ARBOR Technology Corporation

Regulations Governing Procedure for Board of Directors Meetings

Article 1

In order to establish a fond corporate governance of the Board of Directors, strengthen supervising mechanism, as well as enhancing managing mechanism, the company establish the current governing procedure in accordance with article 2 of the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies".

Article 2

Except determined by the Article of Corporation or legislation, procedures of the Board of Directors meeting shall comply with this regulation.

Article 3

The Board of Directors Meeting shall meet at least once quarterly, be convened and chaired by the Chairman. The first meeting of each term of the board of directors shall be convened and chaired by the director who received a ballot representing the largest number of votes at the election of directors. However, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

In accordance to article 203 paragraph 4, or article 203-1 paragraph 3 of Company Act, the majority or more of the directors may convene a meeting of board of directors on their own.

In case the chairman is on leave or absent or cannot exercise his power and authority for any cause, the chairman shall designate one of the managing directors. In the absence of such a designation, the managing directors or the directors shall elect from among themselves an acting chairman of the board of directors.

In calling a meeting of the board of directors, the cause(s) or subject(s) of the meeting to be convened shall be indicated in the individual notice to be given to the Board. A notice shall be given to each director no later than 7 days prior to the scheduled meeting date. In the case of emergency, a meeting of the board of directors may be convened at any time.

The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining a prior consent from each director.

Approaches from article 7 paragraph shall be indicated in the individual notice to be given to the Board, it shall not be brought up as extemporary motions;

Article 3-1

Remuneration of director and managers shall be proposed by Remuneration Committee, and determined by the Board of Directors after a discussion.

The Board of Directors may not adopt or amend recommendations from the Remuneration Committee, but the Board shall approve by a majority vote at a meeting attended by over two-thirds of the directors; the resolution shall include explanation of whether the approved remuneration has advantage over the Committee's recommendation.

If the approved remuneration by the Board of Directors has advantage over the Committee's recommendation, in addition to differences and reasons stated in the Board of Directors minute of meeting, the public announcement shall be made within 2 days after the approval by the Board.

Article 4

The Financial Dpt. of the company is designated by the Board of Directors as the meeting administrative office

The meeting administrative office is responsible to draft agenda for the Board meeting and prepare sufficient meeting materials to be mailed with the meeting notice.

For regularly convened meetings of the Board of Directors, the agenda and meeting matters shall be planned and proposed in advance by the Board or by the authorized meeting administrative office, after soliciting the opinions of all directors. The meeting shall be noticed all directors according to time determined by preceding paragraph, as well as preparing sufficient meeting materials.

Where a Director finds the meeting materials insufficient, he or she may ask the meeting administrative office to provide additional information. If a Director believes the agenda information is incomplete, discussion of the matters may be postponed upon approval of the Board of Directors.

Article 5

The agenda for the regular Board meetings shall include the following matters for the least:

1. Matters to be reported:
   (1) Minutes of proceedings of former meeting and status of implementation;
   (2) Important financial and business reports;
   (3) Internal audit reports; and
   (4) Other important reports.
2. Matters for discussion:
   (1) Matters reserved for further discussion from former meeting; and
   (2) Matters to be discussed during the meeting.
3. Extempore Motion.

Article 6

The following matters shall be brought to a Board meeting for discussion:

1. The Company's business plan;
2. Annual financial report and the 2nd quarter financial report audited by the accountants;
3. Internal control system established or amended in accordance with the Applicable Listing Rules and the evaluation of effectiveness of the internal control system;
4. Procedure for handling important financial and business activities such as the acquisition or disposition of assets, derivative products transactions, lending of capital, endorsement for third party, provision of guarantee, established or amended in accordance with the Applicable Listing Rules;

5. Any matter that director is an interested party;
6. Important asset or derivative products transactions;
7. Offering, issue or private placement of securities of the nature of equity;
8. The hiring, dismissal or remuneration of an attesting CPA, or the compensation given thereto.
9. Appointment or dismissal of the company’s Chairman.
10. Appointment and/or dismissal of a financial, accounting or internal audit officers;
11. 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 following Board meeting for ratification;
12. Matters to be resolved at general meetings or by the Board meeting in accordance with the Applicable Listing Rules, Law or the Articles, or any such significant matters as may be prescribed by the Commission.

