into account financial, business, and operational factors. Subsequent to reimbursement of previous accumulated losses, and provision of legal reserve and special reserve, from the remaining amount of the after-tax net income for the period, not less than 10% shall be allocated as dividends, which may be distributed in cash or stock. Of which, cash dividend shall not be lower than 50% of the total dividends.

In 2022, the Company recorded a net profit after tax of NT\$24,770,313, which, after being used to provide legal reserves and special reserves as required by law, arrived at NT\$0. Given so, although there was still distributable earnings of NT\$1,155,828,969, the Board of Directors elected to apply Article 31 and give priority to allocation of working capital and therefore resolved to retain such distributable earnings; such resolution is hereby submitted to the Annual General Shareholders' Meeting for ratification.

V. Status Report on Offering of Unsecured Ordinary Corporate Bonds.

For the Company's issuance of the first and second secured ordinary corporate bonds of 2021, please see Attachment 4.

VI. Report on Formulation of Regulations Governing Share Repurchase and Transfer to Employees.

For the "Regulations Governing Share Repurchase and Transfer to Employees" formulated by the Company, see Attachment 5.

VII. Report on the Progress of the Company's Share Repurchase.

Repurchase no.	3rd	4th
Date of Board of Directors resolution	2022/08/01	2023/02/20
Purpose of repurchase	To transfer repurchased shares to employees	To transfer repurchased shares to employees
Scheduled repurchase period	2022/08/02~2022/09/30	2023/02/21~2023/04/20

Number of shares intended to be repurchased	20,000,000 shares	5,000,000 shares
Repurchase price range	NT\$6.59~14.57 per share	NT\$7.18~13 per share
Types and number of shares bought back	1,907,000 common shares	3,750,000 common shares
Amount of shares repurchased/average price	NT\$18,289,974/NT\$9.59	NT\$37,737,975 / NT\$10.06
Actual repurchase number to scheduled repurchase number (%)	9.535%	75%
Implementation status	To uphold the interests of all shareholders as a whole and to maintain the market mechanism, the Company strategically repurchased shares in installments depending on the change of share price, while taking into account employees subscription willingness and fund utilization benefits. Therefore, the Company did not fully repurchase the intended number of shares. 6,000 shares were transferred to employees on February 14, 2023. The rest 1,901,000 shares were cancelled through a Board of Directors resolution and such cancellation was registered. The record date for cancellation was March 30, 2023.	After assessment, the market tends to stabilize and has reached the intended benefit, so it will not continue to buy back. According to Article 3 of the Measures for the Transfer of Shares of the Company to Employees, the shares repurchased this time may be transferred to employees one or more times within half a year from the date of repurchase of shares in accordance with the provisions of these Measures.

Note: The actual status of implementation of share repurchase will be reported at the date of the Annual General Shareholders' Meeting.

VIII. Other report items.

1. On May 24, 2022, the Annual General Shareholders' Meeting passed a resolution, whereby for not exceeding 80 million shares, the Company shall "carry out a cash capital increase by issuing common shares through private placement, public offering, or a combination of both" to cater to the development of strategic alliances and the expansion of working capital. Considering the timing of issuance, the Company has yet to submit an application to the competent authority for the issuance. This is to inform that to provide flexibility to the Company in adjusting itself to the changes in the industry and economic climate. Another proposal shall be made for discussion. As such, the original fundraising plan cannot be carried out within the remaining time period.
2. For the 2023 Annual General Shareholders' Meeting, during the proposal acceptance period announced by the Company, no shareholder has submitted any nomination proposal or any other proposal for discussion pursuant to Article 172 -1 of the Company Act.
3. The "Corporate Governance Best Practice Principles" amended by the Company was approved by the Board of Directors meeting dated February 20, 2023. Please see Attachment 6.

[Ratification, Discussion and Election Items]

Proposal 1: Proposed by the Board of Directors

Item: Ratification of Business Report and Financial Statements for 2022.

Description:

1. The Financial Statements for 2022 of the Company have been audited by Ching-Chang Chen and Fu-Ming Liao from PwC Taiwan. The aforementioned Financial Statements and Business Reports have been ratified by the Board of Directors on February 20, 2023 and submitted to the Audit Committee for review.
2. For Business Report and Financial Statements for 2022, please see Attachment 1.

Resolution:

proposal was approved after voting :

approval votes : 511,197,438

disapproval votes : 174,319

invalid votes : 0

abstention votes/no votes : 8,805,551

total votes : 520,177,308

Proposal 2: Proposed by the Board of Directors

Item: Ratification for earnings distribution for 2022.

Description:

1. In 2022, the Company recorded a net profit after tax of NT\$24,770,313, which, after being used to provide legal reserves and special reserves as required by law, arrived at NT\$0. Given so, although there was still distributable earnings of NT\$1,155,828,969, the Board of Directors elected to apply Article 31 and give priority to allocation of working capital and therefore resolved to retain such distributable earnings; below is an account of the 2022 Earnings Distribution Table:

HannsTouch Solution Inc.
Earnings Distribution Table

2022		Unit: NT\$1
Item	Amount	
Undistributed earnings at the beginning of the period (January 1, 2022)	1,223,996,489	
Net profit after tax for 2022 - first half of the year	154,382,845	
Net profit after tax for 2022 - second half of the year	(129,612,532)	
Appropriated as legal reserve (10%)	(2,477,031)	
Provision of special reserves	(90,460,802)	
Undistributed earnings at the end of the period	1,155,828,969	
Distribution item		
Distribution made in 2022: Shareholders- Cash dividend (not distributed)	0	
Undistributed earnings at the end of the period (December 31, 2022)	1,155,828,969	

Chairman: WeiHsin Ma

President: Teansen Jen

Head of Accounting: Amon Chien

2. The proposal was resolved by the Board on February 20, 2023 and submitted to the Audit Committee for review, which has since been completed.

Resolution:

proposal was approved after voting :

approval votes : 511,702,344

disapproval votes : 420,447

invalid votes : 0

abstention votes/no votes : 8,054,517

total votes : 520,177,308

Proposal 3: Proposed by the Board of Directors

Item: Discussion on the proposal to carry out a cash capital increase by issuing common shares through private placement, public offering, or a combination of both.

Description:

- I. To cater to the development of strategic alliances, the expansion of working capital and other capital needs, the Company proposes, not exceeding 80 million shares and with a face value of NT\$10, to carry out a cash capital increase by issuing common shares through private placement, public offering, or a combination of both, or sponsoring issuance of overseas depositary receipt. The fund utilization plan and the expected benefits of capital increase has been made tentatively. Please see Attachment 7.
- II. The Company proposes to request the Annual General Shareholders' Meeting for 2023 to authorize the Board of Directors to select an option or a combination of options from the following methods and principles to raise funds:
 - (I) If the Company opts to carry out a cash capital increase by issuing common shares through private placement to raise capital: In accordance with the Securities and Exchange Act, Article 43-6, a private placement of common shares shall be carried out within one year from the date of the resolution of the Annual General Shareholders' Meeting.
 1. Reasons for private placement:
 - (1) Reasons for not selecting public offerings: The expediency and convenience of private placement in fulfilling the objectives of introducing strategic investors, as well as the restriction imposed on the transfer of securities of private placement within three years and the long-term cooperative relationship with strategic investors, are taken into consideration. Further, authorizing the Board of Directors to coordinate the private placement according to actual business needs would effectively increase the mobility and flexibility of the Company's fundraising activities.
 - (2) Amount of private placement: not exceeding 80 million common shares.
 - (3) Fund utilization and expected benefit of private placement:
 - A. Purpose of the funds: For the use of developing strategic alliances.
 - B. Expected benefits: To cater to the fast-changing industry environment, introducing strategic investors at a suitable time may strengthen the technologies, sales and marketing and supplies of key components that the Company needs for its business, thus enhancing its competitive advantages.
 2. The basis and reasonableness of the price set: Considering the restriction imposed on the transfer of ownership, the principle of setting the issue price for the common shares is not to be lower than 80% of the higher of the following two calculations:
 - (1) The simple average closing price for either the one, three, or five business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
 - (2) The simple average closing price for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.However, without violating the aforementioned principle, for the actual price-fixing date and issue price, it is proposed to the Annual General Shareholders' Meeting to authorize the Board of Directors to set the price according to the market condition at the time, as well as the provision above. Based on the closing prices of the Company's shares recently, the

issue price may be lower than the par value of the common shares. Considering that the circulation of common shares issued through private placement is lower, the issue price is deemed reasonable as it is determined in accordance with “Directions for Public Companies Conducting Private Placements of Securities.”

3. Method for selecting the specific persons: Selection is made in accordance with the Securities and Exchange Act, Article 43-6.

The Company shall source placement from strategic investors that are able to strengthen the technologies, sales and marketing and supplies of key components that the Company needs in its business. The Board of Directors is authorized to review the qualification of potential appointees.

The objectives, necessity and expected benefits of selecting qualified strategic investors using the aforementioned method are to cater to the long-term development needs of the Company. The Company shall tap into the knowledge, technology, branding or distribution channels of the strategic investors to assist the Company in improving its technology, product quality, cost reduction, the stability of key component supplies, efficiency, and market expansion.

4. The rights and responsibilities for the common shares issued through the private placement are, in principle, the same as the common shares that the Company has issued previously. However, in accordance with the Securities and Exchange Act, for the common shares issued through the private placement, except for the parties as stipulated by the Securities and Exchange Act, Article 43-8, a three-year restriction is imposed on the transfer of the shares after issuance. Three years after issuance, in accordance with the Securities and Exchange Act, the Company shall apply for permission from the competent authority to publicly trade the common shares issued through the private placement.

- (II) If the Company opts for carrying out a cash capital increase by issuing common shares through a public offering to raise capital:

The Company proposes to request the Annual General Shareholders’ Meeting for the year to authorize the Board of Directors to select an option or a combination of options from the following methods and principles to raise funds. Depending on the Company's needs, the Board may undertake the issuance in single or multiple closings:

1. If the Company opts for carrying out a domestic cash capital increase by issuing common shares to raise capital:

The Company proposes to the Annual General Shareholders’ Meeting to authorize the Board of Directors to conduct the issuance by means of either book building or subscription.

- (1) By means of book building: In accordance with the Company Act, Article 267, 10% to 15% of the new shares issued shall be reserved for subscription by employees of the Company. In accordance with the Securities and Exchange Act, Article 28-1, the remaining 85% to 90% of the new shares shall be offered publicly by means of book building. If there is an insufficient subscription by employees, the Chairperson is authorized to open the purchase of new shares to specific persons according to the issue price. In accordance with Taiwan Securities Association Regulations Governing the Self-Regulatory of Underwriters Advising Public Offering and Securities Issuance (hereafter, “Securities Association Self-Regulatory Regulations”), the issue price shall not be lower than 90% of the simple average closing price for either the one,

three, or five business days before the price determination base date, after adjustment for any distribution of stock dividends, cash dividends (or capital reduction). For the actual issue price, subsequently to the book building period, the Chairperson is authorized to consult with the underwriter in taking into consideration the status of the book building and the condition of the issuance market and make a final decision afterward.

- (2) By means of subscription: In accordance with the Company Act, Article 267, 10% to 15% of the new shares issued shall be reserved for subscription by employees of the Company. In accordance with the Securities and Exchange Act, Article 28-1, 10% of the new shares shall be publicly offered, while the remaining 75% to 80% of the new shares shall be offered for subscription to the existing shareholders (based on the shareholders' register as at the base date of subscription) according to their shareholding percentage. If the subscription is less than one share or there is an insufficient subscription, the Chairperson is authorized to open the purchase of new shares to specific persons according to the issue price. In accordance with the Securities Association Self-Regulatory Regulations, the issue price shall not be lower than 70% of the simple average closing price for either the one, three, or five business days before the price determination base date, after adjustment for any distribution of stock dividends, cash dividends (or capital reduction). For the actual issue price and terms of issuance, the Chairperson is authorized to consult with the underwriter to consider the condition of the market and make a final decision afterward.

2. If the Company opts for sponsoring issuance of overseas depositary receipts (hereafter, "GDR") for cash capital increase:

The Company proposes to the Annual General Shareholders' Meeting that depending on the market conditions and the capital needs of the Company, to carry out a cash capital increase by sponsoring the issuance of GDR in accordance with the Articles of Incorporation and the relevant law and regulations. In accordance with the Company Act, Article 267, 10% to 15% of the new shares issued shall be reserved for subscription by employees of the Company. In accordance with the Securities and Exchange Act, Article 28-1, the existing shareholders forfeit the subscription rights. All of the remaining new shares shall be publicly offered as the securities of the GDR issuance. For the subscription rights to new shares forfeited by employees, the Company proposes to authorize the Chairperson to open the purchase of new shares to specific persons, or depending on the market need, sponsor the issuance of GDR.

In accordance with the Securities Association Self-Regulatory Regulations, the issue price shall not be lower than 90% of the simple average closing price for either the one, three, or five business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends (or capital reduction). However, for the actual issue price, the Chairperson is authorized to consult with the underwriter in taking into consideration the condition of the market and make a final decision afterward.

To coordinate the issuance of GDR, the Company proposes to authorize the Chairperson or designate a representative to sign agreements or documentation pertaining to the sponsoring of GDR issuance and other relevant matters.

3. Pertaining to the proposal of cash capital increase by issuing common shares

or issuance plan of GDR, terms and conditions of issuance, quantity, issue price, the total amount of funds to be raised, the purpose of the funds, project particulars, implementation schedule, expected benefits, the record date of the capital increase and other related matters, including amendments made in accordance with instructions from the competent authority or a change in market condition and environment, the Company shall propose to the Annual General Shareholders' Meeting to authorize the Board of Meeting for the undertaking.

- III. In response to market changes, giving rise to a necessity whereby the issue price fall lower than the par value, it is reasonable for the Company to opt not to raise funds via the issuance of bonds due to considerations for maintaining steady management and a secure financial structure. If the issue price is set to be lower than par value, the Company shall comply with the regulations stipulated by the competent authority in determining the issue price. After the benefit of a capital increase is evident, the Company's financial structure shall improve substantially, which shall be beneficial to the Company's long-term growth. As such, it shall also be beneficial to the interest of the shareholders.
- IV. If the ceiling of the number of new shares issued is set at 80 million shares, using the outstanding ordinary shares as of February 20, 2023, the maximum share dilution effect shall amount to 9.914%. Considering the funds raised are intended for the development of strategic alliances or the expansion of working capital, it is thus beneficial to the shareholders' interest. As such, the issue of new shares shall not give rise to a significant share dilution effect.
- V. For the issue price of the issuance (except for fixed price), terms and conditions of issuance, issuance method and other matters, such as the change in law and regulations, the opinion of the competent authority or the change in market conditions, the Company proposes to authorize the Board of Directors to take full charge in managing these matters as applicable.
- VI. This proposal was resolved by the Board of Directors meeting on February 20, 2023.

Resolution:

proposal was approved after voting :

approval votes : 510,960,206

disapproval votes : 1,183,101

invalid votes : 0

abstention votes/no votes : 8,034,001

total votes : 520,177,308

Proposal 4: Proposed by the Board of Directors

Item: Discussion on the amendments to the Articles of Incorporation.

Description:

1. To satisfy its operational needs, the Company intends to rename itself “HannsTouch Solutions & Investments corporation” and revise the dividend policy; therefore, Articles 1, 30, 31, and 35 of the Articles of Incorporation are intended to be amended.
2. For comparison table of Amendments to Articles of Incorporation, please see Attachment 8.
3. This proposal was resolved by the Board of Directors meeting on February 20, 2023.

