

Ton Yi Industrial Corporation
Rules of procedure for Board of Directors' Meeting

(Amended by the Board on: 05 March 2024)

Article 1 (Basis for these Regulations)

In order to establish a good corporate governance system, and strengthen the supervision capabilities and management mechanism of the Company's Board of Directors, the Company lays down these Regulations in accordance with Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 2 (Scope of these Regulations)

The norms of the proceedings of the Company's Board of Directors Meetings ("Board Meetings"), specifically important agenda items, procedures, matters to be recorded in the Minutes, announcements and other matters to be observed, must be handled in accordance with these Regulations.

Article 3 (Board Meeting Convocations and Notifications)

The Board of Directors must convene at least once every quarter. The Meeting Notice must state the matters at hand and notify the Directors seven (7) days in advance. However, in the event of an emergency, a Board Meeting may be called at any time.

Convocations may be sent by electronic means if the recipients have agreed so.

The matters listed under Article 12, paragraph 1 of these Regulations must be listed under the matters at hand in the Meeting Notice. Matters cannot be added to agenda by way of extraordinary motion.

Article 4 (Meeting Notifications and Materials)

The Board of Directors designates the Board Meeting Secretariat ("Secretariat") as the office in charge of handling Board Meeting matters. The Secretariat drafts the agenda for the Board Meeting and prepares sufficient meeting materials to be mailed with the Meeting Notice.

If a Director believes that the meeting materials are insufficient, he/she may request the Secretariat to provide additional materials. If a Director believes that the meeting materials are insufficient, the Board of Directors may resolve to postpone discussion of the agenda item concerned.

Article 5 (Documents such as attendance sheets and powers of attorney)

When a Board Meeting is convened, an attendance sheet must be prepared to record the signatures of the Directors present at the Board Meeting for reference.

Directors must attend the Board Meeting in person. If a Director is unable to do so, he/she may entrust another Director to represent him/her at the Board Meeting. If he/she participates via

video conferencing, it is deemed being present in person.

Each time when a Director entrusts another Director to attend a Board Meeting, he/she must issue a written proxy specifying the scope of authorization for the matters listed in the Meeting Notice.

The representative mentioned under paragraph 2 can only represent one other Director.

Article 6 (Principles for the Venue and Time of Board Meetings)

The place and time at which a Board Meeting is convened must be the Company's location during office hours or another location and time suitable for a board meeting and convenient to the Directors of the Company.

Article 7 (Meeting Chair and Deputy)

Shall the board meetings be convened by the chairperson of the board, the chairperson shall chair the meeting. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.

For the meetings convened by the majority or more of the directors elect on their own pursuant to Paragraph 4, Article 203, or Paragraph 3, Article 203-1 of the Company Act, the chair shall be selected among these directors.

When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the directors to act, or, if no such designation is made by the chairperson, the directors shall select one person from among themselves to serve as chair.

Article 8 (Reference Materials, Guests, and Meeting Notices)

Upon convening a Board meeting, the secretary unit shall prepare relevant information readily available to directors present at the meeting for reference.

Upon convening a Board meeting, personnel of the relevant departments or subsidiaries may be asked to attend the meeting as guests depending on the details of the meeting agenda. If necessary, certified public accountants, lawyers or other professionals may be invited to attend the meeting as guests and to make explanatory statements. Provided, however, that they shall leave the meeting when discussion or voting takes place.

A meeting shall be called to order by the Chairperson of the Board meeting when the scheduled meeting time has arrived and the majority of the Directors are present.

If the majority of the Directors are not present at the scheduled commencement time of the meeting, the chairperson of the meeting may announce the postponement of the meeting during such day not more than twice. If a quorum has not been reached after the second postponement, the Chairperson may convene a new meeting in accordance with the procedure under Paragraph 2 of Article 3.

For purpose of the preceding Paragraph and Subparagraph 2 of Paragraph 2 of Article 16, "all Directors" shall refer to the Directors actually in the office at the given time.

