

LCY Technology Corp.

Rules of Procedure for Board of Directors Meetings

Formulated on August 10, 2007

Revised in the shareholders' meeting on June 24, 2011

Revised in the shareholders' meeting on June 13, 2013

Revised in the shareholders' meeting on April 25, 2017

Revised in the extraordinary shareholders meeting on August 21, 2017

Revised by the Board of Directors on November 9, 2017

Revised by the Board of Directors on May 12, 2021

Revised by the Board of Directors on Jan 4, 2023

- Article 1 To establish a sound governance system for the Board of Directors, optimize its supervision function and strengthen the management, the Company has established Rules of Procedure for Board of Directors Meetings (hereinafter referred to as the procedure) pursuant to Paragraph 8 of Article 26-3 of the Securities and Exchange Act and the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies".
- Article 2 Except otherwise specified by the laws or the Company's Articles of Incorporation, the main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements for Board of Directors meetings shall be handled in accordance with the procedure.
- Article 3 The Company's Board of Directors shall at least meet quarterly.
The reasons for calling a Board of Directors Meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice.
The notice set forth in the preceding paragraph may be affected by means of electronic transmission, after obtaining prior consent from the recipients thereof.
All matters set out in the subparagraphs of Paragraph 1 of Article 7 of the Rules shall be specified in the notice of the reasons for calling a board of directors meeting and shall not be raised by an extempore motion.
- Article 4 The Company's Board of Directors meeting shall be held at a place and time convenient to all directors and suitable for holding such a meeting.
- Article 5 The Company's Board of Directors appoints the Corporate Governance Division as the agenda working group for the Board of Directors meetings.
The agenda working group shall be responsible for drafting the agenda of the Board of Directors meeting, assisting in meeting records and related matters, and providing sufficient meeting information, which shall be sent together with the call notice.

If the directors consider that the meeting materials are not sufficient, they may request to make up the materials to the agenda working group, which shall deal with them in accordance with the standard operating procedure of the Company. If the directors consider that the materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the Board of Directors meeting.

Article 6 Agenda items for a regular Board of Directors meeting shall include at least the following:

- I. Announcements:
 - (I) Minutes of the last meeting and actions arising.
 - (II) Reporting on important financial and business matters.
 - (III) Reporting on internal audit activities.
 - (IV) Other important announcements.
- II. Discussions:
 - (I) Items discussed and continued from the last meeting.
 - (II) Items for discussion at this meeting.
- III. Extempore Motions.

Article 7 The following items shall be proposed to the Company's Board of Directors for discussion:

- I. Business Plan and Annual Budget.
- II. Annual financial report signed or sealed by Chairman, manager and accounting supervisor.
- III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and an assessment of the effectiveness of the 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, loaning of funds to others, and endorsements or guarantees for others.
- V. The offering, issuance, or private placement of any equity-type securities.
- VI. Performance appraisal and remuneration criteria for managers.
- VII. Structure and system of directors' remuneration.
- VIII. Matters involving the interests of the directors.
- IX. Transactions in major assets and derivatives, loans to others, and endorsement guarantee transactions.
- X. Appointment, removal or remuneration of certified public accountants.

- XI. Election or discharge of Chairman, and the appointment or removal of a financial, accounting, or internal audit officer.
- XII. A donation to a related party or a major donation to a non-related party. However, a public-interest donation of disaster relief for a major natural disaster may be submitted to the following Board of Directors meeting for retroactive recognition.
- XIII. When the Company acquires or disposes of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more.
- XIV. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or by-law to be approved by resolution at a shareholders' meeting or Board of Directors meeting, or any such significant matter as may be prescribed by the competent authority.

The term "related party" mentioned in this regulation refers to a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The term "major donation to a non-related party" refers to any individual donation, or cumulative donations within a one-year period to a single recipient, at an amount of NT\$100 million or more, or at an amount equal to or greater than one percent of net operating revenue or five percent of paid-in capital as stated in the financial report audited and attested by independent certified public accountants for the most recent year.

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

In the case of a meeting concerning any matter required to be submitted for a resolution by the Board of Directors meeting under Paragraph 1, each independent director shall attend in person. If an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy.

Article 8

Except for matters to be discussed at the Company's Board of Directors meetings set out in Paragraph 1 of Article 7, during the adjourn of the Board of Directors meeting, if the Board of Directors authorizes the exercise of the powers of the Board of Directors according to any order or the Articles of Incorporation of the Company, the level, content or matters of the authorization shall be handled in accordance with the authorization form approved by the Company, and the content shall be specific and clear and shall not be generalized.

Article 9 When the Company hold a Board of Directors meeting, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.

When the Company holds a Board of Directors meeting, the directors shall be present in person, and at least one independent director shall be present in person at each meeting; directors participating in the meeting by video are deemed to be present in person.

