

ENNOSTAR Inc. Rules for the Procedures of the Board of Directors' Meeting

Approved by a resolution of the Board of
Directors' meeting on January 6, 2021

Article 1 : Legal reference

For the purposes of establishing a sound governance system by the Board of Directors (hereinafter "BOD"), and improving the BOD' supervision functions and management mechanism, the Company hereby promulgates the "Rules of Procedure for BOD' Meeting (the "Rule") pursuant to Article 2 of the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies".

Article 2 : Scope

The scope of a meeting of the BOD of the Company (the "meeting"), including the main agenda items, operational procedures, required content of meeting minutes, public announcements and any other compliance requirements, shall be conducted in accordance with the Rules.

Article 3 : Convention of the BOD' meeting

The BOD' meeting should be convened at least once every quarter.

Each BOD director and supervisor is entitled to be informed with the agenda 7 days prior to the meeting. However, an ad-hoc meeting may occur in the case of an emergency. Notifications can be sent via e-mail to each director and supervisor, given his or her consent.

The items stated in each subparagraph of Section 1 in Article 13 should be listed unless any emergency occurs or other justified reasons. And they should not be proposed in motions.

Article 4 : Agenda and related document

The finance and risk office of the Company is appointed by the BOD of the Company to act as the secretariat of the meeting (the "Secretariat").

The Secretariat shall draft the agenda items to be discussed in a meeting prior to the commencement of BOD meeting, prepare sufficient materials for the meeting, and deliver them to the members of the BOD together with the meeting notice.

If any director of the BOD deems materials for a discussion item insufficient, they may request for supplements then the finance and risk office should provide it within three working days. If more than 50% of the directors share the same view, such discussion item may be postponed to another meeting subject to the respective resolution adopted by the BOD.

Article 5 : Set up Corporate Governance Director

The company shall set up a specific (part-time) unit and a corporate governance supervisor of the company to be the supreme director in charge of corporate governance related matters. The authority scope, qualifications and training for the director shall be set and exercised by following the provisions of “Taiwan Stock Exchange Corporation Operation Directions for the Appointment of Independent Directors by TWSE Listed Companies”.

The corporate governance supervisor is responsible for handling the requirements of the directors. The principle of promptly and effectively assisting the directors in performing their duties should be handled within three working days, unless otherwise required by the law. If the processing time may exceed three working days, the supervisor shall negotiate with the directors as soon as possible.

Article 6 : Attendance and proxy of directors

While convening the meeting, the company shall prepare an attendance register for the director present at the meeting to sign-in.

The director shall attend the meeting in person. If any director can not attend the meeting in person, he or she may give his or her written proxy to another director to attend the meeting on behalf of him or her in accordance with the Article of Incorporation. Any or all of the directors may participate in the meeting via a video conference. If any director participates in the meeting via video conference, such director shall be deemed to be present in person at the meeting. The proxy of attendance referred to in Section 2 is limited to 1 person only.

Article 7 : Venue and time

The meeting shall be held at the office of the Company within business hours, or held at any other appropriate location at appropriate time that is convenient for the directors to attend and suitable for the meeting to be held.

Article 8 : Chairman and proxy of the chairman for BOD

The Chairman of the BOD of the Company shall call and preside over the meeting. Nevertheless, the director who receives votes representing the largest

portion of voting rights at the shareholders' meeting of the Company shall call and chair the first meeting of each newly elected BOD of the Company. If there are 2 or more directors who are entitled to convene the above-mentioned initial meeting, these directors shall elect one person by and from among themselves to call and preside over the first meeting.

In case the meeting is convened by half or more directors according to Article 203 (4) or Article 203-1 (3) of Company Act, the directors shall elect a chairman of the meeting among the directors to preside the meeting.

If the Chairman is on leave, or cannot execute his or her authority of office for any reason, the vice Chairman shall preside over the meeting. If the vice Chairman is also on leave, or cannot execute his or her authority of office for any reason, the Chairman shall designate one of the directors to preside over the meeting. If the Chairman does not designate any proxy to preside over the meeting on his or her behalf, the directors shall elect one among themselves to preside over the meeting.

Article 9 : Meeting materials, participants and meeting commencement

Before and during a meeting, the designated division shall prepare relevant materials for the directors present at the meeting to review at any time.

While convening a meeting, subject to the contents of the discussion items, the Company may request the staff of the relevant departments or subsidiaries to attend the meeting.

The Company may also invite its accountants, lawyers or other relevant specialists to attend the meeting and make a statement, if necessary. But such attendees shall leave the meeting when the discussion items are being conducted and resolved.

The chairman of a meeting shall call the meeting according to the schedule and over 50% presence of the total directors. If the scheduled starting time of the meeting is passed and the number of directors present at the meeting does not yet reach 50% of the total directors, the chairman may postpone the starting time of the meeting. The times of postponements shall be limited to twice at most. The chairman shall reconvene the meeting, according to the procedures set forth in Paragraph 2 of Article 3 of the Rules, if the number of directors present at the meeting still does not yet reach 50% of the total directors after the meeting has been postponed twice.