Resolution:

proposal was approved after voting :

approval votes : 511,926,387

disapproval votes : 210,218

invalid votes : 0

abstention votes/no votes : 8,040,703

total votes : 520,177,308

Proposal 5: Proposed by the Board of Directors

Item: Discussion of revision to the Company’s “Rules and Procedures of Shareholders’ Meeting”.

Description:

1. In response to TSWE’s announcement on March 8, 2022 and the permission granted in the amended Company Act to allow a public company to hold a shareholders’ meeting by videoconferencing, the Company intends to amend its “Rules and Procedures of Shareholders’ Meeting” by the amendment to the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” and by “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”, so as to practice shareholder activism and promote a sound development of the securities market.
2. For the Company’s Comparison Table for Amendments to Rules and Procedures of Shareholders’ Meeting, see Attachment 10 .
3. This proposal was resolved by the Board of Directors meeting on October 27, 2022.

Resolution:

NO.	Candidate	name	approval votes
1	Independent Director	Richard Tzong-Han Tsai	510,944,395

Proposal 6: Proposed by the Board of Directors

Item: Proposal on election of one additional independent director of the Company.

Description:

1. According to the Company’s Articles of Incorporation, the Company shall have 5 to 9 directors, subject to the number of directors decided by the Board of Directors through a resolution. The number of independent Directors shall not be less than three persons or one-fifth of the total number of Directors. The election of Directors shall adopt the candidate nomination system stipulated in the Company Act, Article 192-1.

2. Currently the Company has 7 director seats (including three seats of independent directors). To enhance corporate governance, the Company intends to set up an additional seat of independent director, and will eventually have 8 seats of directors (including 4 seats of independent directors). The new independent director shall serve from the Annual General Shareholders' Meeting date in which he/she is elected through July 25, 2024.
3. For the List of Candidates for the Additional Seat of Independent Director of the 9th Board of Directors, see Attachment 12.

Resolution:

proposal was approved after voting :
 approval votes : 511,962,459
 disapproval votes : 198,693
 invalid votes : 0
 abstention votes/no votes : 8,016,156
 total votes : 520,177,308

Proposal 7: Proposed by the Board of Directors

Item: Discussion on lifting the non-competition restrictions for Directors.

Description:

1. Pursuant to the Company Act, Article 209, Paragraph 1, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval. "
2. For directors who also assume concurrent director or manager positions in entities that engage in similar business activities as the Company, please see Attachment 13.
3. The Company proposes to the Annual General Shareholders' Meeting to lift non-competition restrictions for the Directors, and not to seek disgorgement payments from the Directors for the period since they start holding concurrent positions in other entities.

Resolution:

proposal was approved after voting :
 approval votes : 441,139,284
 disapproval votes : 746,107
 invalid votes : 0
 abstention votes/no votes : 8,110,759
 total votes : 449,996,150

[Extraordinary Motions] : none

[Adjournment] : 2023/05/29 09:38

HannsTouch Solution Inc.

Business Report for 2022

I. 2022 Business Report

(I) Outcome of the business plan:

HannsTouch is a manufacturer of high-end AMOLED touch sensors and E-paper drive backplane dedicated to the development of new production technology, strengthening of cost control capability, enhancement of production efficiency and management of delivery, product quality and yield, thus providing customers with the best technology and services.

The global market for smart phones was slashed by 13 % in 2022 due to a COVID-19 epidemic, a war between Russia and Ukraine, a shortage in the supply of chips, and inflation. Aside from competition from low-price LCD display technology, the Rigid AMOLED market has seen its price eroded by AMOLED due to the increased production capacity of AMOLED after plant expansion and the improvement of AMOLED yield. The Company will remain committed to bettering the process yield rate and raising the production line utilization rate, and devise a higher level of technology for IT products to satisfy the forthcoming needs of customers.

The pandemic increased end-users' readiness of replacement and speed of replacements in the first half of 2022; however, owing to currency devaluations, the overall demand for replacements decreased in the second half of the year, leading to a stagnant market performance throughout the year. The plan to expand the electronic shelf label (ESL) drive backplane production capacity was completed in February. Aside from launching projects to satisfy the needs of specific customers, the Company has also developed multiple reference boards for promotion or introduction by multiple customers; this not only lowered customers' project launch expenses but also optimized market penetration, increased market share, and boosted company revenue.

Besides using the drive backplane for Electronic Shelf Label (ESL), the Company continued to progress in design and process capability, eventually producing backplanes of superior resolution that are utilized in e-readers.

The Company shall further enhance the operating performance and reduce the effect of the change of seasonal demands, maintain a high utilization rate of equipment so as to fully make use of the functions of new equipment, continue to develop new manufacturing and product technologies and build new product platforms, increase operational benefits, and realize the long-term profitability goals.

With the aim of achieving sustainable operations, HannsTouch has taken into consideration its corporate and environmental duties, and endeavored to implement some favorable modifications such as the promotion of eco-friendly products, green production, a conscientious supply chain, and a diverse and comprehensive workplace. Aside from winning the bronze award of the Annual Enterprises Protection Award (AEEPA) of the Republic of China (ROC), we further stated in our 2021 Corporate Social Responsibility Report that we would continue to improve material environmental risk issue, e.g., water management, waste management, energy consumption management, and GHG management, hoping to achieve net zero by 2050.

Hopefully, in 2023, with uncertainties held at bay, the Company can thus, increase its operating performance. With management that is based on the principle of stability and integrity, the Company seeks to achieve great performance by collaborating with customers and sharing its business results with the shareholders.

(II) Revenues, expenses, and profitability analysis:

Assessment \ Year		2021	2022
Financial position (%)	Debt to assets ratio	34.12	30.96
	Long-term capital to property, plants and equipment	149.02	139.18
Solvency (%)	Current ratio	533.72	453.63
	Quick ratio	510.92	429.50
Profitability (%)	Return on assets	6.21	0.41
	Return on shareholders' equity	9.69	0.23
	Net profit margin	26.49	1.03
	Earnings per share (NT\$)	1.24	0.03

In 2022, the Company mainly engaged in the development, research, manufacturing and sales of touch sensors. The net operating revenue for 2022 amounted to NT\$2,405,963 thousand. The operating costs amounted to NT\$2,272,770 thousand. The gross profit amounted to NT\$133,193 thousand. The gross profit margin amounted to 6%. The operating loss amounted to NT\$96,744 thousand. The operating loss margin amounted to 4%. The total comprehensive loss amounted to NT\$278,952 thousand. The net profits attributable the parent company amounted to NT\$24,772 thousand.

(III) Research and development:

HannsTouch Solution possesses the generation 5.5 OCTA touch sensor (1300x1500mm) manufacturing plant that can fabricate products that come in different sizes, such as smartwatches, smartphones, and notepads. In the meantime, via flexible design and production, it can satisfy the demands of different production lines of multiple generation AMOLED plants, creating optimal benefits. The main sizes of touch-control products manufactured correspond to the high-end smartphones and wearable products with AMOLED. It contains characteristics such as narrow linewidth, narrow bezel, high transmittance. The Company shall continue to develop advanced Hole in Active Area (HIAA), full-screen display smartphone and Touch and Display Driver Integration (TDDI) and other technical applications on smartphones, collaborating with main customers in satisfying their requirements and developing touch-control products with low-impedance.

Apart from OCTA touch-control glass sensing products, the Company targets the niche product market for application technology and develops the relevant technologies and products for the backplane for ESL display with thin-film transistors (TFT). For technology development wise, the Company has successfully adopted the high electron mobility technology, which can improve TFTs' functions and is beneficial to the design of high-resolution products as it can give rise to a low energy consumption advantage. In terms of product development, taking advantage of the close packing design, ESL back panel products have been successfully introduced, making the best out of the optimal cutting rate of G5.5 (1300x1500mm).

For industrial touch sensors not under the OCTA product line, the Company has developed several types of industrial computer application touch-control products. The mass production of this series of products has been quite stable. Moreover, the Company is making plans to venture into high-end aerial touch-control application products, which will continue to be tested by the end customers, so as to increase the value-add of the products.

Furthermore, with highly automated and precise equipment, in 2021, the Company has developed: (1) a new fabrication technology for flexible TFTs and backplane for ESL display, building a new generation of flexible products and technology platforms; (2) the TFT backplane for in-display optical fingerprint recognition sensor, thus increasing the diversified development of products.

Going forward, the Company will explore the potential of 5G antennas applications, and is looking to collaborate with industry and academia to develop the 5G antennas design capability and a proof of concept (PoC) for manufacturing and processing capability in 2023.

II. Summary of the 2023 Business Plan

Looking ahead, in 2023, as the effect of COVID-19 becomes more like influenza, the war factor fades, and new 5G smartphones rolled out by many international brands are foreseen to drive up purchases of new phones, the sales of OCTA products are expected to grow considerably. In the ESL market, as the pandemic has expedited the willingness and speed of terminal end customers in changing devices, and many major merchandisers have rapidly adopted ESL, expediting the expansion project and maintaining high utilization rate shall be our focus.

Thus, the dawn of the 5G cellphone era has come. The market share of smartphones operating Rigid

AMOLED had diminished by 2022. Apart from solidifying its position in the medium to the high-end smartphone market, Rigid AMOLED is also actively heading toward application in tablets and notebooks, increasing AMOLED's penetration rate in IT products and further enhancing the scope of product application of AMOLED. A minor increase is predicted for 2023.

The e-paper drive backplanes that HannsTouch has been working on for years have been widely used by major customers in their applications, thereby reducing the impact of the throughput subject to seasonable variation on the uptime. It is expected that the ratio of sales on the new product platform will be increased later to optimize the allocation of throughput, make the best of the equipment throughput, optimize the sales and operational performance of the Company, and contribute to the revenue.

Further, for the application market of industrial and automobile professional display and fingerprint touch-control solutions, the Company has also been working closely with customers in its endeavor in technology development. In 2022, its long-term revenue growth was evident, and the development diversity is promising. HannsTouch Solution shall consistently deepen its roots in technology and diversity developments.

(I) Operational guidelines:

1. The main product line of HannsTouch Solution comprises high-end AMOLED touch sensors. The Company shall continue to upgrade its product and technical specifications. Via the expansion of production capacity, the Company shall actively secure new market share. Further, via its advantage in high precision equipment, the Company shall develop new production and product technologies, build new product lines, increase and improve product application combinations, thus increasing the overall operating performance and the return on equity.
2. The Company has consistently developed the technologies and market of touch sensors and display products in professional sectors to enhance the technological value-add and business diversity of the Company.
3. With fulfilling customer satisfaction as its management philosophy, the Company provides a complete series of services and technologies for touch-control products, from development and design to fabrication, so as to cater to customer needs in production flexibility, steady supply, diversity in product series and cost competitiveness, thus enhancing the Company's competitive advantage in production.
4. Using TFT drive backplane technology as the new technology platform, the Company develops related new products, such as the backplane for ESL display and optical fingerprint on display, providing customers with more comprehensive solutions.
5. Building a business with sustainable and steady development for shareholders.

(II) Key production/sales policies:

Apart from supplying OCTA products to the existing AMOLED customers, the generation 5.5 production line also coordinates with the Company's long-term development strategy in partially expanding the manufacturing of TFT drive backplane products, satisfying the needs of new customers. In 2022, the Company will head toward diversifying customer base and developing product application so as to mitigate risks, adjust for seasonal demand change, stabilize revenue stream and continue to expand market share in major customers, as well as consistently developing the scope of new product applications.

In 2022, the Company exponentially grew its production capacity to 10,000 pieces per month, and successfully implemented new applications for drive backplanes (in the reading display market). Furthermore, it delivered technologies, products, and services in novel application fields, and cultivated market demand in professional fields, meeting customer expectations.

III. Future strategies, impacts of the competitive environment, regulatory environment, and the overall business environment

(I) Competitive advantages of HannsTouch Solution:

1. High quality automated professional production lines

The Company is one of the few businesses globally that has fully automated production plants for manufacturing touch sensors. The building design of the production plants took into consideration accommodating the equipment capacity for fabricating high-end TFT and automated production lines so as to satisfy customer needs for high yield and quality in AMOLED touch sensors and TFT backplane, thus guaranteeing a reliable and steady supply to customers.

To cater to rapid demand change of technology and market, the Company adopts AI to coordinate production scheduling and quality enhancement system so as to increase the management capability of production line. The Company also seeks to consistently improve the business information systems (BIS). From value-adding decision making system for new products to the e-commercialization of procurement, logistics and business management platform systems, and from full automation of

production lines to smart monitoring system, the Company consistently take on intellectualization challenges at all frontiers, in hopes of utilizing minimally diversified, rapid and stable production model to increase the customer capability in responding to market changes.

2. Competitive advantage in cost reduction

Manufacturing high-quality products and constantly improving yield are fundamental commitments of HannsTouch Solution to its customers. Apart from consistently optimizing the parameters of production allocation and materials, the Company also expands its production capacity, and automates and intellectualizes production lines and procedures to further optimize the production efficiency and increase the overall competitive advantage.

In addition to the touch-control technology, the Company also seeks to develop the fabrication technology of TFT components that are superior to other foundries, allowing platforms of new generation flexible products and technology to gain more competitive advantage and secure new business opportunities in the application market.

The Company shall develop relationships with suppliers of new materials and implement certification standard for Authorized Economic Operator (AEO) to ensure diversification in high quality and steady supplies, reduce production cost and create better profitability. With more experience and better capabilities in maintaining its own production facilities, the Company is able to achieve proper cost control.

3. High value-adding technology platform

Apart from generation 5.5 glass backplane with a thickness of 0.25mm, the Company has also managed to make use of narrow linewidth, narrow bezel, high transmittance technology for mass-producing OCTA, realizing the application of OCTA for high-end products. Currently, the Company is also providing customers with various verification platforms for new product technologies, assisting the technology development of verification to satisfy the need for product diversification, product specifications of different customers, and the glass of different generations to provide further production technology services.

Meanwhile, under the foundation of highly automated and precise equipment, in 2021, with the fabrication technology of TFT components and backplane for ESL display, the Company shall continue to develop the related flexible product technology platform, widening the product application.

In 2022, we established a collaborative partnership with customers to create in-display fingerprint recognition products; we undertook a proof of concept trial for glass-substrate products to market to customers, and in 2023 we will conduct a similar test on a flexible substrate.

4. High-efficiency operation management

The Company has gained years of experience working with many international mega brands and possesses the most professional fabrication technology and manufacturing management capabilities. The Company has been consistently engaging in quality improvement. Apart from complying with ISO 9001 regulations, the factory has implemented a fully automated functional testing in a scrupulous manner and shall continue to add in more testing equipment with functions strengthened, so as to ensure the utmost quality for the fabrication of products. In the future, the Company shall continue to strengthen smart management and preventive management. Via a consistent effort in optimization of production efficiency and cost reduction, the Company seeks to further improve the overall operation efficiency, and constantly pursue energy conservation along with carbon reduction as the Company works to achieve operating growth whilst contributing to environmental sustainability.

(II) Future business development strategy:

1. Operating model

With a steady customer group and demand, HannsTouch Solution is able to put in place equipment capacity that can cater to product lines of generation 4.5, 5.5 and 6, striving to become a manufacturer of OCTA touch sensors that caters to professional sectors and the sole business that provides AMOLED production lines of multiple generations to customers, thus securing a key role in the supply chain of OCTA market.

