

## SDI Corporation's Rules for Director Elections

- Article 1 To ensure a just, fair, and open election of directors, the Procedure is formulated pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2 Except otherwise prescribed by the laws and regulations or the Articles of Incorporation, election of the Company's directors shall be subject to these Rules.
- Article 3 The overall composition of the Board of Directors shall be taken into consideration in the selection of this Company's directors. The Company shall diversify Board composition and develop guidelines on diversity based on the operations, nature of business activities and development needs of the Company, including but not limited to the following two aspects:
- I. Basic requirements and values: Gender, age, nationality, and culture.
  - II. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience.
- All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. The entire BOD shall possess the following abilities:
- I. Business judgment ability.
  - II. Accounting and financial analysis ability.
  - III. Business management ability.
  - IV. Crisis management ability.
  - V. Knowledge of the industry.
  - VI. International market perspective.
  - VII. Leadership.
  - VIII. Decision-making ability.
- Over a majority of the total number of Director seats shall not be served by the ones in the relationship of a spouse or a relative within the second degree of kinship. The Company's Board of Directors shall consider adjusting its composition based on the results of performance evaluation.
- Article 4 The qualifications of the Independent Directors of the Company shall be in accordance with the provisions of Articles 2, 3 and 4 of the Measures for the Establishment and Compliance of Independent Directors of Public Offering Companies.
- The selection of independent directors of the Company shall be in accordance with Articles 5, 6, 7, 8 and 9 of the Measures for the Establishment and Compliance of Independent Directors of Public Offering Companies, and shall be based on the listing. Article 24 of the Code of Practice for Corporate Governance of Cabinets shall be handled.

- Article 5 The Company's election of Directors shall adopt the candidate nomination system in accordance with Article 192-1 of the Company Act.  
If the number of the directors is less than five due to dismissal of the directors for whatever reasons, the Company shall fill the vacancy at the most recent shareholders' meeting. In the event that vacancy of the directors reach one third of the director seats under the Articles of Incorporation, the Company shall convene an extraordinary shareholders' meeting to fill the vacancy within 60 days from the date of occurrence of the event.  
Where the number of Independent Directors falls short of the number stipulated in Paragraph 1, Article 14-2 of the Securities and Exchange Act, the Company shall hold a by-election at the next shareholders' meeting. Where all Independent Directors are dismissed, the Company shall convene an extraordinary shareholders' meeting within 60 days of the event to hold a by-election.
- Article 6 The cumulative voting method shall be used for the Company's election of the directors. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 7 The board of directors shall prepare ballots for directors in a number corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 8 The number of Directors will be as specified in the Company's Articles of Association, with voting rights separately calculated for Independent and Non-Independent Director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes received. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the Chairman drawing lots on behalf of any person not in attendance.
- Article 9 When the election begins, the chairperson shall designate scrutineers who have the identity of shareholder and vote counting personnel to conduct oversight and vote counting. Ballot boxes are prepared by the Board of Directors and will be opened for examination by scrutineers before voting.
- Article 10 Ballots are deemed void in any of the following circumstances:
- I. The ballot was not prepared by parties entitled to convene the meeting.
  - II. A blank ballot is placed in the ballot box.
  - III. The writing is ambiguous and cannot be identified.
  - IV. The name of the nominated candidates is inconsistent with the list of the director candidates.
  - V. A ballot with other words or marks are entered in addition to the number of

voting rights allocated.

Article 11 The votes shall be calculated onsite immediately after voting completes, and the results of the calculation shall be announced by the chairperson, including the name of the elected director and the number of the votes.

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 12 The Company's Board of Directors shall send notice for being elected to the directors elected by voting.

Article 13 The Rules and any amendments thereto shall be implemented after being approval at the shareholders' meeting.