

# **ITEQ CORPORATION**

## **Rules and Procedures of the Shareholders' Meeting**

Adopted by the shareholders' meeting held on June 14, 2022.

### **1. Purpose**

These Rules and Procedures are established in order to provide for compliance with the convening, procedures, resolutions and records related to the Meetings held by the Corporation and to comply with the provisions of relevant laws and regulations.

### **2. Applicable Scope**

Unless otherwise prescribed by relevant laws and ordinances, the Corporation shall duly convene the Meetings exactly in accordance with these Rules and Procedures, including matters relating to the convening, proceedings, resolutions and minutes of the Meetings.

### **3. Operating Rules**

#### **3.1. Convening of the Meetings**

3.1.1. If the meeting is convened by the board of directors, the one presiding over the meeting shall be the chairperson of the board of directors. If the chairperson of the board of directors is absent from work or is unable to perform his or her duties for any reason, the chairperson of the board of directors shall designate a director to act on his or her behalf. If the chairperson of the board of directors does not designate such a person, the directors shall elect one of them from amongst themselves to act on his/her behalf. If the meeting is convened by a person with the authority to convene other than the board of directors, such person shall act as the chairperson to preside over that meeting.

3.1.2. The meeting shall be held in the city or county where the corporation is located or at any other place that is convenient for the shareholders to attend and appropriate to convene such meeting, and shall commence at a time no earlier than 9:00 a.m. And no later than 3:00 p.m.

The restrictions on the place of the meeting shall not apply when the corporation convenes a shareholder video conference.

3.1.3. Shareholders meeting may be held with video conferencing or other methods promulgated by the central competent authority. The shareholders meeting held with video conferencing shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters.

3.1.4. Changes to how this corporation 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.

#### **3.2. Attendance of the meetings**

3.2.1. Shareholders or their proxies (collectively "shareholders") attending the meeting shall sign in and the sign-in procedure shall be replaced by submitting their sign-in cards. The calculation of the number of shares present shall be based on the sign-in cards submitted by the shareholders and the shares checked in on the video conferencing platform. Those shares whose votes are exercised by correspondence or electronically.

3.2.2. Attendance and voting at shareholders' meetings shall be based on shares.

3.2.3. The corporation may appoint the retained attorney(s)-at-law, certified public

accountant(s) or relevant personnel attend the meeting as non-voting delegates. Staff at the meetings shall wear id badges or arm badges.

- 3.2.4. In the event of a shareholder video conference, shareholders wishing to attend the meeting with video conferencing shall register with the corporation two days before the meeting date.
- 3.2.5. When the corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting with video conferencing in accordance with preceding paragraph 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 with video conferencing.
- 3.2.6. For shareholders video conference, shareholders may begin to register on the video conferencing platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person. The corporation shall upload the meeting agenda book, annual report and other meeting materials to the video conferencing platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the conference.
- 3.2.7. When convening a shareholders' meeting with video conferencing, the corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a shareholder video conference.

### 3.3. Proceedings and resolutions of the meeting

- 3.3.1. Upon the meeting time, the meeting's chairperson shall declare a meeting open immediately, and shall at the same time announce the information on the number of shares without voting rights and the number of shares present. However, if not enough shareholders representing more than half of the total number of issued shares are present, said chairperson may declare a postponement of the meeting for not more than two times and the total time of the postponement shall not exceed one hour. 3.3.1. upon the meeting time, the meeting's chairperson shall declare a meeting open immediately. However, if not enough shareholders representing more than half of the total number of issued shares are present, said chairperson may declare a postponement of the meeting for not more than two times and the total time of the postponement shall not exceed one hour. In the event that the meeting is attended by shareholders not up to the specified quorum but representing more than one-third of the total issued shares after two postponements, a tentative resolution may be passed in accordance with the provisions of the company act. Upon passing of the preceding tentative resolution, if the number of shares represented by the shareholders or proxies present reaches more than one-half of the total number of issued shares, the meeting chairperson may re-submit said tentative resolution to the meeting for a vote.
- 3.3.2. When the corporation convenes a shareholders' meeting with video conferencing, when the meeting is called to order, the total number of shares represented by shareholders attending the meeting shall be disclosed on the video conferencing platform. The same shall apply whenever a new tally of the total number of shares represented at the meeting and the number of voting rights thereof is made during the meeting.
- 3.3.3. The agenda for the meeting shall be set by the board of directors if such meeting is convened by the board of directors. Unless otherwise resolved by a resolution at the meeting, the meeting shall be carried out in accordance with the scheduled agenda. The preceding paragraph shall apply mutatis mutandis to the meeting convened by any person other than the board of directors, with the authority to convene such meeting. The meeting chairperson shall not adjourn the meeting until the proceedings (including