Article 9 (Evidence from Audio or Video Recordings of Board Meetings)

Audio or video recordings must be made of Board Meetings in their entirety to serve as evidence, and must be preserved for at least five years, which may be in electronic format. In the event of litigation within the preservation period regarding a matter resolved by a Board Meeting, the relevant audio or video recordings must be preserved until the conclusion of the lawsuit.

For Board Meetings convened through video conferencing, its video and audio data are part of the Minutes and must be properly preserved during the Company's existence.

Article 10 (Agenda)

The agenda of regular Board Meetings must include at least the following items:

I. Matters to be reported:

- (a) Minutes of the previous meeting and status of implementation
- (b) Important financial and business reports
- (c) Internal audit reports
- (d) Other important matters to be reported

II. Matters for discussion:

- (a) Matters discussed at the previous meeting
- (b) Matters on the agenda for discussion at the meeting

III. Extraordinary motions

Article 11 (Discussion of Agenda Items)

The Board Meeting must proceed according to the Agenda set forth in the Meeting Notice.

However, the Agenda may be changed if more than half of the Directors present agree.

Without the consent of more than half of the Directors present, the Chairman cannot adjourn the Board Meeting.

If during the Board Meeting, the number of Directors present is less than the number of Directors in office, the Chairman may, at the propose of a Director present, declare the meeting suspended and apply the provisions of Article 8, paragraph 5.

During the proceedings of a meeting, if the Chairperson is unable to chair the meeting or fails to declare the meeting adjourned as provided in Paragraph 2, the provisions of Paragraph 3 of

Article 7 shall apply mutatis mutandis to the selection of the proxy to act in place thereof.

Article 12 (Matters Requiring Discussion by the Board of Directors)

The following matters must be discussed by the Board of Directors:

- I. The Company's business plan.
- II. Annual financial reports signed or sealed by the Chairperson, manager and accounting officer and the audited semi-annual financial reports.
- III. Establishing or amending the internal control system in accordance with the provisions under Article 14-1 of the Taiwan Securities and Exchange Act ("TSEA").
- IV. Establishing or amending any major financial business activities such as acquisition or disposal of assets, engaging in derivative commodity transactions, lending monies to others, endorsing or providing guarantees for others in accordance with the provisions of Article 36 of TSEA.
- V. Offering, issue or private placement of equity securities.
- VI. Appointment or dismissal of the Chairman.
- VII. Appointment and dismissal of financial, accounting or internal audit supervisors.
- VIII. Donations to related parties or major donations to non-related parties, with the exception of public welfare donations for relief after large-scale natural disasters, which donations may be raised for discussion at the next Board Meeting for ratification.
- IX. Matters to be resolved at a Shareholders' Meeting or Board Meeting under Article 14-3 of TSEA, other laws, or the Articles of Association, or other important matters as set forth by the competent authority.

The term "related parties" in the preceding paragraph 8 refers to a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "substantial donation to non-related parties" refers to any donation or series of donations within a one-year period to a single recipient that, on an individual basis or cumulatively, amount to TWD 100 million or more, or reach 1 percent of the net operating revenue or 5 percent of the paid-in capital as stated in the audited financial report of the most recent fiscal year. (In the event that a foreign company has no par shares or shares of less than TWD 10 in nominal value, the 5 percent of the paid-in capital in the previous sentence must be calculated as 2.5 percent of the shareholders' equity.)

The term "within a one-year period" in the previous paragraph refers to the period of one year calculated from the date of the Board Meeting concerned, and resolutions from Board Meetings during that period will not be counted.

Each Board Meeting should have at least one Independent Director in attendance. With regard to the first Matter Requiring Discussion by the Board of Directors, all Independent Directors must be present. If an Independent Director is unable to attend in person, he/she must authorize another Independent Director by proxy. If an Independent Director has objections or

reservations, these must be included in the Minutes of the Board Meeting. If an Independent Director cannot attend a Board Meeting in person for cause to express his/her objections or reservations, he/she must issue a written opinion in advance, which must be must be included in the Minutes of the Board Meeting.

