

Desiccant Technology Co., Ltd.

Board of Directors Meeting Rules

1. Scope of Application

The proceedings of this company's board of directors shall be conducted per these Rules of Procedure, except as otherwise provided by law or the company's articles of association.

2. Convocation and Chairmanship of Board Meetings

- 2.1 The board of directors shall convene at least once every quarter. The notice of convocation shall specify the purpose of the meeting and be sent to each director at least seven days in advance, except in cases of urgent circumstances when the meeting may be called at any time. With the consent of the parties concerned, electronic means may be used to notify the directors of the meeting.
- 2.2 The board of directors shall be convened by the chairman, who shall also serve as chairman of the meeting. However, for the first meeting of each term, the convener who received the most votes from the shareholders' meeting shall convene the meeting, and the convener shall appoint the chairman of the meeting. If there are more than two conveners, they shall elect one person to serve as the chairman of the meeting.
- 2.3 If more than half of the directors convene a meeting following Article 203, Paragraph 4 or Article 203-1, Paragraph 3 of the Company Act, the directors shall elect one of their numbers to serve as chairman of the meeting.
- 2.4 If the board chairman is absent or unable to perform his/her duties due to circumstances, he/she shall be represented by the board's vice chairman. If there is no vice chairman or the vice chairman is also absent or unable to perform his/her duties, the board chairman shall designate one director to act as his/her proxy. If the board chairman does not assign a proxy, the directors shall elect one person to act as the proxy.

3. Venue and Time of Board Meetings

Board meetings shall be held at the company's premises during business hours.

However, if necessary for business reasons, the meeting may be held at another convenient location and time suitable for the directors' attendance.

4. Designation of Agenda, Notice of Meeting and Documents

- 4.1 The finance and accounting department is designated as the agenda-setting

unit for the board of directors of this company. The agenda-setting unit shall prepare the agenda for the board meeting and provide sufficient meeting materials. It shall also be responsible for drafting the meeting agenda, recording the meeting minutes, and handling other matters related to the meeting. The agenda shall be submitted to the chairman of the board for approval and sent with the convocation notice.

- 4.2 When convening a board meeting, a written notice specifying the date and venue of the meeting, together with the agenda and related materials, shall be sent to each director at least seven days in advance. With the consent of the parties concerned, electronic means may be used to notify the directors of the meeting.
- 4.3 If a director considers the meeting materials insufficient, they may request the agenda-setting unit of the board of directors to supplement them in advance. During the meeting, if a director considers the meeting materials insufficient, the matter may be postponed for review by resolution of the board of directors.
- 4.4 The matters specified in Article 6, Paragraph 1 of these Rules of Procedure shall be included in the agenda in advance and shall not be proposed as an ad hoc motion.

5. Report Items

The content of regular board meetings should include at least the following items :

5.1 Report Items:

- 5.1.1 Minutes of the previous meeting and their execution.
- 5.1.2 Important financial reports related to business.
- 5.1.3 Internal audit reports.
- 5.1.4 Other Essential Report Items.

5.2 Discussion Items:

- 5.2.1 Discussion items retained from the previous meeting.
- 5.2.2 Discussion items scheduled for the current meeting.

5.3 Ad-hoc motions. :

6. Matters requiring discussion by the Board of Directors

6.1 The board of directors should discuss the following matters:

- 6.1.1 The company's operating plan.
- 6.1.2 Annual Financial Reports.