To lower the cyclical effect in seasonal demand fluctuation of the consumer smartphone market, increase operating performance and build a steady long-term profitability profile, under the foundation of highly automated and precise equipment, the Company shall develop new TFT components and their fabrication technology and build various new product platforms to add new value to customers.

Furthermore, via internal and external resources and collaboration, the Company widens product applications, expands ESL display, industrial and automobile application markets, develops new application scopes for professional displays, provides more diversified technologies, products and

services, and heads toward providing comprehensive solutions. The Company targets to become a supplier of professional sensors and display solutions, thus improving the value-add both internally and externally. Meanwhile, the Company invested in Glorystone Inc. to enter the hospitality industry. Through the new business model developed closer to consumers, it answers to each of the other sectors that the Group is in for defining a more valuable ecology.

2. Technology development

Apart from leading in the mass production of 0.25mm slimmed glass substrate and production capability of refined line width and narrow bezel products, HannsTouch Solution shall continue to develop advanced HIAA technology and full-screen display smartphones. TDDI and other smartphone technology applications have passed the customers' verification and gone into mass production. The end product applications are adopted by the world's main smartphone brands, becoming the leading supplier in touch-control products. For the backplane market for electronic ink label, the Company is on par with its industry counterparts in using a lower photomask fabrication method, and the products have passed the customers' verification. Thus, the market share is expected to increase gradually.

Furthermore, under the foundation of highly automated and precise equipment, the Company has developed high mobility fabrication technology and product platform for TFT components and flexible substrates. The Company shall use the product platform and further apply the backplane for flexible TFT components and optical fingerprint in display sensors, thus adding value to products. In 2023, our Company collaborated with academic circles and research institutions to develop charge-coupled devices, transparent projection films, and 5G antennas, as part of our strategy to extend our product portfolio. We plan to combine the said technologies to produce new photoelectric and medical sensors, furthering the technical capacities and expanding our customer base.

3. Service model

To cater to product development diversification, the Company shall adjust its customer service system to strengthen customer relationships. In addition to shortening the delivery period and enhancing yield, the Company shall also focus on sales and marketing strategy, crystallize the direction of product development, and search for new niche markets to satisfy new operation strategy development. Further, the Company shall also expand the scope of technological service, determine the direction of technology development, add new value to the product platform for customers, foster a more steadfast and trusting relationship with customers so as to increase the long-term operating performance of the Company.

By consistently improving BIS, the Company continues to optimize and intellectualize the product development process to cater to the needs for the diversification of product platforms, shorten the time for product development and delivery, satisfy the needs of customers in shortening the time for a fast-paced cyclical product launch and the design verification of end product brands, provide a comprehensive production profile and secure key parameters of production and products for quick retrospective tracing and feedback.

The Company shall seek to strengthen the professional product management and professionalism of customer service. From improving product design development, mass production and after-sales service, to expediting the response to customers and execution of solutions to problems, and establishing timely reporting mechanism, the Company aims to build a trusting and interactive rapport, understand the production problem facing customers and provide timely and necessary services. Meanwhile, via the collaborative processes, the Company can consistently improve its own capabilities and play key roles in the supply chain, and implement certification standard for AEO, in hopes of becoming a trusting business partner that can gain customers' approval.

Chairman: WeiHsin Ma

President: Teansen Jen

Head of Accounting: Amon Chien

Audit Committee's Review Report

We have reviewed the Company's 2022 business report, financial statements, and earnings appropriation proposal prepared by the Board of Directors. The financial statements have been audited by CPAs Ching-Chang Chen and Fu-Ming Liao of PriceWaterhouseCoopers Taiwan, who have issued an independent auditor's report. The Audit Committee found no misstatement in the above Business Report, Financial Statements or Earnings Appropriation Proposal and hereby issues its report as presented above in accordance with the Securities and Exchange Act and the Company Act.

To
HannsTouch Solution Inc. 2023 Annual General Shareholders' Meeting

Audit Committee convener:



February 20, 2023

[Attachment 3]

2022 Remuneration of Individual Directors of HannsTouch Solution Inc.

December 31, 2022; unit: NT\$ thousands

Title	Name (Note 1)	Directors' compensation								Sum of A, B, C and D as a percentage of net income (%)		Compensation received as employee								Sum of A, B, C, D, E, F, and G as a percentage of net income (%)		Compensation from parent company or business investments other than subsidiaries		
		Benefits (A)		Pension (B)		Director remuneration (C) (proposed)		Fees for services rendered (D)				Salaries, bonuses, special allowances etc. (E)		Severance payment and pension (F)		Employee remuneration (G) (proposed)								
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares	The Company	All companies included in the financial statements			
Chairperson	WeiHsin Ma	240	240	-	-	-	-	50	50	290	290	7,442	7,442	-	-	-	-	-	-	-	-	7,732	7,732	240
Director	Hua Li Investment	240	240	-	-	-	-	-	-	240	240	-	-	-	-	-	-	-	-	-	240	240	-	
	Representative: YuChi Chiao	-	-	-	-	-	-	50	50	50	50	-	-	-	-	-	-	-	-	50	50	16,164		
Director	TsuKang Yu	240	240	-	-	-	-	20	20	260	260	-	-	-	-	-	-	-	-	260	260	-		
Director	Chih-Chung, Chou	240	240	-	-	-	-	40	40	280	280	-	-	-	-	-	-	-	-	280	280	-		
Independent Director	TienShang Chang	360	360	-	-	-	-	50	50	410	410	-	-	-	-	-	-	-	-	410	410	-		
Independent Director	TingWong, Cheng	360	360	-	-	-	-	50	50	410	410	-	-	-	-	-	-	-	-	410	410	-		
Independent Director	JinFu, Chang	360	360	-	-	-	-	50	50	410	410	-	-	-	-	-	-	-	-	410	410	-		
Total		2,040	2,040	-	-	-	-	310	310	2,350	2,350	7,442	7,442	-	-	-	-	-	-	9,792	9,792	16,404		
1. Please explain the policy, system, standards and structure by which independent director compensation is paid, and association between the amount paid and independent directors' responsibilities, risks, and time committed: The Company has developed its director (including independent director) compensation policy according to The Company Act and Articles of Incorporation. Compensation package is proposed by the Remuneration Committee after taking into consideration the Company's operating strategies, profitability, future prospects, the industry environment, and performance of individual directors, and is executed with the approval of the board of directors. 2. Compensation received by director for providing services (e.g. assuming consultant positions of non-employee nature in the parent company/any company included in the financial statements/investment companies) in the last year, except those disclosed in the above table: Nil. 3. The remuneration information disclosed in the table differs from the information produced for taxation purposes. Thus, the table serves disclosure purposes, and not taxation use. Note 1: List of seven newly elected Directors (the Ninth Board of Directors) is as follows: WeiHsin Ma, YuChi Chiao (representative of Hua Li Investment), TsuKang Yu, ChihChung Chou, TienShang Chang, TingWong Cheng and ChinFu Chang.																								

[Attachment 4]

HannsTouch Solution Inc.

Issuance of Unsecured Ordinary Corporate Bonds

Name of bonds	2021 tranche A, B and C HannsTouch first secured ordinary corporate bonds	2021 HannsTouch second secured ordinary corporate bonds
Rationale of offering	Boost operational capital and repay bank loans.	Boost operational capital and repay bank loans.
Approval document no.	Application was approved by Taipei Exchange per Taipei Exchange-Bond (TEB) Document No. 11000062631 dated June 24, 2021. TEB Document No. 11000066332 dated June 30, 2021 approved OTC trading starting July 5, 2021.	Application was approved by Taipei Exchange per Taipei Exchange-Bond (TEB) Document No. 11000126981 dated November 17, 2021. TEB Document No. 11000134452 dated November 25, 2021 approved OTC trading starting November 26, 2021.
Abbreviation of bonds	P10 HannsTouch 1A P10 HannsTouch 1B P10 HannsTouch 1C	P10 HannsTouch 2
Listing of bonds	OTC	OTC
Total value of issuance	Tranche A: NT\$300,000,000 Tranche B: NT\$300,000,000 Tranche C: NT\$300,000,000 Total: NT\$900,000,000	NT\$600,000,000
Duration of issuance	July 5, 2021 to July 5, 2026	November 26, 2021 to November 26, 2026
Coupon rate	Fixed rate at 0.51%	Annual fixed rate at 0.57%
Repayment of principal	Bullet payment at maturity.	Bullet payment at maturity.
Rationale of offering	Boost operational capital and repay bank loans.	Boost operational capital and repay bank loans.
Guarantor	Tranche A: Mega International Commercial Bank Co., Ltd. Tranche B: Hua Nan Commercial Bank Co., Ltd. Tranche C: Taishin International Bank Co. Ltd.	Taiwan Shin Kong Commercial Bank Company Ltd.
Trustee	Bank SinoPac	Taishin International Bank Co. Ltd.
Main underwriter	The Capital Securities Corp.	MasterLink Securities Corporation
Transfer agent	Share Administration Office, HannsTouch Solution Inc.	Share Administration Office, HannsTouch Solution Inc.
Trading target	Limited to professional investors subjecting to Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds	Limited to professional investors subjecting to Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds

HannsTouch Solution Inc.
Regulations Governing Share Repurchase and Transfer to Employees

- I. Purpose:
To foster and improve cohesion among employees, the Company has formulated its Regulations Governing Share (“treasury shares” hereinafter) Repurchase and Transfer to Employees in accordance with Article 28-2, Paragraph 1, Subparagraph 1 of the Securities and Exchange Act and the “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies” promulgated by the Financial Supervisory Commission. Unless otherwise provided by laws or regulations, the Company’s repurchase of share and transfer to employees shall be carried out by these Regulations.
- II. Types, rights and obligations, and restrictions incidental to the shares to be transferred:
The treasury shares which are to be allocated to employees this time are the Company’s ordinary shares which have the same rights and duties as other ordinary shares outstanding, unless otherwise laid out by applicable laws and regulations.
- III. Transfer period:
As per the terms of these Regulations, the shares repurchased this time may be allocated to employees in a single installment or multiple installments over the course of six months from the date of repurchase.
- IV. Eligibility of transferee:
Regular employees who have worked at the Company for three months upon the share subscription record date or have special contribution to the Company are eligible for the subscription amount specified in Article 5 of these Regulations.
- V. Transfer procedures:
The number of shares an employee can subscribe to will be determined by the Company, considering factors such as job title, rank, seniority, performance, and any exceptional contribution to the organization, in addition to the aggregate amount of repurchased shares held at the share subscription record date and the upper limit of shares that one single employee can subscribe to. By means of a resolution, the Board of Directors shall definitively establish the conditions of subscription eligibility and the upper limit of subscriptions.
If the transferee employee is also a manager, the transfer must be first approved by the Remuneration Committee before being submitted to the Board of Directors for resolution. If the transferee employee is not a manager, the transfer must be first approved by the Audit Committee before being submitted to the Board of Directors for resolution.
Employees who do not remit payment within the specified time frame will be considered to have relinquished their entitlements. To make up for any shortfall in subscriptions, the Board of Directors could reach out to other members of staff to participate during the specified subscription period, and forward the details to the Audit Committee or the Remuneration Committee based on the identity of the subscriber, before submitting it to the Board of Directors for consideration.
- VI. Procedures for this instance of repurchase of treasury shares and transfer to employees:
 - 6.1 The Company shall promulgate and register its plan to repurchase and effect the repurchase of its shares in accord with the Board of Directors’ resolution.
 - 6.2 The Board of Directors shall devise and promulgate operational details including the employee share subscription record date, the criteria for the amount of shares to be subscribed, the payment window, the scope of rights and limitations, etc. in line with these Regulations.
 - 6.3 The Company shall calculate the exact number of subscribed and fully paid-up shares, and shall register share ownership transfer.
- VII. Transfer price per share:
The transfer price of this instance of transfer of repurchased shares to employees is the actual buyback price, and is calculated and rounded up to the hundredth NT\$. However, if prior to the transfer the Company’s outstanding shares increase or decrease, the number of shares to be transferred shall be adjusted in proportion to such increase or decrease ratio.
$$\text{Adjusted transfer price} = \text{Actual buyback price per share} * (\text{Total number of common shares upon conclusion of the Company’s share repurchase} / \text{Total number of common shares prior to the Company’s transfer of repurchased shares to employees})$$
- VIII. Rights and obligations after transfer:
Unless otherwise provided, treasury shares transferred to employees shall, after the share ownership transfer is registered, have the same rights and obligations as those of original common shares.
- IX. Other rights and obligations of the Company and employees:
 - 9.1 The tax, duties and expenses related to the transfer of the shares under this Regulation shall be governed by the legislation and regulations and the Company’s internal operating procedure in force at the date of the

transfer.

9.2 Employees who are allocated the shares shall be bound to keep the information confidential.

- X. These Regulations shall be put into effect, and may be amended, by a resolution of the board of directors.
- XI. These regulations, and any amendment thereto, shall be reported at a shareholders' meeting.

HannsTouch Solution Inc.

Amendments to the Company's "Corporate Governance Best Practice Principles" (after Amendment)

Chapter 1 General Provisions

Article 1 (Legislation purpose)

To establish a good corporate governance system, HannsTouch Solution Inc. (the "Company" hereinafter) has formulated its "Corporate Governance Best Practice Principles" by referring to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" promulgated by the TWSE and TPEX, so as to build an effective corporate governance structure for others to follow.

Article 2(Corporate governance principles)

When setting up the corporate governance system, in addition to complying with relevant laws, regulations, and the Articles of Incorporation, the Company shall follow the following principles:

- I. Protect the rights and interests of shareholders.
- II. Strengthen the functions of the board of directors.
- III. Fulfill the function of functional committees.
- IV. Respect the rights and interests of stakeholders.
- V. Enhance information transparency.

Article 3 (Establishment of an internal control system)

The Company shall follow the Regulations Governing Establishment of Internal Control Systems by Public Companies and take into consideration the overall operational activities of itself and its subsidiaries to design and fully implement an internal control system, and shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the Company's internal and external environment.

The Company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The Audit Committee shall also attend to and supervise these matters. The Company is advised to establish channels and mechanisms of communication between the Audit Committees and the chief internal auditor. The Audit Committee shall periodically hold discussions with their internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the Board of Directors.

The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the Board of Directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.

Appointment, dismissal, evaluation and review, salary and compensation of internal auditors of the Company shall be submitted by the chief auditor to the Chairman of the Board for approval.

Article 3-1 (Personnel responsible for corporate governance affairs)

As required by the "Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers" (referred to as "Directions for Compliance for Board of Directors during Exercise of Powers" hereinafter), the Company is advised to have an adequate number of corporate governance personnel with appropriate qualifications, and shall appoint a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. The qualifications, appointment, dismissal, and continuing education hours of the chief corporate governance officer shall be in accordance with the "Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers".

It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:

- I. Handling matters relating to board meetings and shareholders meetings according to laws.
- II. Producing minutes of board meetings and shareholders meetings.
- III. Assisting in onboarding and continuous development of directors.
- IV. Furnishing information required for business execution by directors.
- V. Assisting directors with legal compliance.
- VI. Briefing the Board of Directors on the results of its review of whether the qualifications of independent directors during nomination, election, and term of office comply with legal requirements.

VII. Handling matters relating to any change with respect to directors.

VIII. Other matters set out in the Articles of Incorporation or contracts.

Chapter 2 Protection of Shareholders' Rights and Interests

Section 1 Encouraging Shareholders to Participate in Corporate Governance

Article 4 (Protection of Shareholders' Rights and Interests)

The corporate governance system the Company shall be designed to protect shareholders' rights and interests and treat all shareholders equitably.