interim motions) scheduled in the preceding agenda are completed unless a resolution is duly resolved in the meeting. Upon the adjournment of the meeting, the shareholders are not entitled to elect another meeting chairperson to continue the meeting at the same place or another venue; however, if the prior meeting chairperson violates the rules and procedures and adjourns the meeting, another meeting chairperson may be elected by a majority of the voting rights of the shareholders present to continue the meeting.

Election or dismissal of directors; changes in the articles of association; capital reduction; application for halting public offering; permission for directors to compete with the company; capitalization of retained earnings; capitalization of capital reserves; dissolution, merging or demerger of the company; or all items pertaining to article 185, paragraph 1 of the company act; article 26-1 and article 43-6 of the securities and exchange act; and article 56-1 and article 60-2 of the regulations governing the offering and issuance of securities by securities issuers shall be listed as reasons to convene the meeting, with their essential contents specified, and may not be raised as extempore motions.

Shareholders holding at least 1% of the total number of issued shares may submit a proposal to the corporation for discussion at the regular meeting, limited to only one proposal, and if the number of proposals submitted exceeds one, they shall be all excluded from the agenda. In addition, when any one of the circumstances listed in article 172-1, paragraph 4 of the taiwan company act applies to a proposal put forward by a shareholder, the board of directors may exclude said proposal from the agenda. Shareholders may submit a suggestive proposal to urge the corporation to promote the public interest or fulfill its social responsibilities, procedurally limited to only one proposal, limited to only one proposal, and if the number of proposals submitted exceeds one, they shall be all excluded from the agenda.

The order of discussion and voting on each of the proposal proposed by the shareholders in the interim motions shall be determined by the meeting chairperson.

- 3.3.4. Before a shareholder or one with his/her authorization speaks at the meeting, he/she must fill in a speech note stating the gist of his/her speech, the shareholder's account number (or attendance card number) and the name of the account, and the order of his/her speech shall be determined by the meeting chairperson. An shareholder or one with his/her authorization at the meeting who submits only a speech note but does not speak at the meeting is deemed to have not spoken. If there is any discrepancy between the contents of the shareholder's speech and the gist recorded on the note, the contents of the speech shall prevail. When a shareholder present is speaking at the meeting, no other shareholder shall interrupt the speaking shareholder unless otherwise permitted by the meeting chairperson and said speaking shareholder; the meeting chairperson shall stop any such violations.
- 3.3.5. No shareholder or one with his/her authorization may speak more than twice on the same proposal, and each time for not more than five minutes, without the consent of the meeting chairperson. The meeting chairperson may stop the speech of any shareholder that is in violation of the preceding provisions or exceeds the scope of the proposal.
- 3.3.6. In the event that a juristic (corporate) person is entrusted to attend a meeting, said juristic (corporate) person may appoint only one representative to attend said meeting. In the event that a juristic (corporate) person shareholder appoints two or more representatives to attend a meeting, only one representative of them is allowed to speak for the same proposal.
- 3.3.7. After a shareholder present speaks on the floor; the meeting chairperson may answer

either in person or designate relevant personnel to reply.

Where a shareholder video conference is convened, shareholders attending the video conference may raise questions in writing at the video conferencing platform from the meeting's chairperson declaring the meeting open until the chairperson 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 3.3.4. to 3.3.6. do not apply.

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 video conferencing platform.