The total number of directors referred to in the preceding paragraph shall mean the directors who are currently assuming their duties.

Article 10 : File saving of the process of BOD meetings

The whole proceedings of a meeting shall be videotaped or tape-recorded, and the records shall be kept safely at least 5 years during the existence of the Company and may be stored in electronic format.

In the event of any legal litigation pertinent to BOD' resolutions prior to the expiration date for the above-stated item, the audio or video records should be stored until the end of the litigation.

In case that a meeting is convened via a video conference, the recording of the video conference shall be part of the meeting minutes of the meeting and shall be safely kept during the existence of the Company.

Article 11 : Agenda

Matters to be discussed in regular meetings shall at least include the items as follows :

1. Reporting items :

- (1) Meeting minutes of the previous meeting and its implementation status.
- (2) Material financial and business report.
- (3) Internal audit report.
- (4) Other material reporting items.

2. Discussion items :

- (1) Discussion items unresolved at the previous meeting.
- (2) Proposed discussion items for this meeting.

3. Motions

Article 12 : Procedure of meeting

A meeting shall proceed in accordance with the agenda, unless otherwise the resolution made by the BOD of the Company with affirmative votes over 50% of all directors present at the meeting.

Unless otherwise the resolution made by the BOD of the Company with affirmative vote of at least 50% of all directors present at the meeting, the chairman shall not adjourn the meeting.

During a meeting, the chairman of the meeting shall suspend the meeting if a motion is proposed by a director, in the event that the number of the directors present in the meeting is less than 50% of the directors present at the meeting.

Under such circumstance, Paragraph 5 of Article 9 of the Rules shall be applied.

Article 13 : Discussion items for BOD

The following matters are required to be submitted to the BOD for discussion :

1. Business plans of the Company.
2. The annual financial report and the semi-annual financial report signed or stamped by the chairman, manager and accounting director.
3. Establishment or amendment of the internal control system of the Company pursuant to Article 14-1 of the Securities and Exchange Act (the “Act”), and auditing of the effectiveness of internal control system.
4. Establishment amendment of the procedures of material financial or business transactions, i.e. acquisition or disposal of assets, engaging in derivative products transactions, lending funds, and providing endorsements or guarantees to other parties, pursuant to Article 36-1 of the Act.
5. The offering, issuance, or private placement of any equity-related securities;
6. The appointment or discharge of the financial, accounting, or internal auditing officer;
7. A donation to a related party or a significant donation to a non-related party. Provided that a public-interest donation to the relief from a major natural disaster may be submitted to the following Board of Directors’ Meeting for retroactive approval.
8. Matters set in Article 14-3 of the Securities and Exchange Act, or any other matters to be approved by the shareholders’ meeting of the Company or by the BOD of the Company pursuant to laws and regulations or the Articles of Incorporation of the Company, or material matters so required by the competent authorities.

The related party mentioned in Article 13-7 is the related party regulated in the Guidelines for the preparation of financial statements of securities issuers; a significant donation to a non-related party refers to that for each donation amount or the amount of donation to the same object within one preceding year is up to NT one hundred million or up to one percent of the net sales revenue from the financial report certified by the accountant for the last year or more than 5% of the paid-in capital of the company.

As to within one preceding year mentioned above, it refers to one retrospective year from the date of BOD and the previous resolution of BOD is excluded.

When the Company has set up an independent board of director, at least one independent director shall attend the BOD meeting in person; however, all independent board of director should attend the BOD meeting for the discussion items of BOD. Independent directors who are unable to attend in person shall be represented by other independent directors. Independent directors who have objections or reservations shall be stated in the meeting minutes of the BOD. If the independent director is unable to attend the BOD meeting in person to express objection or reservations, unless there is a legitimate reason, advanced written comments should be issued and then recorded in the meeting minutes of the BOD.

Article 14 :

Voting

The chairman of the meeting may announce to end the discussion of any discussion item when the chairman deems appropriate and submit it for resolution.

During the voting for a discussion item at the meeting, a resolution shall be deemed adopted if no objection is voiced after the chairman of the meeting solicits all the directors present in the meeting. In case there is any objection, the discussion item shall be immediately submitted for voting.

One of the following voting methods may be adopted at the discretion of the chairman of the meeting for voting. In case a director present at the meeting bring up an objection against the voting method as adopted by the chairman, the voting method to be adopted shall be determined by the agreement from over 50% of the directors present at the meeting with the method of voting by raising hands.

1. Voting by raising hands
2. Voting by roll call
3. Voting by casting ballot
4. A voting method chosen by the Company

“All the directors present in the meeting” mentioned in Paragraph 2 of this Article do not include the director who is prohibited from voting under the circumstance set forth in Paragraph 1 of Article 16 hereof.

Article 15 :

Voting procedures

Unless there is requirement provided by the Securities and Exchange Act or the Company Act of the ROC, the resolutions of the BOD of the Company shall be adopted by affirmative vote of over 50% of all directors present with the

attendance by over 50% of the total directors in person or through proxy.