The Company shall establish a corporate governance system which ensures shareholders' rights of being fully informed of, participating in and making decisions over important matters of the Company.

Article 5 (Convention of a shareholders' meeting and formulation of sound meeting rules)

The Company shall convene shareholders meetings in accordance with the Company Act and relevant laws and regulations, and provide comprehensive rules for such meetings. The Company shall faithfully implement resolutions adopted by shareholders meetings in accordance with the rules for the meetings.

Resolutions adopted by shareholders meetings of the Company shall comply with laws, regulations, and Articles of Incorporation.

Article 6 (The Board of Directors shall properly arrange the agenda items and procedures for shareholders meetings.)

The Board of Directors of the Company shall properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder nominations of directors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location, advisably with sufficient time allowed and sufficient number of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.

For a shareholders meeting called by the Board of Directors, it is advisable that the Board of Directors chairperson chair the meeting, that a majority of the directors (including at least one independent director) and convener of the audit committee attend in person, and that at least one member of other functional committees attend as representative. Attendance details should be recorded in the shareholders meeting minutes.

Article 7 (Encouraging shareholders to participate in corporate governance)

The Company shall encourage its shareholders to actively participate in corporate governance. It is advisable that shareholders meetings proceed on a legal, effective and secure basis. The Company shall seek all ways and means, including fully exploiting technologies for information disclosure, to upload annual reports, annual financial statements, meeting handbook, and supplementary information of shareholders meetings in both Chinese and English concurrently, in accordance with the "Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds", and shall adopt electronic voting, in order to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with laws.

The Company is advised to avoid raising extraordinary motions and amendments to original proposals at a shareholders meeting.

The Company is advised to arrange for their shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the Market Observation Post System.

Article 8 (Shareholders meeting minutes)

The Company, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders meeting minutes the year, month, day, and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of directors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected directors.

The shareholders meeting minutes shall be properly and perpetually kept by the Company during its legal existence, and should be sufficiently disclosed on the Company's website, if any.

Article 9 (The chairperson of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the Company.)

The chairperson of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the Company. The chairperson shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at will.

In order to protect the interests of most shareholders, if the chairperson declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it is advisable for the members of the board of directors other than the chairperson of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a new chairperson of the shareholders meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.

Article 10 (The Company shall place high importance on the shareholder right to know, and shall prevent insider trading).

The Company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the Company.

To protect its shareholders' rights and interests and ensure their equal treatment, the Company shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.

It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of the Company become aware of the contents of the Company's financial reports or relevant results. Measures include, without limited to, those prohibiting a director from trading its shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports.

Article 10-1 (Report on directors' remuneration at an Annual General Shareholders' Meeting)

It is advisable that the Company reports at an Annual General Shareholders' Meeting the remuneration received by directors, including the remuneration policy, individual remuneration package, amount, and association with outcomes of performance reviews.

Article 11 (The shareholders shall be entitled to profit distributions by the Company.)

The shareholders shall be entitled to profit distributions by the Company. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the Board of Directors and the reports submitted by the Audit Committee, and may decide profit distributions and deficit off-setting plans by resolution. In order to proceed with the above examination, the shareholders meeting may appoint an inspector.

The shareholders may, pursuant to Article 245 of the Company Act, apply to the court to select an inspector in examining the accounting records, assets, particulars, documents and records of specific transaction of the Company.

The Board of Directors, Audit Committee, and managers of the Company shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any circumvention, obstruction, or rejection.

Article 12 (Material business or financial transactions shall be approved by the shareholders meeting.)

In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.

When the Company is involved in a merger, acquisition or public tender offer, in addition to proceeding in accordance with the applicable laws and/or regulations, it shall not only pay attention to the fairness, rationality, etc. of the plan and transaction of the merger, acquisition or public tender offer, , but information disclosure and the soundness of the Company's financial structure thereafter.

The relevant personnel of the Company handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflicts of interest and the need for recusal.

Article 13 (the Company shall designate personnel exclusively dedicated to handling shareholder proposals.)

In order to protect the interests of the shareholders, it is advisable that the Company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.

The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a Board of Directors meeting in violation of applicable laws, regulations, or the Company's Articles of Incorporation, or that such damage was caused by a breach of applicable laws, regulations or the Company's Articles of Incorporation by any directors or managers in performing their duties.

Section 2 Establishing a Mechanism for Interaction with Shareholders

Article 13-1 (The Board of Directors is responsible for establishing a mechanism for interaction with shareholders.)
The Company's Board of Directors is responsible for establishing a mechanism for interaction with shareholders to enhance mutual understanding of the development of Company's objectives.

Article 13-2 (Efficient communication with shareholders to gain their support)

In addition to communicating with shareholders through shareholders meetings and encouraging shareholders to participate in such meetings, the Company's Board of Directors together with officers and independent directors shall engage with shareholders in an efficient manner to ascertain shareholders' views and concerns, and expound company policies explicitly, in order to gain shareholders' support.

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

Article 14 (Setting up a firewall)

The Company shall clearly identify the objectives and the division of authority and responsibility between it and its affiliated enterprises with respect to management of personnel, assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.

Article 15 (The Company's manager shall not concurrently serve as a manager of its manager, and vice versa.)

Unless otherwise provided by the laws and regulations, a manager of a the Company may not serve as a manager of its affiliated enterprises.

A director who engages in any transaction for himself or on behalf of another person that is within the scope of the Company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent.

Article 16 (The Company shall establish sound objectives and systems for management of finance, operations, and accounting.)

The Company shall establish sound objectives and systems for management of finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with and customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.

Article 17 (Business transactions between the Company and its affiliates shall be based on the principle of fairness and reasonableness).

When the Company and its related parties and shareholders enter into inter-company financial or business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions and improper channeling of profits are strictly prohibited.

The regulations in writing mentioned in the preceding paragraph shall cover the procedures for sales and purchases, acquisition and disposal of assets, loaning of funds, and endorsements and guarantees. Besides, all relevant material transactions shall be approved by the Board of Directors through a resolution, and then reported to or approved by the shareholders' meeting.

Article 18 (Matters corporate shareholders having control power over the Company must comply with)

A corporate shareholder having controlling power over the Company shall comply with the following provisions:

- I. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the Company to be engaged in transactions at other than arm's length or involved in a management conduct for illegal profit.
- II. Its representative shall follow the rules implemented by the Company with respect to the exercise of rights and participation of resolution, so that at a shareholders' meeting, the representative shall exercise his/her voting right for the best interest of all shareholders and in good faith and exercise the fiduciary duty and duty of care of a director.
- III. It shall comply with relevant laws, regulations and the Articles of Incorporation of the Company in nominating directors and shall not act beyond the authority granted by the shareholders meeting or board meeting.
- IV. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.
- V. It shall not restrict or impede the management or production of the company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.
- VI. The representative that is designated when a corporate shareholder has been elected as a director or supervisor shall meet the Company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.

Article 19 (List of major shareholders and the ultimate controllers of the Company's major shareholders)

The Company shall retain at all times a register of major shareholders who own a relatively high percentage of shares and

have controlling power, and of the persons with ultimate control over those major shareholders.

The Company shall disclose periodically important information about its shareholders holding more than 10 percent of the outstanding shares of the Company relating to the pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in the ownership of their shares.

The major shareholder indicated in the first paragraph refers to those who owns 5 percent or more of the outstanding shares of the Company or the shareholding stake thereof is on the top 10 list, provided however that the Company may set up a lower shareholding threshold according to the actual shareholding stake that may control the Company.

Chapter 3 Enhancing the Functions of the Board of Directors

Section 1 Structure of the Board of Directors

Article 20 (Capabilities required of the Board of Directors as a whole)

The board of directors of the Company shall exercise guidance over corporate strategies, supervise the management, and be held responsible to the Company and its shareholders. The Company shall adopt various processes and arrangements as part of its corporate governance system to ensure that the board of directors performs duties in accordance with laws, the Articles of Incorporation, and shareholders' resolutions.

Board of directors of the Company shall be structured based on the company's size and major shareholders' holding position. There should be five director seats or more, adjustable depending on the Company's practical requirements. Board members should be diversified in a manner that supports the Company's operations, business activities, and growth requirements, provided that the number of directors who concurrently hold managerial positions do not exceed one-third of the board. The diversification policy should include, but is not limited to, the following two principles:

- I. Basic requirements and values: Gender, age, nationality, and culture; it is advisable that the number of female directors account for at least one-third of all the directors.
- II. Knowledge and skills: Career background (e.g. law, accounting, industry, finance, marketing, or technology), professional skill, and industry experience.

All board members shall possess the knowledge, skills, and characters needed to exercise their duties. For ideal corporate governance, the board of directors as a whole shall possess the following capacities:

- I. Ability to make operational judgments.
- II. Accounting and financial analysis.
- III. Business administration.
- IV. Crisis management.
- V. Industry knowledge.
- VI. Global market perspective.
- VII. Leadership.
- VIII. Decision-making ability.

Article 21 (The Company shall establish a fair, just, and open procedure for the election of directors.)

The Company shall, according to the principles for the protection of shareholder rights and interests and equitable treatment of shareholders, establish a fair, just, and open procedure for the election of directors, encourage shareholder participation, and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.

Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.

When the number of Directors falls below five persons due to the dismissal for any reason, the Company shall hold a by-election to fill the vacancy in its next annual general shareholders' meeting. When the number of Directors falls short by one-third of the total number Directors prescribed in the Company's Articles of Incorporation, the Company shall call an extraordinary shareholders' meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies. The aggregate shareholding percentage of all of the directors of the Company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 22 (Stipulation of a candidate nomination system for election of directors in the Articles of Incorporation)

The Company shall specify in its Articles of Incorporation in accordance with the laws and regulations of the competent authorities that it adopts the candidate nomination system for elections of directors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.

Article 23 (The Company's Board of Directors shall draw clear distinctions of the authorities and responsibilities of the

functional committees, chairperson of the board, and general manager)

Clear distinctions shall be drawn between the responsibilities and duties of the chairperson of the board of the Company and those of its general manager.

The Company with a functional committee shall clearly define the responsibilities and duties of the committee.

Section 2 Independent Director System

Article 24 (The Company shall appoint independent directors in accordance with its Articles of Incorporation)

The Company shall appoint independent directors in accordance with its Articles of Incorporation. They shall be not less than two in number and advisably not less than one-third of the total number of directors. It is advisable that an independent director serve for not more than three consecutive terms.

Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings.

Applicable laws and regulations apply to their concurrent positions at other companies. They shall also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the Company.

When the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director, supervisor or managerial officer as a candidate for an independent director of the other, the Company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the Company shall disclose the number of votes cast in favor of the elected independent director.

The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the Company, 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.

Change of status between independent directors and non-independent directors during their term of office is prohibited.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the Taiwan Stock Exchange.

Article 25 (Matters requiring an affirmative resolution by the Board of Directors)

The Company shall submit the following matters to the Board of Directors for approval by resolution as provided in the Securities and Exchange Act. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:

- I. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- II. 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.
- III. A matter bearing on the personal interest of a director or an independent director.
- IV. A material asset or derivatives transaction.
- V. A material monetary loan, endorsement, or provision of guarantee.
- VI. The offering, issuance, or private placement of any equity-type securities.
- VII. The hiring, discharge, or compensation of an attesting CPA.
- VIII. The appointment or discharge of a financial, accounting, or internal auditing officer.
- IX. Any other material matter so required by the competent authority.

Article 26 (The Company shall specify independent directors scope of duties)

The Company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The Company or other board members shall not obstruct, reject or circumvent the performance of duties by the independent directors.

The Company shall stipulate the remuneration of the directors according to applicable laws and regulations. The remuneration of the directors shall fully reflect the personal performance and the long-term management performance of the company, and shall also take the overall operational risks of the Company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.

Section 3 Functional Committees

Article 27 (Establishment of functional committees)

For the purpose of developing supervisory functions and strengthening management mechanisms, the Company's Board of Directors, in consideration of the Company's scale and type of operations and the number of its board members, may set up functional committees for audit committee, or remuneration committee.

Functional committees shall be responsible to the Board of Directors and submit their proposals to the Board of Directors for approval. However, the performance of supervisor's duties by the audit committee pursuant to Article 14-4, paragraph

4 of the Securities and Exchange Act shall be excluded.

Functional committees shall adopt an organizational charter to be approved by the Board of Directors. The organizational charter shall contain the numbers, terms of office, and powers of committee members, as well as the meeting rules and resources to be provided by the Company for exercise of power by the committee.

Article 28 (Setting up the Audit Committee)

The Audit Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise. The exercise of power by Audit Committee and independent directors and related matters shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE.

Article 28-1 (Setting up Remuneration Committee)

The Company shall establish its Remuneration Committee, and it is advisable that more than half of the committee members be independent directors. The professional qualifications for the committee members, the exercise of their powers of office, the adoption of the organizational charter, and related matters shall be handled pursuant to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.

Article 28-3 (A whistleblowing system)

The Company is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those procedures into the Company's internal control system for management purposes.

Article 29 (Enhancing and improving the quality of financial statements)

To improve the quality of its financial reports, the Company shall establish the position of deputy to its principal accounting officer.

To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the schedule of the principal accounting officer.

Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses for 6 hours or more each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers.

The Company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the Company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the Company shall faithfully implement improvement actions. It is advisable that the Company establish channels and mechanisms of communication between the independent directors, audit committee, and the attesting CPA, and to incorporate procedures for that purpose into the Company's internal control system for management purposes.

The Company shall evaluate the independence and suitability of the CPA engaged by the Company regularly, and no less frequently than once annually, by referring to the audit quality indicators (AQIs). In the event that the Company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the Board of Directors.

Article 30 (Providing adequate legal consultation services to the Company)

It is advisable that the Company engage a professional and competent legal counsel to provide adequate legal consultation services to the Company, or to assist the directors, the Audit Committee, and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the Company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.

When, as a result of performing their lawful duties, directors, the Audit Committee, or the management are involved in litigation or a dispute with shareholders, the Company shall retain a legal counsel to provide assistance as circumstances require.

The Audit Committee or an independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the Company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their powers, at the expense of the Company.

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

Article 31 (Convention of a Board of Directors meeting)

The Company's Board of Directors shall meet at least once every quarter, or convene at any time in case of emergency. To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director no later than 7 days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the Board of Directors.

The Company shall adopt rules of procedure for board meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.

Article 32 (Directors should be rigorously self-disciplined.)

Company directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter. Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings.

Article 33 (Independent directors and Board of Directors)

When a board meeting is convened to consider any matter submitted to it pursuant to Article 14-3 of the Securities and Exchange Act, an independent director of the Company shall attend the board meeting in person, and may not be represented by a non-independent director via proxy. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the Board of Directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the Board of Directors meeting.

In any of the following circumstances, decisions made by the Board of Directors shall be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS two hours before the beginning of trading hours on the first business day after the date of the board meeting:

- I. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.
- II. The matter was not approved by the audit committee, but had the consent of more than two-thirds of all directors.

During a board meeting, managers from relevant departments who are not directors may, in view of the meeting agenda, sit in at the meetings, make reports on the current business conditions of the Company and respond to inquiries raised by the directors. Where necessary, a CPA, legal counsel, or other professional may be invited to sit in at the meetings to assist the directors in understanding the conditions of the Company for the purpose of adopting an appropriate resolution, provided that they shall leave the meeting when deliberation or voting takes place.

Article 34 (Board of Directors meeting minutes)

Staff personnel of the Company attending board meetings shall collect and correctly record the meeting minutes in detail, as well as a summary, the method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations.

