

**Phison Electronics Corporation**  
**Rules of Procedure for Shareholders' Meeting**

Article 1: The Company's shareholder's meeting shall be conducted in accordance with the Rules. The items which are not regulated in the Rules shall be processed in accordance with the relevant provisions of the Company Act and the Articles of Association of the Company.

Article 1-1: The shareholders' meetings of the Company may be convened by means of physical meeting, visual communication network or other methods promulgated by the central competent authority.

If the shareholders' meeting is held through visual communication, shareholders, an issuer's proxy solicitors, and proxy agents (hereinafter referred to as "shareholders") who wish to attend the meeting online shall register with the Company two days before the meeting date. The shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 2: Attending shareholders or their agents are required to wear an attendance card and to submit attendance cards in lieu of signing in. The number of shares represented by shareholders attending the meeting shall be calculated in accordance with the number of attendance cards submitted by shareholders and the attending number of shares on the platform of the visual communication network, and the number of shares held by shareholders who are permitted to exercise voting rights in electronic form.

Article 3: Shareholders' meeting shall convene at the Company's registered office or a place convenient to attend and suitable for meeting, the meeting shall be called no earlier than 9 a.m. and no later than 3 p.m. The restrictions on the place of the meeting shall not apply when the Company convenes a virtual shareholders meeting.

Article 4: The Company may appoint its attorneys, certified public accountants, or related persons to attend the shareholders' Meeting.

Staff handling administrative affairs of the Annual General Shareholders' Meeting shall wear identification cards or arm bands.

Article 5: Entire proceedings of shareholders' meeting shall be recorded on audio or video tape and preserved for at least 1 year.

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.

Article 6: When a majority of the shareholders present, who represent more than one-half of the total number of voting shares, the meeting Chairman

shall call the meeting. If the number of shares represented by the attending shareholders has not yet constituted the quorum at the time scheduled for the general meeting, the meeting Chairman may postpone the time for the meeting. The postponements shall be limited to two times at most, and the meeting shall not be postponed for more than one hour in total. If after two postponements the number of Shares represented by the attending Shareholders has not yet constituted more than one-third ( $1/3$ ) of all Shares in issue present in person or by proxy and entitled to vote, a tentative resolution may be passed in accordance with Article of 175 of the Company Act. During the execution of a tentative resolution, if the number of Shares represented by the attending Shareholders has already constituted more than an aggregate of one-half ( $1/2$ ) of all shares in issue, the meeting Chairman may put the tentative resolutions already passed to the Shareholders' resolution again in accordance with Article 174 of the Company Act. If the shareholders' meeting is held through visual communication, shareholders who wish to attend the meeting online shall re-register with the Company two days before the meeting date.

Article 7: If a shareholder meeting is convened by the board of directors, the board of directors shall decide the proceedings and the meeting shall be conducted accordingly, no changes may be made except with the resolution of the shareholder meeting.

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.

The preceding paragraph applies to circumstances where the

shareholder's meeting is convened by any person, who is outside the board of directors but having the convening right.

Prior to conclusion of the preceding two agenda items (including extraordinary motions), the meeting Chairman may not declare the meeting adjourned without a resolution.

After a meeting closed, shareholders may not elect another meeting Chairman to continue the proceeding of the meeting at the same or a new place, provided that, if the meeting Chairman declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of meetings, a new meeting Chairman may be elected by a resolution to be adopted by a majority of the voting rights represented by the shareholders attending the said meeting to continue the proceeding of the meeting.

Article 7-1: Shareholders holding 1% or more of the total number of outstanding shares of the Company may submit a written proposal to the Company for discussion at a general shareholders' meeting.

Prior to the book closure date before a general shareholders' meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

If the proposal of a shareholder is approved by the board of directors and that it is not involved in any following circumstances, it shall be listed in the notice of the meeting of the shareholders' general meeting:

1. Where the subject (the issue) of the said proposal cannot be settled or resolved by a resolution to be adopted at a meeting of shareholders.
2. Where the number of shares of held by shareholders making the said proposal is less than one percent (1%) of the total number of outstanding shares at the time when the share transfer registration is suspended in the general shareholder's meeting.
3. Where the said proposal is submitted on the day beyond the deadline fixed and announced by the Company.
4. The proposals submitted by the proposing shareholders exceed one item, or more than 300 words (including punctuation), or were not submitted in a writing format.