The term “related party” in subparagraph 11 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers under the Applicable Listing Rules. The term “major donation to a non-related party” means any individual donation, or cumulative donations within a l-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than l percent of net operating revenue or 5 Percent of paid-in capital as stated in the financial report audited by the accountant for the most recent year.

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

For foreign companies whose shares have no par value or a par value per share other than NT$10, the amount referred to in Paragraph 2, being 5 percent of the paid-in capital, shall be calculated as 2.5 percent of shareholders’ equity.

There shall be at least one of the Independent Directors attending the Board meeting. For matters to be resolved by the Board meeting under the Applicable Listing Rules, all of the Independent Directors shall attend a Board meeting in person or appoint another Independent Director to attend the Board meeting on his or her behalf and may not appoint an agent who is not an Independent Director as his or her agent. Any objection or reservation that an Independent Director may have shall be specified in the minutes of proceedings of the Board meeting. If an Independent Director wishing to express his or her objection or reservation is unable to attend the Board meeting in person, he or she shall issue a written opinion beforehand and such objection or reservation shall be specified in the minutes of proceedings of the Board meeting, unless there is good cause.

Article 7

Except the matter subject of discussion by the Board of Directors as approached in the preceding paragraph, the Board of Directors authorizes the Chairman to exercise the powers and authorities on behalf of the Board during the recess of the Board. The Chairman is authorized to handle the following matters:

1. Proceed according to delegation of authority chart;
2. Proceed according to company’s policies, procedures, and regulations;

3. Assessing qualification of an attesting CPA, as well as nomination of a candidate;
4. Per the Company's funding requirement, handling matters of loaning, endorsement and guarantee within the amount permitted by the loaning, endorsement and guarantee regulations, conducting transactions within the amount permitted by the asset acquisition and disposition regulations, and reporting the status to the Board of Directors.

Article 8

When the Board meeting is convened, a signature book shall be available to record the signature of the Directors present at the Board meeting for reference. Attendance via videoconference is deemed as attendance in person, but the Director shall send an attendance card by fax, replacing signature book.

A Director appointing another Director to attend a Board meeting as his/her proxy shall issue a proxy every time such proxy is to be used, describing the name, and authorization granted to the proxy agent, including signature and seal.

A proxy as described in the preceding paragraph may act as the agent for one person only.

Article 9

Meetings of the Board of Directors shall be convened at the Company’s location and during business hours. However, where business needs so require, such meetings may be held at another place and time convenient for directors’ attendance and suitable for holding Board meetings

Article 10

Upon convening the Board meeting, the managerial department shall prepare relevant information readily available to Directors present at the Board meeting for reference.

Upon convening a Board meeting, staff of the relevant departments or subsidiary(s) may be notified to attend a Board meeting as guest depending on the details of the meeting agenda. If necessary, accountants, lawyers or other professionals may be invited to attend a Board meeting as guest and provide the explanation; however, however, those accountants, lawyers or other professionals shall leave the table during the discussion and voting in the Board meeting.

Article 11

Any and all of Board meetings shall be audio or video recorded as evidence and the files shall be kept for at least five years. The files may be stored in the electronic form.

If a litigation related to a resolution of Board meetings begin before the end of the period in which the evidence shall be kept in the preceding paragraph, the relevant audio or video evidence shall continually be kept until the conclusion of the litigation.

For a meeting convened via video conference, the audio and video record shall be part of the minutes of the Board meeting and be properly kept during existence of the Company.