The minutes of the Board of Directors meetings shall be signed by the chairperson and secretary of the meeting and sent to each director within 20 days after the meeting. The director attendance records shall be made part of the meeting minutes, treated as important corporate records, and kept safe permanently during the life of the Company.

Meeting minutes may be produced, distributed, and preserved by electronic means.

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 5 years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph a lawsuit arises with respect to a resolution of a Board of Directors meeting, the relevant audio or video recordings shall be preserved for a further period, in which case the preceding paragraph does not apply.

Where a board of directors meeting is held via teleconference or video conference, the audio or video recordings of the meeting form a part of the meeting minutes and shall be preserved permanently.

When a resolution of the Board of Directors violates laws, regulations, the Articles of Incorporation, or resolutions adopted in the shareholders meeting, and thus causes an injury to the Company, dissenting directors whose dissent can be proven by minutes or written statements will not be liable for damages.

Article 35 (Matters requiring discussions by the Board of Directors)

The Company shall submit the following matters to its Board of Directors for discussion:

- I. Corporate business plans.

- II. 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 CPAs.
- III. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and evaluation of effectiveness of an internal control system.
- IV. 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.
- V. The offering, issuance, or private placement of any equity-type securities.
- VI. The appointment, dismissal, performance assessment, and the standard of remuneration of the managerial officers.
- VII. The structure and system of director's remuneration.
- VIII. The appointment or discharge of a financial, accounting, or internal auditing officer.
- IX. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition. The term "major donation" in the preceding paragraph shall be as defined in Article 7-2 of the Company's "Regulations Governing Procedure for Board of Directors Meetings".
- X. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, or Articles of Incorporation to be approved by resolution at a shareholders meeting or to be approved by resolution at a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority. Except for matters that must be submitted to the Board of Directors for discussion under the preceding paragraph, when the Board of Directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or the Company's Articles of Incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

Article 36 (The Board of Directors shall clearly delegate appropriate units or personnel to execute its resolutions.)

The Company shall ask the appropriate corporate department or personnel to execute matters pursuant to Board of Directors' resolutions in a manner consistent with the planned schedule and objectives. It shall also follow up on those matters and faithfully review their implementation.

The Board of Directors shall remain informed of the progress of implementation and receive reports in subsequent meetings to ensure the actual implementation of the board's management decisions.

Section 5 Fiduciary Duty, Duty of Care and Responsibility of Directors

Article 37 (Members of the Board of Directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator.)

Members of the Board of Directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the Company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the Articles of Incorporation, they shall ensure that all matters are handled according to the resolutions of Board of Directors. It is advisable that the Company formulate rules and procedures for Board of Directors performance assessments. Each year, in respect of the Board of Directors (and functional committees) and individual directors, it shall conduct regularly scheduled performance assessments through self-assessments or peer-to-peer assessments, and may also do so through outside professional institutions or in any other appropriate manner. A performance assessment of the Board of Directors (and functional committees) shall include the following aspects, and appropriate assessment indicators shall be developed in consideration of the Company's needs:

- I. The degree of participation in the Company's operations.
- II. Improvement in the quality of decision making by the Board of Directors.
- III. The composition and structure of the Board of Directors.
- IV. The election of the directors and their continuing professional education.
- V. 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:

- I. Their grasp of the Company's goals and missions.
- II. Their recognition of director's duties.
- III. Their degree of participation in the Company's operations.
- IV. Their management of internal relationships and communication.
- V. Their professionalism and continuing professional education.
- VI. Internal controls.

The Company is advised to submit the results of performance assessments to the Board of Directors and use them as reference in determining compensation for individual directors, their nomination, and additional office term.

Article 37-1 (Establishment of an intellectual property regulatory system)

The Board of Directors is advised to evaluate and monitor the following aspects of the Company's direction of operation and performance in connection with intellectual properties, to ensure the Company develops an intellectual property regulatory system in accordance with the Plan-Do-Check-Act cycle:

- I. Formulate intellectual property regulatory policies, objectives, and systems that are slightly associated with the operational strategies.
- II. Develop, implement, and maintain on the basis of scale and form its regulatory systems governing the procurement, protection, maintenance, and utilization of intellectual properties.
- III. Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property regulatory system.
- IV. Observe internally and externally the risks and opportunities that intellectual property regulation may present and adopt corresponding measures.
- V. Plan for and implement a continuous improvement mechanism to ensure the operation and effects of the intellectual property regulatory regime meet the Company's expectations.

Article 38 (A call from shareholders or independent directors to suspend Board of Director resolutions)

If a resolution of the Board of Directors violates law, regulations or the Company's Articles of Incorporation, then at the request of shareholders holding shares continuously for a year or an independent director to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.

Upon discovering a likelihood that the Company would suffer material injury, members of the Board of Directors shall immediately report to the Audit Committee or an independent director member of the Audit Committee in accordance with the foregoing paragraph.

Article 39 (Directors' liability insurance)

The Company shall take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the Company and shareholders arising from the wrongdoings or negligence of a director.

The Company shall report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for directors, at the next board meeting.

Article 40 (Board of Directors members' participation in continuing education courses)

Members of the Board of Directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law, or corporate social responsibility offered by institutions designated in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies, which cover subjects relating to corporate governance upon becoming directors and throughout their terms of occupancy. They shall also ensure that company employees at all levels will enhance their professionalism and knowledge of the law.

Chapter 4 Respecting Stakeholders' Rights

Article 41 (The Company shall maintain communication with stakeholders and safeguard their rights and interests)

The Company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the company, respect and safeguard their legal rights and interests, and designate a stakeholders section on its website.

When any of a stakeholder's legal rights or interests is harmed, the Company shall handle the matter in a proper manner and in good faith.

Article 42 (The Company shall provide sufficient information to banks and its other creditors.)

The Company shall provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational and financial conditions of the Company and its decision-making process. When any of their legal rights or interest is harmed, the Company shall respond with a responsible attitude and assist creditors in obtaining compensation through proper means.

Article 43 (Establishment of an employee communication channel)

The Company shall establish channels of communication with employees and encourage employees to communicate directly with the management or directors, so as to reflect employees' opinions about the management, financial conditions, and material decisions of the Company concerning employee welfare.

Article 44 (The Company's social responsibilities)

In developing its normal business and maximizing the shareholders' interest, the Company shall pay attention to consumers' interests, environmental protection of the community, and public interest issues, and shall give serious regard to the company's social responsibility.

Chapter 5 Improving Information Transparency

Section 1 Enhancing Information Disclosure

Article 45 (Information disclosure and Internet-based system)

Disclosure of information is a major responsibility of the Company. The Company shall perform its obligations faithfully in accordance with the relevant laws and the related TWSE rules.

The Company shall establish an Internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing the information, and establish a spokesperson system so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.

Article 46 (Appointment of a spokesperson)

In order to enhance the accuracy and timeliness of the material information disclosed, the Company shall appoint a spokesperson and acting spokesperson(s) who understand thoroughly the Company's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the Company in making statements independently.

The Company shall appoint one or more acting spokespersons who shall represent the Company, when the spokesperson cannot perform his/her duties, in making statements independently, provided that the order of authority is established to avoid any confusion. In addition, the Company shall demand that the management and employees keep business and financial secrets confidential and not disseminate any information at will.

The Company shall disclose the relevant information immediately whenever there is any change to the position of a spokesperson or acting spokesperson.

Article 47 (Creation of a corporate governance website)

In order to keep shareholders and stakeholders fully informed, the Company shall utilize the convenience of the Internet and set up a website containing the information regarding the Company's finances, operations, and corporate governance. It is also advisable for the Company to furnish the financial, corporate governance, and other relevant information in English.

To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed, and updated on a timely basis.

Article 48 (Means of convention of an investor conference)

The Company shall hold an investor conference in compliance with the regulations of the TWSE, and shall keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on the Market Observation Post System and provided for inquiry through the website established by the Company, or through other channels, in accordance with the TWSE rules.

Section 2 Disclosure of Information on Corporate Governance

Article 49 (Disclosure of Information on Corporate Governance)

The Company shall dedicate a space on its website to disclose and update from time to time the following information regarding corporate governance:

- I. Board of directors: such as resumes and authorities and responsibilities of board members, board member diversification policy and the implementation thereof.
- II. Functional committees: such as resumes and authorities and responsibilities of members of each functional committee.
- III. Corporate governance bylaws: such as Articles of Incorporation, Regulations Governing Procedure for Board of Directors Meetings, charter of each functional committee, and other relevant corporate governance bylaws.
- IV. Important corporate governance information: such as information of establishment of a chief corporate governance officer.

Chapter 6 Supplementary Provisions

Article 50 (Giving attention to domestic and foreign development)

The Company shall at all times monitor domestic and international developments in corporate governance as a basis for review and improvement of the Company's own corporate governance mechanisms, so as to enhance their effectiveness.

Article 51 These Directions shall take effect after having been submitted to and approved by the Board of Directors and reported at the Shareholders' Meeting. Subsequent amendments thereto shall be effected in the same manner.

HannsTouch Solution Inc.

Fund Utilization Plan, Progress and Expected Benefits for Cash Capital Increase

I. Fund utilization plan and capital needed

To develop strategic alliances and expand working capital, the Company requires approximately NT\$800 million.

II. Source of capital

Within the issuance limit of 80 million shares, the Company proposes to carry out a cash capital increase by issuing common shares through private placement, public offering, or a combination of both. The Company expects to raise approximately NT\$800 million in funds.

III. Fund utilization progress

Unit: NTD thousands

Expected time of completion	Total capital needed	Expected fund utilization progress	
		2023	2024
		Fourth quarter	First quarter
2024Q1	800,000	400,000	400,000

IV. Expected benefits

Using the average long-term loan interest rate of 1.821%, the Company is expected to save an interest expense of approximately NT\$14,568 thousand.

HannsTouch Solution Inc.

Comparison Table of Amendments to Articles of Incorporation

Before Amendments	After Amendments	Description
Article 1 The Company shall be incorporated under the Company Act and its name shall be “ <u>精金科技股份有限公司</u> ” in the Chinese Language and <u>HannsTouch Solutions & Investments corporation</u> in the English language).	Article 1 The Company shall be incorporated under the Company Act and its name shall be “ <u>和鑫光電股份有限公司</u> ” in the Chinese language and “HannsTouch <u>Solution Incorporated</u> ” in the <u>English language</u> .	Company renamed
Article 30 Earnings concluded in a year are first subject to taxation and reimbursement of previous losses, followed by a 10% provision for legal reserve. However, no further provision of legal reserve is required if the Company has accumulated legal reserve to an amount equal to the paid-up capital. Moreover, provision or reversal for special reserve shall be made in accordance with the regulations. Any earnings remaining shall be added to undistributed earnings carried from previous years and distributed as shareholder dividends or retained at the Board of Directors' proposal, subject to resolution in a Shareholders' Meeting. For provisions of “net accumulated other equity interest for previous periods” and “net increase in fair value of investment properties” not met, prior to earnings distribution, the Company shall provide special reserves equivalent to the unmet provisions from undistributed earnings of previous periods. If the amount still falls short, the Company shall make provisions from the total amount of after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings other than after-tax net income for the period. (Omitted below)	Article 30 Earnings concluded in a year are first subject to taxation and reimbursement of previous losses, followed by a 10% provision for legal reserve. However, no further provision of legal reserve is required if the Company has accumulated legal reserve to an amount equal to the paid-up capital. Moreover, provision or reversal for special reserve shall be made in accordance with the regulations. Any earnings remaining shall be added to undistributed earnings carried from previous years and distributed as shareholder dividends or retained at the Board of Directors' proposal, subject to resolution in a Shareholders' Meeting. ~~Where the Company makes provision for special reserves, for provisions of “net accumulated other equity interest for previous periods” and “net increase in fair value of investment properties” not met, prior to earnings distribution, the Company shall provide special reserves equivalent to the unmet provisions from undistributed earnings of previous periods.~~ If the amount still falls short, the Company shall make provisions from the total amount of after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings other than after-tax net income for the period. (Omitted below)	In accordance with the Securities and Exchange Act, Article 41 (the regulation prescribes provision for special reserves) Adjustment of the text of the FSC's official letter demanding mandatory provision or reversal of special reserves.
Article 31 The Company shall adopt a stable earnings distribution principle after taking into account financial, business, and operational factors. Subsequent to reimbursement of previous accumulated losses, and provision of legal reserve and special reserve, from the remaining amount of the after-tax net income for the period, not less than 10% shall be allocated as dividends, which may be distributed in cash or stock. Of which, cash dividend shall not be lower than 50% of the total dividends. <u>However, if the dividend per share is less than NT\$1, the Company may elect not to distribute dividends.</u> The Company may capitalize all or part of its capital reserves into share capital, subject to compliance with the law and the authority's instructions, in situations where the Company has no earnings to distribute in the current year, or if the amount of earnings is far less than the amount distributed in the previous year, or for whatever	Article 31 The Company shall adopt a stable earnings distribution principle after taking into account financial, business, and operational factors. Subsequent to reimbursement of previous accumulated losses, and provision of legal reserve and special reserve, from the remaining amount of the after-tax net income for the period, not less than 10% shall be allocated as dividends, which may be distributed in cash or stock. Of which, cash dividend shall not be lower than 50% of the total dividends. The Company may capitalize all or part of its capital reserves into share capital, subject to compliance with the law and the authority's instructions, in situations where the Company has no earnings to distribute in the current year, or if the amount of earnings is far less than the amount distributed in the previous year, or for whatever financial, business, and operational concerns the Company may have.	However, if the shareholder dividend is less than NT\$1, the Company may elect not to distribute dividends.

Before Amendments	After Amendments	Description
financial, business, and operational concerns the Company may have.		
Article 35 (The above omitted) The 19th amendment was made on June 12, 2019. The 20th amendment was made on May 24, 2022. <u>The 21st amendment was made on May 29, 2023.</u>	Article 35 (The above omitted) The 19th amendment was made on June 12, 2019. The 20th amendment was made on May 24, 2022.	Add the date of amendment to be made at this shareholders' meeting.

HannsTouch Solution Inc.
Articles of Incorporation (Before Amendments)

Chapter 1 General Provisions

- Article 1 The Company shall be incorporated under the Company Act and its Chinese name is “和鑫光電股份有限公司.” (HannsTouch Solution Inc. in the English language).
- Article 2 The scope of business of the Company shall be as follows:
1. C801030 Precision Chemical Material Manufacturing
 2. CB01010 Mechanical Equipment Manufacturing
 3. CC01080 Electronics Components Manufacturing
 4. CC01090 Manufacturer of Batteries and Accumulators
 5. CE01030 Optical Instruments Manufacturing (limited to offsite production operation)
 6. E602011 Refrigeration and Air Conditioning Engineering (limited to offsite production operation)
 7. F113010 Wholesale of Machinery (limited to offsite production operation)
 8. F113020 Wholesale of Electrical Appliances (limited to offsite production operation)
 9. F113030 Wholesale of Precision Instruments (limited to offsite production operation)
 10. F113110 Wholesale of Batteries (limited to offsite production operation)
 11. F119010 Wholesale of Electronic Materials (limited to offsite production operation)
 12. F219010 Retail Sale of Electronic Materials (limited to offsite production operation)
 13. F401010 International Trade
 14. IG03010 Energy Technical Services
 15. F213010 Retail Sale of Electrical Appliances (limited to offsite production operation)
 16. H703100 Real Estate Leasing (limited to offsite production operation)
 17. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
 - (1) Large-size color filters and the related raw material;
 - (2) Solar cell modules;
 - (3) Touch-control liquid-crystal display (LCD);
 - (4) International trading business related to the aforementioned products.
- Article 3 The total investment of the Company in other companies is not restricted by the Company Act, Article 13, which stipulates that the total amount of its investments shall not exceed 40% of the amount of its own paid-up capital. The Company shall be allowed to provide a guarantee for an external party in the industry.
- Article 4 The Company shall establish its head office in Southern Taiwan Science Park. Where necessary, the Company shall establish subsidiaries, offices or factories at appropriate locations within or without the territory of the Republic of China in accordance with the resolution passed by the Board of Directors.

