

SDI Corporation's Rules of Procedure for Shareholders' Meetings

- Article 1 To establish a strong governance system of the Shareholders' Meeting, a sound supervisory capabilities, and to strengthen its management mechanism for the Company, the Rules are adopted pursuant to Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
- Article 2 The procedures rules for the Company's shareholders' meetings shall be in accordance with these Rules unless otherwise stated by law, regulation, or the Articles of Incorporation.
- Article 3 Unless otherwise stated by regulations, the shareholders' meetings are convened by the Board of Directors.
- This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. Twenty-one days before the Company is to convene an ordinary shareholders' meeting, or 15 days before it convenes an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplemental materials referred to in the preceding paragraph, and upload it to the Market Observation Post System. 15 days before the date of shareholders' meeting, the shareholders' meeting agenda handbook and supplementary information shall be prepared for shareholders' perusal at any time, displayed at the company and the company's professional shareholder services agency, and distributed on-site during the shareholders' meeting.
- The notice and public announcement shall indicate the reasons for convening the meeting. The notice, if agreed by counterparties, may be delivered by electronic means.
- Election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for stopping public offering, director's competition permission, capitalization of earnings and reserves, dissolution, merger, spin-off, or any matters as set forth in Paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be itemized in the causes or subjects to be described, and shall not be brought up as extempore motions.
- Where the reasons for convening the shareholders' meeting already specifies the election of all Directors and the date elected Directors take office, once the election is completed in the shareholders' meeting, the date the elected Directors take office may not be changed by extempore motions or other methods in the same meeting.
- 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 an annual general meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. When any of the circumstances provided in Paragraph 4, Article 172-1 of the Company Act applies to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. Shareholders may submit proposals to urge the Company to promote public interests or fulfill its social responsibilities. Only one matter shall be allowed in each proposal pursuant to Article 172-1 of the Company Act. Where a proposal contains more than one matter, such proposal would not be included in the agenda.
- Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the Company shall give a public notice announcing acceptance of proposal in writing or by way of electronic transmission, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than 10 days.
- The number of words of a proposal to be submitted by a shareholder shall be limited to not more than 300 words, and any proposal containing more than three hundred words shall not be included

in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.

The Company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the Board of Directors at the shareholders' meeting to be convened.

Article 4

Shareholders may appoint a proxy to attend the shareholders' meeting through a letter of appointment printed by the Company, stating the scope of authorization to the proxy.

A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the Company no later than 5 days prior to the meeting date of the shareholders' meeting. In case two or more written proxies are received from one shareholder, the first one received by the company shall prevail. However, the foregoing does not apply to where an explicit statement to revoke the previous written proxy is made in the proxy which comes later. After the service of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her/its voting power in writing or by way of electronic transmission, a proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5

The place for convening a shareholders' meeting shall be held inside the Company's location, or any other place convenient for the shareholders and suitable for holding of the said meeting. The time for commencing the said meeting shall not be earlier than 9 a.m. or later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6

The Company shall state the check-in time, location and other notes in the shareholders' meeting's notice.

Registration for shareholders referred to in the preceding paragraph shall begin at least thirty minutes before the meeting. There shall be clear signs and sufficient and adequate staff at the registration desk.

Shareholders or the power of attorney of a proxy (the shareholder) attending the Meeting shall have attendance card, sign-in card or other certificate of attendance issued by the Company. The company shall not arbitrarily add other supporting documents for the attendance of the meeting. The proxy Solicitor shall provide ID documents for verification.

The Company shall provide an attendance register for shareholders to sign in, or require the attending shareholders to submit their sign-in cards in lieu of signing the register.

The Company shall deliver the meeting agendas, annual reports, attendance cards, speaker's slip, votes and other meeting materials to the shareholders attending the shareholders' meeting. If there are Directors to be elected, the ballots shall also be provided.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person has been delegated to attend the shareholders' meeting, only one person should be delegated as proxy.

Article 7

For a shareholders' meeting convened by the board of directors, the chairperson of the meeting shall be the Chair of the Board. In case the Chair of the Board is on leave or absent or can not exercise his or her power and authority for any cause, the Vice Chair shall act on his or her behalf. In case there is no Vice Chair, or the Vice Chair is also on leave or absent or unable to exercise his or her power and authority for any cause, the Chair of the Board shall designate one of the managing directors, or where there is no managing directors, one of the directors to act on his or

her behalf. In the absence of such a designation, the managing directors or the directors shall elect from among themselves an acting Chair of the Board.

When a Managing Director or a director serves as the chairperson as referred to in the preceding paragraph, the Managing Director or the director shall be one who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.

A shareholders' meeting convened by the Board of Directors shall be chaired by the Chairman of the Board in person. It is advisable that the shareholders' meeting to be attended by a majority of the Directors, and at least one member from each of the functional committees. The attendance record of the meeting shall be recorded in the shareholders' meeting minutes.

For a shareholders meeting convened by any other person having the convening right, he or she shall act as the chairperson of that meeting. However, if there are two or more persons having the convening right, the chairperson of the meeting shall be elected from among them.

The Company may appoint its attorneys, certified public accountants, or related persons to attend a shareholders' meeting in a non-voting capacity.

Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

The aforementioned recordings shall be kept for at least one year. If, however, a shareholder files a lawsuit based on Article 189 of the Company Act, the recordings shall be retained until the conclusion of the litigation.

Article 9 Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed and the number of shares of voting rights are exercised in writing or electronically.

When it is the meeting time, and information related to number of non-voting power and number of attending shares is published, the chairperson shall announce that the meeting starts immediately. However, when less than half of all issued shares are represented in the meeting by then, the chairperson may announce the meeting postponed; the postponement may be called for two times at most. The total number of postponed times shall not exceed 1 hour. If the quorum is still not met after two postponements are still not met, the chairperson shall declare the meeting adjourned.