Article 13 (Voting I)

The Chairperson may declare an end to discussion of a proposal in the agenda if he or she deems the proposal in discussion is ready for a vote and may then have the proposal voted on. When the Board Meeting is ready to vote on a proposal, and none of the Directors present raises an objection in response to the Chairperson's invitation to do so, the proposal is deemed passed.

When a Director present raises an objection in response to the Chairperson's invitation to do so, the proposal must be put to the vote.

The Chairperson selects the voting method from the following. However, if an attendee raises an objection, the decision is made by a opinion of the majority:

- I Vote by show of hands
- II Vote by roll call
- III Vote by ballots
- IV Voting method determined by the Company

For purpose of the second paragraph, the phrase "all Directors present at the meeting" does not include Directors who may not exercise their voting rights in accordance with the provisions under Article 15, Paragraph 1.

Article 14 (Voting II and the Observation and Counting of Votes)

Unless provided otherwise by TSEA, resolutions of the Board Meeting require that more than half of the Directors in office attend the Meeting and more than half of the Directors in attendance votes in favor of the proposed resolution.

When there are amendments or alternatives to the same proposal, the Chairman determines the voting order. As soon as one of the proposals cases is passed, the other proposals are deemed rejected and no further voting is required.

The Chairperson designates a voting observer and a vote counter if the vote requires such; the observer must be a Director.

The results of votes must be reported on the spot recorded in the Minutes.

Article 15 (Recusal System for the Directors)

If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matter under discussion at the board meeting, such director shall be deemed to have a personal interest in the matter.

Resolutions of the board meeting with directors who may not exercise their voting rights under the provision of these Rules and Procedures shall be passed in accordance the Company Act, Article 206, Paragraph 4. Article 180, paragraph 2 of the same act shall apply mutatis mutandis to the aforesaid resolutions.

Article 16 (Meeting Records and Items to be Signed)

The proceedings of the Board Meeting must be recorded in the Minutes, which must contain the following items:

I. Session (or year) and time and place

II. The Chairman's name

III. The attendance of the Directors, including the numbers and names of persons in attendance, absent with notice, and absent without notice

IV. Names and titles of guests

V. Name of the minute keeper

VI. Matters to be reported

VII. Agenda items: The method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recues himself, and the status of the recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Article 12, paragraph 4.

VIII. Preliminary motions: Proposers' names, methods to resolve motions and resolutions, abstract of directors', experts' and other personnel's speech, or the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recues himself, and the status of the recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.

IX. Other matters that must be recorded

Any of the following matters raised for resolution by the Board of Directors must be recorded in the Minutes and must be reported to the Market Observation Post System (MOPS) designated by the Financial Supervisory Commission of the Executive Yuan on the day after the Board Meeting concerned.

I. Independent Directors have objections or reservations and there are recorded or written statements.

2. When the Board of Directors has passed a resolution with more than two thirds of all Directors in favor after the Audit Committee has not passed the same.

The Board Meeting attendance sheets form part of the Minutes and must be properly kept during the Company's existence.

The Minutes must be signed or sealed by the Chairman of the Board of Directors and the minute keeper. They must be distributed within 20 days after the meeting. They must be included in the Company's important files, and must be properly kept during the Company's existence.

The production and distribution of the Minutes referred to in the first paragraph may be done electronically.

Article 17 (Principles of Authorization by the Board of Directors)

Except for the matters as set forth in Paragraph 1 of Article 12 which shall be raised at the Company's Board meeting for discussion, subject to the applicable laws or Articles of Association, the levels and contents of matters able to be executed under authorization shall be specifically and clearly defined.

Article 18 (Supplementary provision)

These Rules of Procedure shall be adopted by the approval of meeting of the board of directors and shall be reported at the shareholders meeting.

The Rules of Procedure were established on March 24, 2006.

1st amendment	19 March 2007
2th amendment	17 March 2008
3th amendment	21 March 2012
4th amendment	23 April 2013
5th amendment	07 November 2017
6th amendment	26 March 2020
7th amendment	10 Novembe 2020
8th amendment	08 Novembe 2022
9th amendment	05 March 2024