Article 12

A Board meeting shall be called by the Chairman of the Board meeting when a majority of Directors are present at the Board meeting. However, if less than a majority of the directors are present, the chairperson may announce a postponement of the meeting on the same day, provided that the number of postponements shall be limited to two and the total time of postponement shall not exceed one hour. If a quorum is still not met after two postponements, the chairperson shall reconvene the meeting in accordance with the procedures set forth in Paragraph 3 of Article 3 before the meeting may be held again.

Article 13

The matters for discussion shall, in principle, proceed in accordance with the agenda set forth in the meeting notice. However, the agenda may be altered with the consent of a majority of the directors present.

Agenda set forth in the preceding paragraph and any extraordinary motions, unless otherwise resolved by a majority of the directors present prior to the conclusion of the proceedings, the chairperson shall not adjourn the meeting.

During the Board meeting, if the directors in attendance fall below a majority of those present, upon the proposal of the directors then in attendance, the chairperson shall announce suspension of the meeting, and the provisions of the preceding Article shall apply mutatis mutandis.

If during the board meeting, the chairperson is unable to preside over the meeting for any reason, or adjourns the meeting without authorization in violation of the second paragraph, the selection of the chairperson's proxy shall be conducted in accordance with Paragraph 3 of Article 3 mutatis mutandis.

Article 14

After a director has spoken, the chairperson may personally respond, designate relevant personnel to provide a reply, or request professionals in attendance to furnish necessary information.

Where a director repeatedly speaks on the same matter or makes remarks beyond the scope of the agenda, thereby affecting other directors' opportunities to speak or obstructing the proceedings, the chairperson may curtail such remarks.

Article 15

The Chairman may declare end of discussion of a proposal m the agenda and have the proposal voted on if he or she deems the proposal in discussion is ready for a vote.

When a resolution is put to a vote at a meeting of the Board of Directors, if the chairperson inquires the directors present and none voices an objection, the resolution shall be deemed adopted with the same effect as if it had been passed by vote. If, however, any objection is raised upon such inquiry by the chairperson, the matter shall be submitted to a vote.

Votes may be cast in one of the following manners as determined by the Chairman; provided, however, that when a person present at the meeting files an objection, the decision shall be made according to majority votes.

1. Vote by show of hands;
2. Roll-call vote;
3. Vote by ballots.

Article 16

Unless otherwise provided for under the Applicable Rules or the Articles, a Proposal to be resolved at the Board meeting shall be approved by consent of a majority of the Directors present at the meeting attended by a majority of all Directors.

In case of an amendment or substitute to a proposal and to the extent that is permissible under the Applicable Listing Rules or Law, the Chairman shall decide on the order of vote by combining the amendment or substitute with the same proposal. However, if one of the proposals has been approved, the others shall be deemed overruled and no further vote is required.

If certain persons shall be designated to scrutinize balloting and count ballots for voting on proposals, these persons shall be appointed by the Chairman. The persons responsible for scrutinizing balloting shall be Directors.

Results of the votes shall be announced on the spot and recorded.

For significant matters resolved by the Board meeting, under the applicable listing rules or relating legislations, the Company shall upload related information to the MOPS within the specified time.

Article 17

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 as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.

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

Article 18

Proceedings of Board meetings shall be recorded in the meeting minutes, which shall specify the following matter in detail:

1. Term (or year) of the meeting, and time and place;
2. Name of Chairman;
3. Attendance of Directors, including names and numbers of Directors who are present at the meeting, on leave or absent from the meeting;
4. Names and titles of the guests to the Board meeting;
5. Name of the secretary of the Board meeting;
6. Matters to be reported;

7. Matters for discussion: How a proposal is resolved and the result; summary of statement by Director, expert and other persons; the name of any director that is an interested party as referred to in the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; objections and/or reservations with record or written statement; and written opinion issued by Independent Director m accordance with the provisions under Paragraph 5, Article 7 of the Rules;
8. Extempore Motion: Name of the person submitting a proposal; how a proposal is resolved and the result; summary of statement by Director, expert and other persons; the name of any director that is an interested party as referred to the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and objections and/or reservations with record or written statement;
9. Other matters to be included.