Chapter 2 Shareholdings

- Article 5 The total capital stock of the Company shall be in the amount of 20,000,000,000 New Taiwan Dollars, divided into 2,000,000,000 shares, at ten New Taiwan Dollars each. The Board of Directors is authorized to issue the unissued stocks in batches according to business needs. For the above total capital stock, 1,300,000,000 New Taiwan Dollars shall be reserved for issuing employee stock options, for a total of 130,000,000, at ten New Taiwan Dollars each. The Board of Directors is authorized to issue the unissued stocks in batches according to business needs.
- Article 6 The Company shall be exempted from printing any share certificate for the shares issued. If, however, the Company decides to print share certificates for shares issued, they shall be name-bearing share certificates and the Company shall comply with relevant provisions of the Company Act and relevant rules and regulations for the issuance.

- Article 7 (Deleted)
- Article 8 For the transfer of shares, the transferor and transferee shall submit an application for the transfer to the Company.
- Article 9 Assignment or transfer of shares shall not be set up as a defense against the issuing company unless the name or title and residence or domicile of the assignee or transferee have been recorded in the shareholder register.
- Article 10 Unless otherwise provided, the Company shall conduct the stock matters in accordance with the law and regulations as stipulated by the competent authority.
- Article 11 (Deleted)
- Article 12 Registration for transfer of shares shall be suspended within sixty (60) days prior to a convening date of a regular shareholders' meeting, or within thirty (30) days prior to a convening date of a special shareholders' meeting, or within five (5) days prior to the record date scheduled by the Company for distribution of dividends, bonuses, or other benefits.

Chapter 3 Shareholders' Meetings

- Article 13 There are two types of shareholders' meetings for the Company, namely: (1) regular meeting and (2) special meeting. Regular meetings shall be convened by the Board of Directors within six (6) months after the close of each fiscal year. The shareholders shall be notified 30 days prior to the regular meeting. Extraordinary meetings shall be convened when necessary. The shareholders shall be notified 15 days prior to the special meeting.
For Shareholders' Meeting, the Company may hold by means of a visual communication network or other methods as promulgated by the central competent authority.
- Article 13-1 For the shareholders' meeting, a shareholder holding 1% or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders' meeting during the time period allowed as announced by the Company. The acceptance of shareholders' proposals shall be conducted in accordance with the Company Act and other law and regulations.
- Article 14 In event of the shareholder is unable to attend the shareholders' meeting in person, he or she may appoint a proxy to attend on his or her behalf by conferring the power of attorney printed by the Company to the proxy, with the scope of authority well documented and in accordance with the Company Act and "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."
- Article 15 The Chairperson of the Board of Directors shall preside at the meeting. When the Chairperson is unable to do so, he or she shall designate one of the Directors to preside over the meeting. If no Director is designated by the Chairperson, the Directors shall elect a person among themselves to preside at the meeting.
- Article 16 Except as otherwise stipulated by the Company Act or the related law and regulations, a shareholder shall have one vote per share.
- Article 16-1 At the shareholders' meeting, the shareholders may cast their votes either in written or electronic form, as resolved by the Board of Directors' meeting. The Board of Directors shall detail in the shareholders' meeting notice whether the voting method shall be conducted in written or electronic form. Other related procedures shall be conducted in accordance with the Company Act and other regulations.

Article 17 Except as otherwise provided in the related law and regulations, the resolutions of the shareholders' meeting shall be adopted if the meeting is attended by shareholders in person or by proxy representing more than one half of the total issued and outstanding capital stock of the Company, and the resolutions receiving the concurrence of a majority of the votes held by shareholders present at the meeting.

Article 18 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting, and a copy shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The Company may distribute the meeting minutes of the preceding paragraph by electronic public announcement.

Chapter 4 Directors and Functional Committees

Article 19 The Company shall have five to nine Directors. The Board of Directors shall be authorized to determine the number of Directors. The number of independent Directors shall not be less than three persons or one-fifth of the total number of Directors.

The shareholders with voting rights may provide the recommended director candidates as the reference for the next election of the Board of Directors. The Chairperson shall be elected among the Board of Directors by a majority in a meeting attended by over two-thirds of the Directors. The Chairperson shall have the authority to represent the Company externally. The Vice Chairperson shall be elected in the same manner.

Article 19-1 The Company shall establish Audit Committee. The Audit Committee or its members shall undertake the duties of Supervisors, as prescribed in the Company Act, Securities and Exchange Act and other regulations. The composition, meeting calling, duties and meeting procedures shall be formulated and complied in accordance with the relevant law and regulations.

The Board of Directors of the Company shall also establish the Remuneration Committee, in which its qualification and duty performance of committee members, the establishment of committee charter and other matters shall be in compliance with the relevant law and regulations, and the Articles of Incorporation.

The Board of Directors may establish other types of functional committees and their committee charters shall be formulated by the Board.

Article 20 The term of office for Directors shall be three (3) years, and all Directors shall be eligible for re-election.

Article 20-1 The election of Directors shall adopt the candidate nomination system stipulated in the Company Act, Article 192-1. Matters regarding the acceptance of nomination, public announcements et. cetera shall be conducted in accordance with the Company Act, Securities and Exchange Act and other regulations.

The election of Directors shall be conducted in accordance with the Regulations Governing the Election of Directors and Independent Directors. Unless stated otherwise, as stipulated by the law and regulations, the election of both Directors and Independent Directors shall be conducted in the same election. The respective votes shall be separately calculated to determine the elected Independent Directors and non-Independent Directors.

The number of shares held by the total Directors shall not be lower than the amount provided in the regulations as stipulated by the competent authority.

Article 21 When the number of Directors falls short by one-third of the total number of Directors, or all the Independent Directors are discharged, the Company shall call an extraordinary shareholders' meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies. Unless all Directors are subject to re-election, the term of office of Director replaced through by-election shall fulfill the

unexposed term of office of the predecessor.

- Article 22 The guideline for management and other important matters of the Company shall be determined via resolutions that the Board of Directors passes. The Board meetings are convened and presided by the Chairperson, except for the first Board meeting of the newly elected Board of Directors, which is convened by the Director representing the highest numbers of voting rights. When the Chairperson is unable to perform his or her duties, the Vice Chairperson shall do so in the Chairperson's place. If there is no Vice Chairperson or the Vice Chairperson is also unable to perform the duties, the Chairperson shall designate one of the Directors to do so in the Chairperson's place. If no Director is designated by the Chairperson, the Directors shall elect a person among themselves to perform the duties in the Chairperson's place.
- Article 22-1 To convene the Board of Directors meeting, the Company shall state the purpose of convening the meeting clearly and notify the Directors seven (7) days before the meeting. In case of emergency, the Company may convene the Board of Directors meeting at any time. Except as otherwise stipulated by the Company Act or these Articles, Directors shall attend the Board meetings in person. Any Director attending the meeting via video conference shall be deemed attending the meeting in person. The notification to the Directors for convening the Board of Directors meeting may be issued by written correspondences, facsimile or e-mails and other avenues.
- Article 22-2 The Company shall purchase liability insurance for the Directors during their term of office and for the scope of their duties in accordance with the law and regulations to mitigate and diversify the risks of paying substantial damages facing the Company and Directors. The Board of Directors is authorized to determine the sum insured after taking reference to the domestic and foreign industry standard.
- Article 23 Except as otherwise stipulated by the Company Act, Board meetings shall be attended by a majority of the Directors. In the event a Director is unable to attend the Board meeting in person, he or she may appoint a proxy to attend on his or her behalf by conferring the power of attorney that documents the scope of authority to the proxy. However, each Director may appoint only one proxy for any given Board meeting. The resolutions receiving the concurrence of a majority of the Directors present at the meeting shall be adopted.
- Article 24 (Deleted)
- Article 25 The Company shall be authorized to appoint consultants with the concurrence of a majority of the Directors.

Chapter 5 Managers and Employees

- Article 26 The Company shall appoint managers according to its operational needs.
- Article 27 The appointment, termination and remuneration of Vice Presidents or above shall be undertaken in accordance with the provisions of the Company Act, Article 29.

Chapter 6 Earnings Distribution

- Article 28 After the closing of each fiscal year, the following reports shall be prepared by the Board of Directors and submitted to the Audit Committee for review before submitting to the Annual General Shareholders' Meeting for ratification:
- I. Business Report.
 - II. Financial Statements.
 - III. Proposals Concerning the Distribution of Earnings or Covering of Losses.

- Article 29 For a profitable fiscal year, the Company shall appropriate 0.001% to 15% of the profit as employee compensation and not more than 2% as Director remuneration. However, profits must first be used to offset cumulative losses, if any.
The distribution of the aforementioned employee compensation, whether in the form of stocks or cash, shall be determined by the resolution passed by the Board of Directors. The recipients of the employee compensation include eligible employees of the entities controlled by the Company or subordinate companies which have fulfilled certain criteria, as stipulated by the Board of Directors or the authorized personnel to set the said criteria. The above director's remuneration can only be paid in cash. The Board of Directors shall be authorized to determine the definition of "entities controlled by the Company or subordinate companies which have fulfilled certain criteria"; or the Board of Directors shall appoint the Chairperson to do so.
The Director(s) or shareholder(s) who is (are) designated to conduct the business operations of the Company shall authorize the Board of Directors to disburse salary or honorarium according to the industry standard, regardless of whether the Company is profitable or otherwise.
- Article 30 Earnings concluded in a year are first subject to taxation and reimbursement of previous losses, followed by a 10% provision for legal reserve. However, no further provision of legal reserve is required if the Company has accumulated legal reserve to an amount equal to the paid-up capital. Moreover, provision or reversal for special reserve shall be made in accordance with the regulations. Any earnings remaining shall be added to undistributed earnings carried from previous years and distributed as shareholder dividends or retained at the Board of Directors' proposal, subject to resolution in a Shareholders' Meeting. Where the Company makes provision for special reserve, for provisions of "net accumulated other equity interest for previous periods" and "net increase in fair value of investment properties" not met, prior to earnings distribution, the Company shall transfer an amount equivalent to special reserve from undistributed earnings of previous periods. If the amount still falls short, the Company shall make provisions from the total amount of after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings other than after-tax net income for the period.
The Company may distribute all or part of its dividends, profits, capital reserves or legal reserves in cash, provided that such decision is resolved in a board meeting with at least two-thirds of directors present, supported by more than half of attending directors, and reported during a shareholders' meeting afterwards. These decisions do not require the shareholders' meeting resolution mentioned in the preceding Paragraph.
The Company may distribute earnings or reimburse losses at the end of each half-year, subject to compliance with The Company Act. Before interim earnings distribution, the Company shall estimate and retain the amount of taxes payable, reimburse previous losses, and make provisions for legal reserve as required by law. However, this excludes circumstances where legal reserves have accumulated to an amount equal to paid-up capital. Earnings distribution in cash is subject to the Board of Directors' approval; distribution through the issuance of new shares is subject to shareholders' resolution.
- Article 31 The Company shall adopt a stable earnings distribution principle after taking into account financial, business, and operational factors. Subsequent to reimbursement of previous accumulated losses, and provision of legal reserve and special reserve, from the remaining amount of the after-tax net income for the period, not less than 10% shall be allocated as dividends, which may be distributed in cash or stock. Of which, cash dividend shall not be lower than 50% of the total dividends.
The Company may capitalize all or part of its capital reserves into share capital, subject to compliance with the law and the authority's instructions, in situations where the Company has no earnings to distribute in the current year, or if the amount of earnings is far less than the amount distributed in the previous year, or for whatever financial, business, and operational concerns the Company may have.

Chapter 7 Supplementary Provisions

- Article 32 The Company shall undertake matters not stipulated by the Articles in accordance with the Company Act and other relevant laws and regulations.
- Article 33 The policies, regulations and procedures of the Company shall be established separately by the Board of Directors.
- Article 34 The Articles shall be adopted after resolved by the shareholders' meeting and registered with the administration. The same applies for the amendments to the Articles.
- Article 35 The Articles of Incorporation were established on September 8, 1999. The 1st amendment was made on October 22, 1999. The 2nd amendment was made on March 1, 2000. The 3rd amendment was made on May 3, 2001. The 4th amendment was made on April 8, 2002. The 5th amendment was made on July 11, 2002. The 6th amendment was made on April 24, 2003. The 7th amendment was made on April 23, 2004.

The 8th amendment was made on April 28, 2005. The 9th amendment was made on June 15, 2006. The 10th amendment was made on June 15, 2007. The 11th amendment was made on June 13, 2008. The 12th amendment was made on June 16, 2009. The 13th amendment was made on June 15, 2010. The 14th amendment was made on June 15, 2011. The 15th amendment was made on June 18, 2012. The 16th amendment was made on May 30, 2014. The 17th amendment was made on June 3, 2015. The 18th amendment was made on June 7, 2016. The 19th amendment was made on June 12, 2019. The 20th amendment was made on May 24, 2022.

HannsTouch Solution Inc.

Chairperson WeiHsin Ma

HannsTouch Solution Inc.

Comparison Table for Amendments to “Rules and Procedures of Shareholder Meetings”

Before Amendments	After Amendments	Description
Article 3 (Convening shareholders’ meetings and shareholders’ meeting notice) Unless otherwise provided by the law and regulations, the Company’s shareholders’ meetings shall be convened by the Board of Directors. <u>Changes to how the Company convenes its shareholders meeting shall be resolved by the Board of Directors, and shall be made no later than mailing of the shareholders meeting notice.</u> The Company shall prepare electronic versions of the annual shareholders’ meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or discharge of Directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an annual shareholders’ meeting or 15 days before the date of an extraordinary shareholders’ meeting. The Company shall prepare electronic versions of the shareholders Meeting Handbook and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders meeting or 15 days before the date of the special shareholders meeting. <u>If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made 30 days before the regular shareholders meeting.</u> The shareholders’ Meeting Handbook and supplemental materials shall also be made available 15 days before the date of the regular shareholders meeting for the shareholders’ perusal at the Company and the professional shareholder services agent designated thereby, ~~and distributed on-site at the meeting place.~~ <u>This Company shall make the Meeting Handbook and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</u> <u>I. For physical shareholders meetings, to be distributed on-site at the meeting.</u>	Article 3 (Convening shareholders’ meetings and shareholders’ meeting notice) Unless otherwise provided by the law and regulations, the Company’s shareholders’ meetings shall be convened by the Board of Directors. The Company shall prepare electronic versions of the annual shareholders’ meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or discharge of Directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an annual shareholders’ meeting or 15 days before the date of an extraordinary shareholders’ meeting. The Company shall prepare electronic versions of the shareholders’ meeting handbook and supplemental meeting materials and upload them to the MOPS 21 days before the annual shareholders’ meeting or 15 days before the date of the extraordinary shareholders’ meeting. The shareholders’ Meeting Handbook and supplemental materials shall also be made available 15 days before the date of the regular shareholders meeting for the shareholders’ perusal at the Company and the professional shareholder services agent designated thereby, ~~and distributed on-site at the meeting place.~~	Add provisions allowing the Company to convene a meeting, issue a meeting notice, or transmit relevant data by videoconferencing.