- 3.3.8. When the meeting chairperson considers that the discussion on a proposal has reached the point where a vote can be taken, he/she may announce that the discussion has ceased and a vote is taken. The result of a vote shall be announced on-site and recorded in writing

when the corporation convenes a shareholders' meeting with video conferencing, after the meeting's chairperson declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the video conferencing platform before the chairperson announces the voting session ends or will be deemed abstained from voting.

In the event of a shareholder video conference, votes shall be counted at once after the meeting's chairperson announces the voting session ends, and results of votes and elections shall be announced immediately.

- 3.3.9. The meeting chairperson shall designate the person(s) to monitor the votes and count the votes, but the person(s) to monitor the votes shall be a shareholder and the results of the voting shall be reported on the spot and recorded.

- 3.3.10. During the meeting, the meeting chairperson may announce a break at his/her discretion.

- 3.3.11. Unless otherwise provided in the company act and the corporation's articles of incorporation, a proposal resolution is adopted by a majority of voting rights owned by the shareholders or proxies present at the meeting. During a vote, the meeting chairperson or his/her designated person shall first announce the total number of voting rights of the shareholders present on a case-by-case basis, and the shareholders present shall then vote on a case-by-case basis, and the results of the shareholders' approval, disapproval and abstention shall be entered into the market observation post system on the same day after the meeting.

In the event of a shareholder video conference, this corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the video conferencing platform according to the regulations, and this disclosure shall continue at least 15 minutes after the meeting's chairperson has announced the meeting adjourned.

- 3.3.12. If there is an amendment case or a substitute case to the identical proposal, the meeting chairperson shall put them together and determining the voting order therein. If one of them is adopted, the others shall be deemed to be rejected and no further vote is required.

- 3.3.13. The meeting chairman may direct marshals (or security personnel) to assist in maintaining the order of the meeting. Said marshals (or security personnel) shall wear arm badges marked "marshal" while assisting in maintaining the order of the meeting.

- 3.3.14. When the corporation convenes a shareholders meeting online, both the meeting's chairperson and secretary shall be in the same location, and the chairperson shall

declare the address of their location when the meeting is called to order.

- 3.3.15. In the event of a video conference, when declaring the meeting open, the meeting's chairperson 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 video conferencing platform or participation in the video conference is obstructed due to natural disasters, accidents or other force majeure events before the meeting's chairperson 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.
- 3.3.16. For a meeting to be postponed or resumed as described in the preceding 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. Shareholders who have not registered to participate in the affected shareholders video conference shall not attend the postponed or resumed session.
- 3.3.17. When the corporation convenes a hybrid shareholders meeting, and the video conference cannot continue as described in the preceding paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the shareholders' meeting with video conferencing, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof.
- 3.3.18. Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the shareholders' meeting with video conferencing 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.

#### 3.4. Election matters of shareholders' meeting

In the event of an election of directors at a shareholders' meeting, the election shall be conducted in accordance with the relevant election regulations of the corporation and the election results shall be announced on the spot, including a list of newly elected directors and the number of voting rights they obtained, together with a list of those failed to be elected and their number of voting rights obtained.

The ballots shall be sealed with the signatures of the ballot monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to article 189 of the company act, the ballots shall be retained until the conclusion of the litigation.

#### 3.5. Meeting minutes

- 3.5.1. The corporation shall record on audio or video the entire meeting and keep it for at least one year.
- 3.5.2. Where a shareholders meeting is held online, the corporation shall keep records of

shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the corporation, and continuously audio and video record, without interruption, the proceedings of the video conference from beginning to end. The information and audio and video recording in the preceding paragraph shall be properly kept by the corporation 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 video conference.

**4. These Rules and Procedures shall be implemented upon their adoption by the Meeting, and the same applies to the amendments thereto.**

The Rules and Procedures were formulated on June 20, 2002.

The 1st amendment was made on June 15, 2006.

The 2nd amendment was made on June 15, 2018.

The 3rd amendment was made on July 02, 2021.

The 4th amendment was made on June 14, 2022.