- 6.1.3 The establishment or revision of internal control systems and assessments of their effectiveness following Article 14-1 of the Securities and Exchange Act.
- 6.1.4 Procedures for handling significant financial business activities related to acquiring or disposing of assets, engaging in derivative trading, lending funds to others, endorsing or providing guarantees for others, as prescribed by Article 36-1 of the Securities and Exchange Act.
- 6.1.5 The issuance, offering, or private placement of equity securities.
- 6.1.6 Appointment or dismissal of financial, accounting, or internal audit executives.
- 6.1.7 If the board of directors does not have any managing directors, the election or dismissal of the chairman shall be carried out.
- 6.1.8 Donations to related parties or significant donations to non-related parties. However, donations for public welfare purposes for urgent relief due to substantial natural disasters may be approved retrospectively at the next board meeting.
- 6.1.9 Matters prescribed by other laws or regulations or bylaws that require resolutions by the shareholders' meeting or board of directors or significant matters stipulated by the competent authority.
- 6.2 The term "related parties" in the seventh item above refers to those regulated by the financial reporting preparation criteria of the securities issuer, and the term "significant donations to non-related parties" refers to donations to the same recipient that reach a total of over NT\$100 million within one year or reach one percent of the audited operating revenue or five percent of the paid-in capital of the most recent fiscal year, whichever is greater.
- 6.3 The term "within one year" in the preceding paragraph is based on the date of the current board meeting, and the resolutions previously passed at the board meetings need not be counted again.
- 6.4 The company should have at least one independent director present at the board meeting in person. For the matters listed in item 6.1.1, all independent directors should attend the board meeting. If an independent director cannot attend the meeting in person, another director should be designated to participate. If an independent director has objections or reservations, they should be recorded in the board meeting minutes. Suppose an independent director cannot attend the in-person meeting to express objections or reservations. In that case, they should provide written opinions in advance, which should be recorded in the board meeting minutes unless there are

legitimate reasons for not doing so.

7. Setting up the sign-in sheet and delegation of attendance by directors

When convening a board of directors meeting, a sign-in sheet should be prepared for attending directors to sign for reference. Directors should attend the board meeting in person. If they cannot attend in person, they may issue a power of attorney specifying the scope of authorization and entrust another director to attend on their behalf. However, at least one independent director should still participate in the in-person meeting. The proxy mentioned above shall be limited to one person who has been authorized. Those who participate in the meeting via video conferencing shall be deemed to have attended in person, but they should sign the relevant documents via fax or email.

8. Convening a board of directors meeting

8.1 When a board of directors meeting is convened, the unit responsible for the board meeting shall prepare relevant information for attending directors to consult at any time.

8.2 When the board's chairman arrives at the meeting time, and more than half of the directors are present, the chairman declares the meeting open.

If less than half of all directors are present at the scheduled meeting time, the chairperson may announce a postponement of the meeting to later the same day. The meeting may be postponed no more than twice. Suppose the quorum is still not met after two postponements. In that case, the chairperson may reconvene the meeting following the procedures specified in Article 2 of these rules.

The "entire board of directors" shall be counted based on the number of directors in office.

9. Attendance by other personnel

During a board meeting, personnel from relevant departments or subsidiaries may be notified to attend the conference depending on the content of the agenda to assist the directors in understanding the company's current situation and making appropriate decisions. Accountants, lawyers, or other professionals may also be invited to attend the meeting and provide expert opinions for reference by the board of directors. Still, such attendees shall leave the meeting during the discussion and

voting.

10. Discussion of the agenda

- 10.1 The agenda for board meetings should be followed according to the meeting notice, but the chairman may change it with the consent of more than half of the attending directors.
- 10.2 The chairman may not adjourn the meeting before the scheduled agenda (including ad-hoc motions) is completed unless more than half of the attending directors agree.
- 10.3 If less than half of the attending directors are present at the meeting, the chairman should announce a temporary adjournment if proposed by an attending director, and Article 8, item 3 of these meeting rules shall apply.
- 10.4 During the proceedings of the Board of Directors meeting, if the chairperson is unable to preside over the meeting or unilaterally announces the adjournment without following the provisions of Paragraph 2 of this Article, the selection of the proxy shall be following the provisions of Paragraph 3 of Article 10 of these rules.

11. Voting

- 11.1 When the board chairman considers that the discussion of a motion has reached the level at which a vote can be taken, they may announce the end of the debate and move on to a vote.
- 11.2 When voting on a motion, if there is no objection from all attending directors upon inquiry by the chairman, it shall be deemed to have passed. The motion shall be put to a vote if there is any objection.
- 11.3 The chairman shall choose the voting method from the following options. Still, if there is any objection from the attendees, the chairman shall seek the opinion of the majority:
 - 11.3.1 Voting by show of hands or by voting machine.
 - 11.3.2 Voting by name.
 - 11.3.3 Voting by ballot.
 - 11.3.4 Voting method selected by the company.
- 11.4 The term "all attending directors" mentioned in the first two paragraphs does not include directors who are not allowed to exercise voting rights under Article 12.
- 11.5 Unless otherwise provided by the Securities and Exchange Act and the Company Act, the resolution of a company's board of directors shall require the

attendance of more than half of the directors and approval by most attending directors.