The Company shall, prior to preparing and delivering the shareholders' meeting notice, inform the shareholders who have raised proposals the result of the evaluation. The board of directors shall list the proposals which are not included in the agenda, on the general shareholders' meeting's handbook and explain the reasons for excluding those proposals from the agenda. These reasons are not included in the agenda or in the meeting minutes.

Article 8 When a shareholder meeting is convened by the board of directors, the Chairman shall preside over the meeting. If the Chairman is on leave or unable to attend the meeting, the vice Chairman shall chair the meeting. If there is no vice Chairman or the vice Chairman is also on leave or unable to attend, the Chairman shall designate a managing director to chair the meeting. If there is no managing director, a director shall be designated. If the Chairman fails to designate a director, directors and

the managing director shall elect one person from among them to chair the meeting. When shareholders' meeting is convened by other person who is outside the board of directors but having the convening right, such person shall act as the meeting Chairman at that meeting.

Article 8-1: When the Company convenes a virtual-only 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.

Article 8-2: When the Company convenes a virtual shareholders meeting, it shall include the items stipulated in the Regulations Governing the Administration of Shareholder Services of Public Companies in the shareholders' meeting notice.

Article 9: During the meeting, the meeting Chairman may declare a break according to his or her judgment.

Article 10: No discussion or vote for non-proposals. During the discussion of proposals, the meeting Chairman may announce that the discussion shall be terminated at an appropriate timing and may, if necessary, make an announcement of the suspension of discussion.

Article 11: When a shareholder attending the general meeting wishes to speak, a speech note should be filled out with summary of the speech, the shareholder's account number (or the number of attendance card), name of the shareholder and the current shareholding. The sequence of speeches shall be determined by the meeting Chairman.

Article 12: Shareholders' speeches, each person (including natural persons and legal persons) shall be limited to five minutes. However, with the permission of the meeting Chairman, it may be extended once. In the

same proposal, each person (including natural persons and legal persons) shall not speak more than twice. When the legal person is appointed to attend as proxy, it may designate only one person to represent the shareholder in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

Article 13: After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 13-1: 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 Articles 11 and 12 do not apply. As long as questions so raised are not in violation of the regulations or beyond the scope of a proposal, it is advisable that the questions be disclosed to the public on the virtual meeting platform.

Article 14: When the speech of any shareholder is too long or outside the scope of the agenda item, the meeting Chairman may stop their speech. The meeting Chairman may command shareholders who disobey the meeting Chairman's correction and impede the process of the meeting to leave the meeting venue.

Article 15: As the meeting Chairman announced that the discussed proposal shall be terminated or suspended, the chairman may submit them for a vote.

Article 16: Except as otherwise provided in the Company Act and in the Company's Articles of Association, the resolution of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, 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.

Article 17: Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the meeting Chairman, provided that all monitoring personnel shall be shareholders of the Company. The results of the voting shall be announced on-site at the meeting, and the records shall be made.

Article 18: In the event amendments or substitutions are provided for in the same proposal, the meeting Chairman may decide the order of the vote including the original proposal. When any one among of them is passed, the other proposals are simultaneously rejected and no further voting shall be required.

When the written proposal of a shareholder, pursuant to the Article 172-1 of the Company Act, is included in the agenda of the general shareholders' meeting, and if the type of the proposal is similar to the one already proposed by the board of directors, these proposal submissions shall be combined and processed in accordance with the provisions of the preceding paragraph.

The order of the discussion of each proposal brought up in extraordinary motion and the order of the vote shall be decided by the meeting Chairman.

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 and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders' meeting, votes shall be counted one at a time after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

Article 18-1: 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.

Article 18-2: 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.

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.

For a meeting to be postponed or resumed under the first 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 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.

During a postponed or resumed session of a shareholders' meeting held under the first 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.

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in the first 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 shareholders' meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof

under the first paragraph is required.

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.

When postponing or resuming a meeting according to the first 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.

Article 18-3: When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.

Article 19: The meeting Chairman may command inspector (or security personnel) to maintain order of meeting place. The inspector (or security officer) shall wear an arm-band with the word "inspector".

Article 20: During the meeting, in the event of an air alarm, the meeting shall be suspended and the evacuation will be conducted. One hour after the alarm is lifted, the meeting will resume.

Article 21: These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

Article 22: This rule is made on March 26, 2003.

The first amendment was made on June 14, 2006.

The second amendment was made on June 13, 2017.

The third amendment was made on May 24, 2022.