If the aforementioned two postponements still fail to meet the quorum, but the number of shares that represent more than one-third of the total number of issued shares are present, tentative resolutions may be resolved pursuant to Article 175-1 of the Company Act, and each shareholder will be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month.

If, prior to conclusion of the meeting, the attending shareholders represent more than half of the total number of issued shares, the chairperson may resubmit the tentative resolutions for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10 If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The relevant proposals (including extempore motions and amendments to the original proposals) shall be voted one by one. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda set out in the preceding two paragraphs (including extempore motions), except upon a resolution adopted by the shareholders' meeting. If the chairperson declares the meeting adjourned in violation of the rules of procedure, other members of the Board of Directors shall promptly assist the shareholders present in electing a new chairperson in accordance with the

statutory procedures. The meeting shall continue after a chairperson is elected with the approval of more than half the voting rights represented by the shareholders present.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; where the chairperson believes an issue has been discussed in the meeting up to the level for voting, the chairperson may announce discontinuance of the discussion process and bring that issue to a vote, and arrange a sufficient voting time.

Article 11 A shareholder wishing to speak in a shareholders meeting shall first fill out a speaker's slip, specifying therein the essentials of his speech, his or her shareholder account number (or attendance card number) and the account name, and the chairperson shall determine his or her order of giving a speech.

A shareholder who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. If the contents of speech are inconsistent with the contents of speaker's slip, the contents of speech shall prevail.

Except with the consent of the chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the issue under discussion, the chairperson may terminate the speech.

When a shareholder attends the shareholders' meeting, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairperson and the shareholder that has the floor. The chairperson shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives may speak on the same proposal.

After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.

Article 12 Voting at a shareholders' meeting shall be calculated based the number of shares.

For the resolutions of the shareholders' meeting, the number of shares of the non-voting shareholders is not included in the total number of issued shares.

A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the interest of the Company, shall not vote nor exercise the voting right on behalf of another shareholder.

The number of shares with voting rights that cannot be exercised in the preceding Paragraph shall not be counted as part of the voting rights represented by attending shareholders.

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed three percent of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

Article 13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted or deemed non-voting shares under Paragraph 2, Article 179 of the Company Act. When the Company convenes a shareholders' meeting, shareholders may exercise their voting power in writing or by way of electronic transmission; the method of exercising their voting power shall be describes in the shareholders' meeting notice. A shareholder who exercises his/her/its voting power at a shareholders meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person. However, he or she shall be deemed to have waived his or her voting power in respective of any extempore motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting. Therefore, it is advisable that the Company avoids proposing any extempore motion(s) and amendment(s) to the contents of the original proposal(s).

In case a shareholder elects to exercise his/her/its voting power in writing or by way of electronic transmission, his or her declaration of intention shall be served to the company two days prior to the scheduled meeting date of the shareholders' meeting, whereas if two or more declarations of the same intention are served to the company, the first declaration of such intention received shall

prevail. However, the foregoing does not apply where an explicit statement to revoke the previous declaration is made in the declaration which comes later.

In case a shareholder who has exercised his/her/its voting power in writing or by way of electronic transmission intends to attend the shareholders' meeting in person, he or she shall, two days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising his or her voting power, serve a separate declaration of intention to rescind his or her previous declaration of intention made in exercising the voting power under the preceding section. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail. In case a shareholder has exercised his or her voting power in writing or by way of electronic transmission, and has also authorized a proxy to attend the shareholders' meeting in his or her behalf, then the voting power exercised by the authorized proxy for the said shareholder shall prevail.

Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act and the Company's Articles of Incorporation, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. At the time of voting, the shareholders shall vote on the proposals one by one after the chairperson or its designee announces the total number of voting power of the present shareholders, and the shareholders' consent, objection and waiver shall be entered into the Market Observation Post System on the same day after the shareholders' meeting is convened.

When there is an amendment or an alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Scrutineers and vote counting personnel for the voting on a proposal shall be appointed by the chairperson, provided that all scrutineers shall be shareholders of the Company.

The recording procedure of issues of shareholder meetings shall be processing publicly in shareholder meetings and the results including statistical weights shall be reported on the spot and shall be recorded into the minutes of the meeting.

Article 14 The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules of the Company, and the election results shall be announced on-site immediately, including the names of those elected as directors and the numbers of voting rights with which they were elected.

The ballots for the election under the preceding paragraph shall be sealed with the signatures of the scrutineers and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit based on Article 189 of the Company Act, the recordings shall be retained until the conclusion of the litigation.

Article 15 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting may be effected by means of electronic transmission.

The Company may distribute the meeting minutes as described in the preceding paragraph by entering the same to the Market Observation Post System for public announcement.

The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. When a director is election, the number of votes casted to each candidate shall be disclosed. The meeting minutes shall be retained for as long as the Company is in existence.

Article 16 On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

The chairperson may direct the inspectors or security personnel to help maintain order at the meeting place. The pickets or security personnel shall wear armbands with the word "Picket" when maintaining order.

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chairperson may stop the shareholder from so doing.

If the shareholder violates the rules of procedures and defies the chairperson's instruction, and obstructs the proceedings and refuses to stop, the chairperson may direct the pickets or security personnel to escort the shareholder out of the venue.

Article 18 When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed. Before the completion of agendas (including extraordinary motions) of the shareholders' meeting, if the meeting venue is not available for continued use, the shareholders' meeting may decide to seek a new venue to resume the meeting.

The shareholders' meeting may, in accordance with the provisions of Article 182 of the Company Act, decide to postpone or resume the assembly within five days.

Article 19 The Rules, along with any amendments hereto, shall be implemented after adoption by shareholders' meetings.