Any resolution passed at a meeting of the board of directors about which an independent director expresses an objection or reservation that has been included in records or stated in writing shall be stated in the meeting minutes and within two days of the meeting be published on an information reporting website designated by the competent authority:

Board meeting attendance book is part of the meeting minutes of proceedings and shall be properly kept during existence of the Company.

Meeting minutes of proceedings shall be signed or sealed by the Chairman and secretary of the Board meeting and copies thereof shall be distributed to all Directors and supervisors (if there is any) within twenty days of the Board meeting. The meeting minutes shall be deemed as important files of the Company and be properly kept during existence of the Company.

Preparation and distribution of the meeting minutes of proceedings in the first paragraph may be done electronically.

Article 19

Except matters under Company Act, Securities and Exchange Act, as well as Article of Incorporation, any other matters not specified in this procedure shall be executed according to chairperson instruction.

Article 20

It shall be implemented after approved by the Board of Directors, the same shall apply to any amendments.

The provisions from this Procedure are agreed to and signed on December 11, 2007.
The first amendment was made on March 12, 2010.

The second amendment was made on December 16, 2011.
The third amendment was made on September 27, 2012.
The fourth amendment was made on June 5, 2014.
The fifth amendment was made on March 29, 2018.
The sixth amendment was made on February 1, 2021.
The seventh amendment was made on August 13, 2021.
The eighth amendment was made on March 28, 2023.
The ninth amendment was made on December 27, 2024.

「Regulations Governing Procedure for Board of Directors Meetings」

Comparison Chart before and after amendments (December 27, 2024)

Legal reference：「Regulations Governing Procedure for Board of Directors Meetings of Public Companies」

Article	After Amendments	Current Article	Explanation
Article 12	A Board meeting shall be called by the Chairman of the Board meeting when a majority of Directors are present at the Board meeting. However, if less than a majority of the directors are present, the chairperson may announce a postponement in the same day of the meeting on the same day, provided that the number of postponements shall be limited to two and the total time of postponement shall not exceed one hour. If a quorum is still not met after two postponements, the chairperson shall reconvene the meeting in accordance with the procedures set forth in Paragraph 3 of Article 3 before the meeting may be held again. ... The remainder of this Article is omitted.	A Board meeting shall be called by the Chairman of the Board meeting when a majority of Directors are present at the Board meeting. However, if less than a majority of the directors are present, the chairperson may announce a postponement of the meeting on the same day, provided that the number of postponements shall be limited to two and the total time of postponement shall not exceed one hour. If a quorum is still not met after two postponements, the chairperson shall reconvene the meeting in accordance with the procedures set forth in Paragraph 3 of Article 3 before the meeting may be held again. ... The remainder of this Article is omitted.	Amendments made according to「Regulations Governing Procedure for Board of Directors Meetings of Public Companies」published on 11 January, 2024: 1.To avoid disputes arising from uncertainty over the duration of Board meetings, it is expressly stipulated that where the number of directors present is insufficient, the chairperson may declare a postponement of the meeting, provided that such postponement shall be limited to the same day. 2.Paragraph 2 was not amended.
Article 13	... The remainder of this Article is omitted. During the proceedings of a meeting of the Board of Directors, if the chairperson is unable to preside over the meeting for any reason or fails to declare the meeting adjourned in accordance with Paragraph 2, the acting chairperson shall be elected in accordance with	... The remainder of this Article is omitted.	Amendments made according to「Regulations Governing Procedure for Board of Directors Meetings of Public Companies」published on 11 January, 2024: 1. Paragraph 1 to 3 was not amended. 2. In consideration of practical circumstances, where the chairperson is unable to preside over a Board meeting in progress or fails to adjourn

Article	After Amendments	Current Article	Explanation
	Paragraph 3 of Article 3.		the meeting in accordance with the regulations, and in order to avoid any impact on the operation of the Board, Paragraph 4 is hereby added.
Article 20	The ninth amendment was made on December 27, 2024.		Historical revision