If a director can not attend the meeting in person, he/she shall, in accordance with the Articles of Incorporation of the Company, issue a power of attorney, setting forth the scope of authorization for the reasons enumerated, and entrust another director to attend the meeting on his/her behalf.

If an independent director can not attend the meeting in person, he/she shall, in accordance with the Articles of Incorporation of the Company, issue a power of attorney, setting forth the scope of authorization for the reasons enumerated, and entrust another independent director to attend the meeting on his/her behalf.

A proxy under the preceding Paragraph 2 may accept proxy request from one person only.

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

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

When the chairman of the board is on leave or for any reason is unable to exercise the powers of the chairman, it shall be chaired by a director designated by the chairman; if the chairman does not make such a designation, by a director elected by and from among themselves.

Article 11 Depending on the contents of the proposal, the Company may notify the relevant department managers who are not directors to attend the Board of Directors meetings, report the business overview and answer the questions raised by the directors.

When necessary, the Company may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants. Provided, however, that they shall leave the meeting when deliberation or voting takes place.

Article 12 When the time of a meeting has arrived and one-half of all board directors are not present, the meeting chair may announce postponement of the meeting time, provided that only two postponements may be made. If the quorum is still not met after two such delays, the chair shall re-call the meeting following the procedures provided in Paragraph 2 of Article 3.

The term "all directors" as used in the Procedure shall be calculated as the number of directors then in office.

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

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

If the directors presenting at the meeting are not more than half of the directors present at the meeting at any time during the proceeding of a Board of Directors meeting, then upon motion by the directors sitting at the meeting, the chair shall declare the suspension of the meeting, in which case Paragraph 1 of Article 12 shall apply *mutatis mutandis*.

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

When a proposal comes to a vote at a Board of Directors meeting, if the chair puts the matter before all directors present at the meeting and none voices an objection, the matter is deemed approved.

The resolution of the Board of Directors may be voted in one of the following methods: (1) by show of hands or by ballot, (2) by roll call, or (3) by ballot, as decided by the chair. In case of a dissent by an attendee, the voting method shall be decided by a majority of the attending directors:

Except where all directors present at the meeting pass the resolution without objection, the ballot monitoring and vote counting methods shall be clearly stated. "All directors present at the meeting" in this clause does not include directors prohibited from exercising voting rights pursuant to Paragraph 1 of Article 16.

Article 15 Except as otherwise stated in the Securities and Exchange Act or in the Company Act, a resolution on a matter at a Board of Directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors.

The independent director shall submit matters to the Board of Directors for discussion and resolution regarding Paragraph 1 of Article 7, and if an independent director expresses any objection or reservation about a matter, it shall be recorded in the Board of Directors meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

Article 16 If any director or a juristic person represented by a director is an interested party with respect to any 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 interests of the Company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.

Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item of the meeting, such director shall be deemed to be an interested party with respect to that agenda item, and shall be handled as per the preceding paragraph.

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

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

- I. Session (or year), time, and place of meeting.
- II. Name of the meeting chair.
- III. Attendance of directors at the meeting, specifying the names and number of members present, excused, and absent.
- IV. Names and titles of those attending the meeting as non-voting participants.
- V. Name of the minute taker.
- VI. Matters reported on.
- VII. Discussions: The method of resolution and the result for each proposal; a summary of the comments made by directors, or other persons; the name

of any director that is an interested party as referred to in Article 16, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Paragraph 2 of Article 15.

VIII. Extempore motions: the name of the mover; the method of resolution and the result for each motion; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to Article 16, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.

IX. Other matters required to be recorded.

The attendance book forms a part of the minutes for each Board of Directors meeting and shall be well preserved during the existence of the Company.

The minutes of a board of directors meeting shall bear the signature or seal of both the meeting chair and the minutes taker; a copy of the minutes shall be distributed to each director within 20 days after the conclusion of the meeting, and included in the important files of the Company and properly stored during the duration of the Company's existence.

The meeting minutes may be produced and distributed in electronic form.

Any of the following matters in relation to a resolution passed at a meeting of the board shall be stated in the minute book and within two days of the meeting be published on Market Observation System:

- (I) Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.
- (II) Any matter that has not been passed by the Company's Audit Committee but has been adopted with the approval of two-thirds or more of all directors.
- (III) The Board of Directors approves the recommendation that the remuneration is superior to that of the Remuneration Committee.

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

If any litigation arises in connection with a resolution of a Board of Directors meeting before the end of the preservation period referred to in the preceding

paragraph, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded, and the provisions of the preceding paragraph shall not apply.

Where a Board of Directors meeting is held via video conferencing, the audio and visual documentation of the meeting form a part of the meeting minutes and shall be well preserved during the existence of the Company.

Article 19 This procedure was implemented on August 10, 2007 upon the consent of the Board of Directors. If there is any amendment in the future, it will be submitted to the shareholders' meeting upon the resolution of the Board of Directors.