- 11.6 When there are amendments or alternative proposals for the same motion, the chairman determines the voting order along with the original proposal. However, if one of the proposals has already been passed, the other proposals shall be deemed rejected, and no further voting is required.
- 11.7 If necessary, the chairman may appoint vote supervisors and vote counters for voting on the motion, but the vote supervisor must be a director.
- 11.8 The vote results shall be reported on the spot and recorded.

12. Directors' Conflict of Interest Policy

- 12.1 If a director has an interest in any matter under discussion at a board meeting, which may be of benefit or detriment to themselves or their affiliated corporation, they must disclose the nature of their interest at the conference. Suppose the interest may harm the company's interest. In that case, the director should not participate in the discussion or vote on the matter, and they should abstain from voting on the matter and not delegate their voting right to another director.
- 12.2 The spouses, blood relatives within two degrees, and companies controlled by the director are considered to have a personal interest in any matter discussed at the meeting under the previous paragraph.
- 12.3 For decisions made by the board of directors that involve a director prohibited from voting under the previous two provisions, Article 180, Paragraph 2 of the Company Act shall apply per Article 206, Paragraph 4.

13. Minutes and Signature of Meeting

- 13.1 Minutes of the board meeting must be taken and should include the following information:
 - 13.1.1 Date, time, and location of the meeting.
 - 13.1.2 Name of the chairperson.
 - 13.1.3 Attendance of directors, including the names and numbers of those present, absent, or on leave.
 - 13.1.4 Names and titles of attendees.
 - 13.1.5 The name of the recorder.
 - 13.1.6 Matters reported.
 - 13.1.7 Discussion topics: summary of speeches by directors, experts, and other attendees on each proposal, the names of directors involved in conflicts

of interest under Article 12 of these Rules, an explanation of their interest, reasons for abstention, and opposing or reserved opinions with written statements by independent directors under Rule 6, Paragraph 4 of these Rules.

13.1.8 Ad-hoc proposals: the name of the proposer, the decision and result of the proposal, summary of speeches by directors, experts, and other attendees, the names of directors involved in conflicts of interest under Rule 12 of these Rules, an explanation of their interest, reasons for abstention, and opposing or reserved opinions with written statements.

13.1.9 Other matters that need to be recorded.

13.2 If any of the following circumstances exist with the board's decision, the board must announce within two days of the meeting at a publicly designated information observation station of the Financial Supervisory Commission, in addition to recording them in the minutes:

13.2.1 Independent directors object to or reserve their opinion on the decision and have recorded or submitted a written statement.

13.2.2 Matters that have not been approved by the company's audit committee but have been passed by two-thirds or more of all directors.

13.3 The minutes must be signed or stamped by the chairperson and the recorder, sent to each director and supervisor within twenty days after the meeting, and included in the company's essential files for permanent safekeeping during the company's existence. Their signature must verify the directors' attendance at the conference.

14. Recording or filming of board meetings for evidence

14.1 The entire board meeting proceedings, as stipulated in Article 5 of these rules, should be recorded or filmed for evidence and kept for at least five years. The recordings or films may be stored electronically. Suppose a lawsuit concerning the board's decision arises before the expiration of the aforementioned five-year period. In that case, the relevant recording or film evidence should continue to be preserved until the end of the lawsuit, and the five-year requirement does not apply.

14.2 For meetings conducted via video, the video footage is considered part of the meeting records and should be permanently preserved during the company's existence.

15. Principles of board authorization

In addition to the matters that the board of directors should discuss according to Article 6 of these rules, the company's board of directors may authorize the board's chairman to exercise the board's powers following the law or the company's articles of incorporation. The scope, content, or matters of the authorization should be clearly defined, and the following principles should be followed:

15.1 By the company's management regulations, rules, and procedures.

15.2 By the company's decision-making authority chart.

16. Effective date and amendment of these rules

The formulation and amendment of these rules should be approved by the board of directors and submitted to the shareholders' meeting for approval.