Before Amendments	After Amendments	Description
II. <u>For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u> III. <u>For virtual shareholders meetings, electronic files shall be shared on the virtual meeting platform.</u> The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be sent in electronic form. <u>Election or dismissal of directors or supervisors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</u> The reasons for convening the shareholders' meeting have specified the election of Directors and Supervisors and their appointment date. After the election is concluded in the shareholders' meeting, their appointment date shall not be changed via an extraordinary motion or other methods. A shareholder holding 1% or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders' meeting. Such proposals are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. <u>Further, if the shareholder's proposal concerns circumstances provided in the Company Act, Article 172-1, Paragraph 4, the Board of Directors shall not include such proposal in the agenda.</u> A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, <u>provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.</u> Prior to the book closure date before a regular	The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be sent in electronic form. Matters provided in the <u>Company Act, Article 172, Paragraph 5</u>, Securities and Exchange Act, Article 26-1, 43-6 and Regulations Governing the Offering and Issuance of Securities by Securities Issuers, Article 56-1 and 60-2 shall be specified under the reasons for convening the shareholders' meeting in the meeting notice. None of the above matters may be raised as an extraordinary motion. The reasons for convening the shareholders' meeting have specified the election of Directors and Supervisors and their appointment date. After the election is concluded in the shareholders' meeting, their appointment date shall not be changed via an extraordinary motion or other methods. A shareholder holding 1% or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders' meeting. Such proposals are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. ~~If,~~ however, the shareholder's ~~proposal~~ concerns recommendation advocating for the Company to promote public interest or fulfill social responsibilities, <u>the Board of Directors shall include such proposal in the agenda. Further, if the shareholder's proposal concerns circumstances provided in the Company Act, Article 172-1, Paragraph 4, the Board of Directors shall not include such proposal in the agenda.</u> Prior to the book closure date before a regular	

Before Amendments	After Amendments	Description
shareholders' meeting is held, the Company shall publicly announce that it will receive shareholder proposals, the method of acceptance for written or electronic proposals, and the location and time period for their submission; the period for accepting the submission of shareholder proposals may not be less than 10 days. The proposals submitted by shareholders are limited to 300 words. A proposal exceeding 300 words will not be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the General Shareholders' Meeting and take part in the discussion of the proposal. Prior to the date for issuance of a notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and list in the meeting notice the proposals that conform to the provisions of this Article. At the shareholders' meeting, the Board of Directors shall explain the reasons for excluding any shareholder proposals on the agenda.	shareholders' meeting is held, the Company shall publicly announce that it will receive shareholder proposals, the method of acceptance for written or electronic proposals, and the location and time period for their submission; the period for accepting the submission of shareholder proposals may not be less than 10 days. The proposals submitted by shareholders are limited to 300 words. A proposal exceeding 300 words will not be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the General Shareholders' Meeting and take part in the discussion of the proposal. Prior to the date for issuance of a notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and list in the meeting notice the proposals that conform to the provisions of this Article. At the shareholders' meeting, the Board of Directors shall explain the reasons for excluding any shareholder proposals on the agenda.	
Article 4 (Attendance by proxy and authorization) For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by written or electronic form, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail. <u>If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u>	Article 4 (Attendance by proxy and authorization) For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by written or electronic form, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.	Add provisions pertaining to the validity of videoconferencing or attendance by proxy.
Article 5 (Principles determining the	Article 5 (Principles determining the time	Add clauses

Before Amendments	After Amendments	Description
time and place of a shareholders' meeting) The venue for a Shareholders' Meeting shall be at the premises of the Company or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the Independent Directors with respect to the place and time of the meeting. <u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual shareholders meeting.</u>	and place of a shareholders' meeting) The venue for a Shareholders' Meeting shall be at the premises of the Company or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the Independent Directors with respect to the place and time of the meeting.	removing the restriction to limit the place of meeting to the place of the Company's premises.
Article 6 (Preparation of documents such as the attendance book) The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors, and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u> Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall furnish the attending shareholders with an attendance book to sign in, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors (including Independent Directors), pre-printed ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.	Article 6 (Preparation of documents such as the attendance book) The Company shall specify in the notice of the shareholders' meeting the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be definitively marked, and a sufficient number of suitable personnel assigned to handle the registrations. ~~Shareholders and their proxies (collectively hereafter, "shareholders")~~ shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall furnish the attending shareholders with an attendance book to sign in, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors (including Independent Directors), pre-printed ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as a proxy, it may designate only one	Add provisions pertaining to signing in and registration at a virtual meeting and stipulation of upload of relevant meeting materials to the virtual-only meeting platform at least 30 minutes before the meeting.

Before Amendments	After Amendments	Description
<u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.</u> <u>In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u>	person to represent it in the meeting.	
<u>Article 6-1 (Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)</u> <u>To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:</u> <u>I. How shareholders attend the virtual meeting and exercise their rights.</u> <u>II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u> <u>(I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u> <u>(II) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u> <u>(III) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u> <u>(IV) Actions to be taken if the outcome of all proposals have been announced and</u>		Add provisions to this Article to specify the particulars to be included in a virtual meeting notice.

Before Amendments	After Amendments	Description
<u>extraordinary motion has not been carried out.</u> <u>III. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</u>		
Article 7 (The chairperson and non-voting participants of a shareholders' meeting) If the shareholders' meeting is convened by the Board of Directors, the meeting shall be presided by the Chairperson of the Board. When the Chairperson of the Board is on leave or for any reason unable to exercise the powers of the Chairperson, the Vice Chairperson shall act in place of the Chairperson; if there is no Vice Chairperson or the Vice Chairperson also is on leave or for any reason unable to exercise the powers of the Vice Chairperson, the Chairperson shall appoint one of the Managing Directors to act as the chairperson to preside at the meeting, or, if there are no Managing Directors, one of the Directors shall be appointed to act as chairperson. Where the Chairperson does not make such a designation, the Managing Directors or the Directors shall select one person among themselves to serve as chairperson to preside at the meeting. When a Managing Director or a Director serves as Chairperson, as referred to in the preceding paragraph, the Managing Director or Director shall be one who has held that position for six months or more and understands the financial and business conditions of the Company. The same shall be true for a representative of a corporate director that serves as chairperson. It is advisable that shareholders meetings convened by the Board of Directors be chaired <u>by the chairperson of the board in person</u> and attended by a majority of the directors <u>and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.</u> If a shareholders' meeting is convened by a party with the power to convene but other than the Board of Directors, the convening party shall preside at the meeting. When there are two or more such convening parties, they shall mutually select a chairperson among themselves. The Company may appoint its attorneys, certified public accountants, or related persons retained to attend a shareholders' meeting in a non-voting capacity.	Article 7 (The chairperson and non-voting participants of a shareholders' meeting) If the shareholders' meeting is convened by the Board of Directors, the meeting shall be presided by the Chairperson of the Board. When the Chairperson of the Board is on leave or for any reason unable to exercise the powers of the Chairperson, the Vice Chairperson shall act in place of the Chairperson; if there is no Vice Chairperson or the Vice Chairperson also is on leave or for any reason unable to exercise the powers of the Vice Chairperson, the Chairperson shall appoint one of the Managing Directors to act as the chairperson to preside at the meeting, or, if there are no Managing Directors, one of the Directors shall be appointed to act as chairperson. Where the Chairperson does not make such a designation, the Managing Directors or the Directors shall select one person among themselves to serve as chairperson to preside at the meeting. When a Managing Director or a Director serves as Chairperson, as referred to in the preceding paragraph, the Managing Director or Director shall be one who has held that position for six months or more and understands the financial and business conditions of the Company. The same shall be true for a representative of a corporate director that serves as chairperson. It is advisable that shareholders' meetings convened by the Board of Directors be attended by a majority of the Directors. If a shareholders' meeting is convened by a party with the power to convene but other than the Board of Directors, the convening party shall preside at the meeting. When there are two or more such convening parties, they shall mutually select a chairperson among themselves. The Company may appoint its attorneys, certified public accountants, or related persons retained to attend a shareholders' meeting in a non-voting capacity.	Add provisions demanding a member of each functional committee be included in a meeting.

Before Amendments	After Amendments	Description
Article 8 (Documentation of a shareholders' meeting by audio or video recording) The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures. The audio and visual records of the preceding paragraph shall be retained in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to the Company Act, Article 189, the ballots shall be retained until the litigation concludes. <u>Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end. The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting. In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u>	Article 8 (Documentation of a shareholders' meeting by audio or video recording) The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures. The audio and visual records of the preceding paragraph shall be retained in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to the Company Act, Article 189, the ballots shall be retained until the litigation concludes.	Add provisions stipulating preservation of audio- and video-taped meeting materials at a virtual meeting.
Article 9 (Computation of the number of shares in attendance and convening the meeting) Attendance at shareholders' meetings shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, <u>and the shares checked in on the virtual meeting platform</u>, plus the number of shares whose voting rights are exercised by written or electronic form. The chairperson shall call the meeting to order at the appointed meeting time and announce the number of shares without voting rights, and shares present. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of	Article 9 (Computation of the number of shares in attendance and convening the meeting) Attendance at shareholders' meetings shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by written or electronic form. The chairperson shall call the meeting to order at the appointed meeting time and announce the number of shares without voting rights, shares present, ~~and other relevant information.~~ However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of	Add provisions pertaining to sign-in and adjournment of a virtual-only meeting.

Before Amendments	After Amendments	Description
issued shares, the chair shall declare the meeting adjourned. <u>In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.</u> If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. <u>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register with the Company in accordance with Article 6.</u> When, prior to the meeting's conclusion, the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to the Company Act, Article 174.	issued shares, the chairperson shall declare the meeting adjourned. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to the Company Act, Article 175, Paragraph 1; all shareholders shall be notified of the tentative resolution, and another shareholders' meeting shall be convened within 1 month. When, prior to the meeting's conclusion, the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to the Company Act, Article 174.	
Article 11 (Shareholder speech) Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the speech's content does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Except with the chairperson's consent, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 3 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairperson may suspend the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the chairperson's consent and the shareholder that has the floor; the chairperson shall stop any violation. When a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives appointed may speak on the same proposal. After an attending shareholder has spoken, the	Article 11 (Shareholder speech) Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the speech's content does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Except with the chairperson's consent, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairperson may suspend the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the chairperson's consent and the shareholder that has the floor; the chairperson shall stop any violation. When a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives appointed may speak on the same proposal. After an attending shareholder has spoken, the	Add provisions pertaining to giving a speech at a virtual meeting.

Before Amendments	After Amendments	Description
chairperson may respond in person or direct relevant personnel to respond. <u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.</u> <u>As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.</u>	chairperson may respond in person or direct relevant personnel to respond.	
Article 13 (Voting, monitoring and supervision of voting) A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under the Company Act, Article 179, paragraph 2. When the Company holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by written or electronic means; when voting rights are exercised by written or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by written or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; therefore, it is advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights by written or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting	Article 13 (Voting, monitoring and supervision of voting) A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under the Company Act, Article 179, paragraph 2. ~~Pursuant to the Company Act, Article 197-1, when a Director creates a pledge on the Company's shares he or she holds, and the shares on pledge exceed 50% of the total shares held by the Director at the time of his or her appointment, the amount of shares exceeded shall not be counted as part of the voting rights represented by attending shareholders.~~ When the Company holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by written or electronic means; when voting rights are exercised by written or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by written or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; therefore, it is advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights by written or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.	Add provisions pertaining to the manner in which votes are cast at the virtual meeting and shareholders attend the meeting.

Before Amendments	After Amendments	Description
rights by written or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person <u>or online</u>, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company two business days before the date of the shareholders' meeting, by the same means by which the voting rights were exercised. If the notice of retraction is submitted after that time, the voting rights already exercised by written or electronic means shall prevail. When a shareholder has exercised voting rights both by written or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote by a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chairperson or a person designated by the chairperson shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the meeting's conclusion, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. When there is an amendment or an alternative to a proposal, the chairperson 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. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on proposals shall be appointed by the chairperson, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders' meeting proposals or elections shall be conducted publicly at the venue of the shareholders' meeting. Immediately after vote counting is concluded, the voting results, including the statistical tallies of the numbers of votes, shall be announced on the spot at the meeting, and a record made of the vote. <u>When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals.</u>	After a shareholder has exercised voting rights by written or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company two business days before the date of the shareholders' meeting, by the same means by which the voting rights were exercised. If the notice of retraction is submitted after that time, the voting rights already exercised by written or electronic means shall prevail. When a shareholder has exercised voting rights both by written or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote by a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chairperson or a person designated by the chairperson shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the meeting's conclusion, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. When there is an amendment or an alternative to a proposal, the chairperson 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. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on proposals shall be appointed by the chairperson, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders' meeting proposals or elections shall be conducted publicly at the venue of the shareholders' meeting. Immediately after vote counting is concluded, the voting results, including the statistical tallies of the numbers of votes, shall be announced on the spot at the meeting, and a record made of the vote.	

Before Amendments	After Amendments	Description
<u>and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u> <u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u> <u>When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.</u> <u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u>		
Article 14 (Election of Directors) The election of Directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company. The voting results shall be announced on-site immediately, including the names of those elected as Directors and the numbers of votes they received, <u>and the names of those not elected as Directors and the numbers of votes they received.</u> The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the vote monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to the Company Act, Article 189, the ballots shall be retained until the litigation concludes.	Article 14 (Election of Directors) The election of Directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on the spot immediately, including the names of those elected as Directors and the numbers of votes they received. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the vote monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to the Company Act, Article 189, the ballots shall be retained until the litigation concludes.	Add provisions stipulating on-site announcement of election results, the list of directors candidate fails to be elected, and the number of votes they receive.

Before Amendments	After Amendments	Description
Article 15 (Meeting minutes and signing matters) Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting and a copy shall be distributed to each shareholder within 20 days after the conclusion of the meeting. <u>The Company</u> may distribute the meeting minutes by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and venue of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results <u>(including the number of voting rights)</u>. If the election of Directors is held, the minutes shall disclose the votes received by each candidate. The minutes shall be retained for the duration of the existence of the Company. <u>Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</u> <u>When convening a virtual shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</u>	Article 15 (Meeting minutes and signing matters) Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting and a copy shall be distributed to each shareholder within 20 days after the conclusion of the meeting. ~~The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.~~ The meeting minutes shall accurately record the year, month, day, and venue of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results. If the election of Directors is held, the minutes shall disclose the votes received by each candidate. The minutes shall be retained for the duration of the existence of the Company.	Add provisions requiring recordation of particulars in the minutes of a virtual meeting.
Article 16 (Public disclosure) On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies, and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. <u>In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information</u>	Article 16 (Public disclosure) On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies. It shall make an express disclosure of the same at the place of the shareholders' meeting. If matters put to a resolution at a shareholders' meeting constitute material information under the applicable law or regulations, or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.	To inform shareholders of the number of shares solicited, represented by proxies, and represented by shareholders attending the meeting by correspondence or electronic means, and to inform shareholders' attending the virtual meeting of

Before Amendments	After Amendments	Description
<u>disclosed until the end of the meeting</u> <u>During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u> If matters put to a resolution at a shareholders' meeting constitute material information under the applicable law or regulations, or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.		the number of shares represented by shareholders present and the number of votes cast.
<u>Article 19 (Disclosure of information at virtual meetings)</u> <u>In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u>		Add provisions to this Article to require disclosure of information at virtual meetings.
<u>Article 20 (Location of the chair and secretary of virtual shareholders meeting)</u> <u>When the Company convenes a virtual shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u>		Add provisions to this Article to require the chair and secretary be in the same location when holding a virtual meeting.
<u>Article 21 (Handling of disconnection)</u> <u>In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u> <u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u>		Add provisions to this Article to specify the handling of disconnected meetings.