If there is an amendment or an alternative for a discussion item, the chairman of the meeting may combine the amendment or alternative into the original discussion item, and determine the sequence of voting for the discussion item. If any one of the above discussion items has been resolved, the others shall be deemed vetoed and no further voting is necessary.

There shall be a person to supervise and a person to record the ballots during a voting at the meeting and such person shall be designated by the chairman of the meeting. However, the supervisor of the ballot shall be chosen from the directors.

The result of voting shall be announced at the meeting and recorded in the meeting minutes.

Article 16 : Withdrawal from discussion as an interested party

At an item in which a director or a juristic person that the director represents is an interested party and his or her participation is likely to prejudice the interest of the Company, such director shall state significant respects regarding the conflict of interest at Board of Directors' meeting. This director is prohibited from participating in discussion or voting on this matter, and shall physically withdraw himself or herself from participating in the discussion or voting on such matter; likewise, this director is prohibited from voting on such matter as a proxy of another director.

Spouse, second-degree relatives or a company with a controlling affiliation with a director, who has interest in an item, shall be deemed to have a conflict of interest within such item.

Under the circumstance set forth in the preceding two paragraphs of this Article, pursuant to Paragraph 4 of Article 206 of the Company Act, Paragraph 2 of Article 180 of the Company Act shall apply to the resolution adopted by the BOD of the Company.

Article 17 : Meeting minutes

Resolutions adopted at the meeting shall be recorded in the meeting minutes. The meeting minutes shall fully and accurately record the items as follows:

1. The identification number of the meeting (or the year), meeting time and venue;

2. The name of the chairman of the meeting;
3. Attendance status, including the names and numbers of directors and supervisors who were present, on a leave and absent, respectively;
4. The names and positions of the persons present as guests at the meeting;
5. The name of the secretary of the meeting;
6. Reporting items;
7. Discussion items: the voting method and each resolution adopted for each item, summary of speeches made by the directors, and supervisors of the Company, specialists and other persons, the name of any director that is an interested party as referred to in Section 1 and section 2 of the preceding Article, explanations for important respects of the conflict of interest, the reasons why a director or the one who has a conflict of interest shall be required or not required to enter recusal, the recusal status, any dissenting or qualified opinions on the discussion items with records or written statements, and any written opinion issued by an independent director (if any) under Section 4 of Article 13.
8. Extraordinary motions: the name of the person who proposed the motion, the voting method and the resolution adopted for each motion at the meeting, summary of speeches made by the directors and supervisors of the Company, specialists and other persons, the name of any director that is an interested party as referred to in Section 1 and Section 2 of the preceding Article, explanations for important respects of the conflict of interest, the reasons why the director or the one who has a conflict of interest shall be required or not be required to enter recusal, and the recusal status, and any dissenting or qualified opinions on the motions with records or written statements.
9. Other required items.

If there is any of the followings, the board of directors shall, in addition to state in the meeting minutes, file an announcement on Market Observation Post System designated by the Financial Supervisory Commission within two days from the date of the board meeting:

1. Independent directors have objections or reservations and have records or written statements.
2. It has not been approved by the audit committee of the Company but has been approved by more than two-thirds of all directors.

The attendance register of the meeting shall be part of the meeting minutes and shall be kept safely during the existence of the Company.

The meeting minutes shall be signed or sealed by the chairman and the secretary of the meeting and shall be distributed to all of the directors and Supervisors of the Company within 20 days after the date on which the meeting is held. The meeting minutes shall be categorized as one of the material records or files of the Company and shall be safely kept during the existence of the Company.

Preparation and distribution of the meeting minutes mentioned in Paragraph 1 of this Article may be made by electronic form.

Article 18 : Principles of authorizing the BOD on their rights

Other than the discussion items required to be proposed in the BOD meeting stated in Article 13, the Chairman is authorized to execute the following rights according to related regulations or Articles of Incorporation:

1. Based on the roles and responsibilities of internal policy.
2. Based on the management rules, systems and internal policies.
3. Designate the directors and supervisors of invested companies.
4. Approval of the base date of capital increase or decrease, the base date of allotment of cash dividends, the base date of allotment or subscription of shares, changes in the dividend distribution ratio, changes in the paid-in capital distribution, changes in the conversion price, the subscription price, or the transfer price of treasury stocks in accordance with related rules.
5. Before any resolution of convening a BOD meeting, the chairman is entitled to sign an unbinding Letter of Intent with his/her counterparty, to consult financial/legal consultants, and to evaluate the possibility of M&A with CPAs, lawyers and management team. However, the counterparty is required to receive the approval of the BOD in order to conduct due diligence.
6. All the other rules should comply with pertinent regulations accordingly.

Article 19 : Supplementary provision

This Rules of Procedure should be approved by the BOD and reported in the Shareholders' Meetings. Any other amendment thereto shall be resolved by the BOD.