Before Amendments	After Amendments	Description
<u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.</u> <u>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in at the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u> <u>During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</u> <u>When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u> <u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u> <u>When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u> <u>For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for</u>		

Before Amendments	After Amendments	Description
<u>Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</u>		
<u>Article 22 (Handling of digital divide)</u> <u>When convening a virtual shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</u>		Add provisions to this Article to specify the handling of digital divide.
<u>Article 23</u> These Rules and Procedures, and any amendments hereto, shall be implemented after approval by a shareholders' meeting.	<u>Article 19</u> These Rules and Procedures, and any amendments hereto, shall be implemented after approval by a shareholders' meeting.	Adjust the numeral order of articles

HannsTouch Solution Inc.

Rules and Procedures of Shareholders' Meeting (before amendments)

- Article 1 (Basis of enactment)
To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules and Procedures are adopted pursuant to Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, Article 5.
- Article 2 The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by the law and regulations, or the Articles of Incorporation, shall be provided in these Rules and Procedures.
- Article 3 (Convening shareholders' meetings and shareholders' meeting notice)
Unless otherwise provided by the law and regulations, the Company's shareholders' meetings shall be convened by the Board of Directors.
The Company shall prepare electronic versions of the annual shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or discharge of Directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an annual shareholders' meeting or 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting handbook and supplemental meeting materials and upload them to the MOPS 21 days before the annual shareholders' meeting or 15 days before the date of the extraordinary shareholders' meeting. The shareholders' meeting agenda handbook and supplemental materials shall also be made available 21 days before the date of the regular shareholders meeting for the shareholders' perusal at the Company and the professional shareholder services agent designated thereby, and distributed on-site at the meeting place.
The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be sent in electronic form. Matters provided in the Company Act, Article 172, Paragraph 5, Securities and Exchange Act, Article 26-1, 43-6 and Regulations Governing the Offering and Issuance of Securities by Securities Issuers, Article 56-1 and 60-2 shall be specified under the reasons for convening the shareholders' meeting in the meeting notice. None of the above matters may be raised as an extraordinary motion.
The reasons for convening the shareholders' meeting have specified the election of Directors and Supervisors and their appointment date. After the election is concluded in the shareholders' meeting, their appointment date shall not be changed via an extraordinary motion or other methods.
A shareholder holding 1% or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders' meeting. Such proposals are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. If, however, the shareholder's proposal concerns recommendation advocating for the Company to promote public interest or fulfill social responsibilities, the Board of Directors shall include such proposal in the agenda. Further, if the shareholder's proposal concerns circumstances provided in the Company Act, Article 172-1, Paragraph 4, the Board of Directors shall not include such proposal in the agenda.
Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce that it will receive shareholder proposals, the method of acceptance for written or electronic proposals, and the location and time period for their submission; the period for accepting the submission of shareholder proposals may not be less than 10 days.
The proposals submitted by shareholders are limited to 300 words. A proposal exceeding 300 words will not be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the General Shareholders' Meeting and take part in the discussion of the proposal.
Prior to the date for issuance of a notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and list in the meeting notice the proposals that conform to the provisions of this Article. At the shareholders' meeting, the Board of Directors shall explain the reasons for excluding any shareholder proposals on the agenda.
- Article 4 (Attendance by proxy and authorization)
For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy appointment.
After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting

- in person or to exercise voting rights by written or electronic form, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
- Article 5 (Principles determining the time and place of a shareholders' meeting)
The venue for a Shareholders' Meeting shall be at the premises of the Company or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the Independent Directors with respect to the place and time of the meeting.
- Article 6 (Preparation of documents such as the attendance book)
The Company shall specify in the notice of the shareholders' meeting the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.
The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be definitively marked, and a sufficient number of suitable personnel assigned to handle the registrations.
Shareholders and their proxies (collectively hereafter, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.
The Company shall furnish the attending shareholders with an attendance book to sign in, or attending shareholders may hand in a sign-in card in lieu of signing in.
The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors (including Independent Directors), pre-printed ballots shall also be furnished.
When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.
- Article 7 (The chairperson and non-voting participants of a shareholders' meeting)
If the shareholders' meeting is convened by the Board of Directors, the meeting shall be presided by the Chairperson of the Board. When the Chairperson of the Board is on leave or for any reason unable to exercise the powers of the Chairperson, the Vice Chairperson shall act in place of the Chairperson; if there is no Vice Chairperson or the Vice Chairperson also is on leave or for any reason unable to exercise the powers of the Vice Chairperson, the Chairperson shall appoint one of the Managing Directors to act as the chairperson to preside at the meeting, or, if there are no Managing Directors, one of the Directors shall be appointed to act as chairperson. Where the Chairperson does not make such a designation, the Managing Directors or the Directors shall select one person among themselves to serve as chairperson to preside at the meeting.
When a Managing Director or a Director serves as Chairperson, as referred to in the preceding paragraph, the Managing Director or Director shall be one who has held that position for six months or more and understands the financial and business conditions of the Company. The same shall be true for a representative of a corporate director that serves as chairperson.
It is advisable that shareholders' meetings convened by the Board of Directors are attended by a majority of the Directors.
If a shareholders' meeting is convened by a party with the power to convene but other than the Board of Directors, the convening party shall preside at the meeting. When there are two or more such convening parties, they shall mutually select a chairperson among themselves.
The Company may appoint its attorneys, certified public accountants, or related persons retained to attend a shareholders' meeting in a non-voting capacity.
- Article 8 (Documentation of a shareholders' meeting by audio or video recording)
The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.
The audio and visual records of the preceding paragraph shall be retained in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to the Company Act, Article 189, the ballots shall be retained until the litigation concludes.
- Article 9 (Computation of the number of shares in attendance and convening the meeting)
Attendance at shareholders' meetings shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by written or electronic form.

The chairperson shall call the meeting to order at the appointed meeting time and announce the number of shares without voting rights, shares present, and other relevant information. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chairperson shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to the Company Act, Article 175, Paragraph 1; all shareholders shall be notified of the tentative resolution, and another shareholders' meeting shall be convened within 1 month.

When, prior to the meeting's conclusion, the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to the Company Act, Article 174.

Article 10

(Discussion of proposals)

If the shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The proposals (including extraordinary motions and amendments to original proposals) shall be voted on one by one. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions) except by a resolution of the shareholders' meeting. If the chairperson declares the meeting adjourned in violation of the Rules and Procedures, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chairperson in accordance with the statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chairperson shall allow ample opportunity during the meeting for explanation and discussion of proposals and amendments or extraordinary motions put forward by the shareholders; when the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed, call for a vote and arrange for sufficient time for the voting.

Article 11

(Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the speech's content does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the chairperson's consent, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairperson may suspend the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the chairperson's consent and the shareholder that has the floor; the chairperson shall stop any violation.

When a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives appointed may speak on the same proposal.

After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.

Article 12

(Calculation of voting shares and recusal system)

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

With respect to resolutions of Shareholders Meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the Company's interests, that shareholder may not vote on that item and may not exercise voting rights as a proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent

securities authority, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

(Voting, monitoring and supervision of voting)

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under the Company Act, Article 179, paragraph 2. Pursuant to the Company Act, Article 197-1, when a Director creates a pledge on the Company's shares he or she holds, and the shares on pledge exceed 50% of the total shares held by the Director at the time of his or her appointment, the amount of shares exceeded shall not be counted as part of the voting rights represented by attending shareholders.

When the Company holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by written or electronic means; when voting rights are exercised by written or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by written or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; therefore, it is advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by written or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by written or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company two business days before the date of the shareholders' meeting, by the same means by which the voting rights were exercised. If the notice of retraction is submitted after that time, the voting rights already exercised by written or electronic means shall prevail. When a shareholder has exercised voting rights both by written or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote by a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chairperson or a person designated by the chairperson shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the meeting's conclusion, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chairperson 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. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on proposals shall be appointed by the chairperson, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders' meeting proposals or elections shall be conducted publicly at the venue of the shareholders' meeting. Immediately after vote counting is concluded, the voting results, including the statistical tallies of the numbers of votes, shall be announced on the spot at the meeting, and a record made of the vote.

Article 14

(Election of Directors)

The election of Directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company. The voting results shall be announced on-site immediately, including the names of those elected as Directors and the numbers of votes they received, and the names of those not elected as Directors and the numbers of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the vote monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to the Company Act, Article 189, the ballots shall be retained until the litigation concludes.

Article 15

(Meeting minutes and signing matters)

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting and a copy shall be distributed to each shareholder within 20 days after the conclusion of the meeting.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and venue of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results. If the election of Directors is held, the minutes shall disclose the votes received by each candidate. The minutes shall be retained for the duration of the existence of the Company.

Article 16 (Public disclosure)

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies. It shall make an express disclosure of the same at the place of the shareholders' meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under the applicable law or regulations, or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

The chairperson may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the equipment prepared by the Company, the chairperson may intervene and prevent the shareholder from so doing.

When a shareholder violates the Rules and Procedures and defies the chairperson's instruction, obstructing the proceedings and refusing to heed calls to stop, the Chairperson may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 (Recess and resumption of shareholders' meeting)

When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with the Company Act, Article 182.

Article 19 These Rules and Procedures, and any amendments hereto, shall be implemented after approval by a shareholders' meeting.

[Attachment 12]

HannsTouch Solution Inc.

List of Candidates for the Additional Seat of Independent Director of the 9th Board of Directors
Election of one set of independent director:

Candidate	Name/ID	Main qualifications	Current position	Number of shares held
Independent Director	Tsung-Han Tsai	Ph.D., Institute of Information Engineering, National Taiwan University Research fellow, Center for Geographic Information Science, RCHSS, Academia Sinica (from February 2021 to Present) Professor at the Department of Information Engineering, National Central University (August 2016 to January 2021) Vice chairman, Artificial Intelligence in Medicine and Healthcare (February 2023 to Present) Executive director, ACLCLP (2022 to Present)	Research fellow, Center for Geographic Information Science, RCHSS, Academia Sinica (from February 2021 to Present) Vice chairman, Artificial Intelligence in Medicine and Healthcare (February 2023 to Present) Executive director, ACLCLP (2022 to Present)	0

[Attachment 13]

HannsTouch Solution Inc.

Actions of Directors for Himself or on Behalf of Another Person that is Within the Scope of the
Company's Business

List of Directors	Titles and positions of other entities held concurrently	Same or similar business projects as the Company
YuChi Chiao	Representative of Coretronic Corporation, a corporate director	CC01080 Electronics Components Manufacturing CE01030 Optical Instruments Manufacturing

HannsTouch Solution Inc.
Shareholdings of All Directors

- I. The paid-up capital of the Company amounts to NT\$8,069,485,290, and the issued stocks amount to 806,948,529 shares. Pursuant to the Securities and Exchange Act, Article 26, Paragraph 2 and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum shares held by the Directors collectively amount to 25,822,352 shares.
- II. As at March 31, 2023, the book closure date before the Annual General Shareholders' Meeting, the shareholding of Directors and Independent Directors collectively amounted to 65,494,609 shares, or 8.12% over the total number of shares. The shareholding of individual Directors is as follows:

Title	Name	Shares held (shares)	Shareholding percentage %
Chairman	WeiHsin Ma	6,054,825	0.75%
Director	HUALI Investment Corp. Representative: YuChi Chiao	59,439,784	7.37%
Director	TsuKang Yu	-	-
Director	Chih-Chung, Chou	-	-
Independent Director	TienShang Chang	-	-
Independent Director	TingWong, Cheng	-	-
Independent Director	JinFu, Chang	-	-

Note 1: Pursuant to the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, Article 2: "if a public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors and supervisors other than the independent directors and shall be decreased by 20 percent."

Note 2: The Company has established the Audit Committee in accordance with the law and regulations. As such, the regulation governing the shareholding of the Supervisor is not applicable.

HannsTouch Solution Inc.
Procedures for director elections

Article 1: For a fair, just and transparent election of Directors, the Regulations are enacted in accordance with “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 these Regulations. Any matter not provided in these Regulations shall be conducted in accordance with the relevant laws and regulations.

Article 3: The overall composition of the Board of Directors shall be taken into consideration in selecting the Company’s Directors. The composition of the Board of Directors, as well as the Company’s business operations, operating dynamics, and development needs shall be determined by taking diversity into consideration. The policies should include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional know-how: Professional background (e.g. law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience. The Board members shall possess the necessary knowledge, skills, and experience to perform their duties; their collective capabilities are as follows:
 1. Ability to make operational judgments.
 2. Accounting and financial analysis.
 3. Business administration.
 4. Crisis management.
 5. Industry knowledge.
 6. Global market perspective.
 7. Leadership.
 8. Decision-making ability.

More than half of the Directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other Director.

The Board of Directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

Article 4: The qualifications for the Independent Directors of the Company shall conform to the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies of Taiwan,” Article 2, 3, and 4.

The election of Independent Directors of the Company shall comply with “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies of Taiwan,” Article 5, 6, 7, 8 and 9. It shall be conducted in accordance with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies,” Article 24.

Article 5: The election of Directors shall be conducted in accordance with the procedures of the candidate nomination system stipulated in the Company Act, Article 192-1. When the number of Directors falls below five persons due to the dismissal for any reason, the Company shall hold a by-election to fill the vacancy in its next annual general shareholders’ meeting. When the number of Directors falls short by one-third of the total number Directors prescribed in the Company’s Articles of Incorporation, the Company shall call an extraordinary shareholders’ meeting within 60 days from the date of occurrence to hold a by-election to fill

the vacancies.

When the number of Independent Directors falls below that required under the proviso of the Securities and Exchange Act, Article 14-2, Paragraph 1, a by-election shall be held at the next annual general shareholders' meeting to fill the vacancy. When the Independent Directors are dismissed en masse, an extraordinary shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6: The cumulative voting method shall be used for the election of the Directors at the Company. Each share will have voting rights in number equal to the Directors to be elected and may be cast for a single candidate or split among

multiple candidates. The Board of Directors shall prepare separate ballots for Directors in numbers corresponding to the Directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 7: The number of Directors will be as stipulated in the Company's Articles of Incorporation, with voting rights separately calculated for Independent and Non-independent Director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the stipulated number of positions, they shall draw lots to determine the winner. The chairperson draws lots on behalf of any person not in attendance.

Article 8: Before the election begins, the chairperson shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.

Article 9: A ballot is invalid under any of the following circumstances:

1. A ballot not prepared by the convener.
2. A blank ballot that is cast into the ballotbox.
3. The writing of the ballot is unclear and indecipherable or has been altered.
4. The particulars of candidates entered in the ballot do not correspond to the Director candidate list.
5. Other words or markings are entered in the ballot in addition to the number of voting rights allotted.

Article 10: The voting rights shall be calculated on the spot immediately after the poll has ended, and the results of the calculation, including the list of persons elected as Directors and the numbers of votes with which they were elected, shall be announced by the chairperson on the spot.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the vote monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to the Company Act, Article 189, the ballots shall be retained until the litigation concludes.