

Innodisk Corporation

Procedure for Election of Directors

Article 1 For a fair, impartial and open election of directors, the Company established the Procedure in accordance with Article 21 and Article 41 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."

The election of directors of the Company shall be governed by the Procedure, except as otherwise provided in the Company Act, the Securities and Exchange Act and the Company's Articles of Incorporation.

Article 2 The cumulative voting system shall be used for the election of directors of the Company. Attendance card numbers printed on the ballots (or shareholder's account number) may be used instead of recording the names of voting shareholders.

For the election of directors of the Company, each share should have the same number of voting rights as the number of directors to be elected, which may be cast collectively for a single candidate or split among several candidates.

Article 3 The number of directors will be as specified in the Company's Article of incorporation, with voting rights separately calculated for independent and non-independent directors. Those receiving the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of directors, they shall draw lots to determine, with the chair drawing lots for those not in attendance.

Article 4 The overall composition of the Board of Directors should be taken into consideration in the selection of the Company's directors.

The composition of the Board of Directors shall be determined by taking diversity into consideration.

The members of the Board of Directors should generally have the necessary knowledge, skill, and experience to perform their duties; the board as a whole should have the following competencies:

- I. The ability to make judgments about operations.
- II. Accounting and financial analysis ability.
- III. Business management ability.
- IV. Crisis management ability.
- V. Industry Knowledge
- VI. An international market perspective.
- VII. Leadership ability.
- VIII. Decision-making ability.

More than half of the directors should have neither a spouse nor relatives within the second degree of kinship in any other director.

Article 5 The election of directors of the Company shall be conducted in accordance with the procedures of the candidate nomination system set forth in Article 192-1 of the Company Act.

If any director is dismissed for any reason so that the number of directors is less than five, the Company shall hold a by-election at the most recent shareholders' meeting. However, if the vacancies of directors reach one-third of the number of seats set forth in the Articles of Incorporation, the Company shall convene an extraordinary shareholders' meeting to hold a by-election within 60 days from the date of occurrence of the fact.

If the number of independent directors is not sufficient to meet the requirements of the first proviso of Article 14-2 of the Securities and Exchange Act, a by-election shall be held at the latest shareholders' meeting; if all the independent directors are dismissed, an extraordinary shareholders' meeting shall be held within 60 days from the date of occurrence of the fact.

Article 6 Before the election begins, the chair should appoint a number of persons with shareholder status as vote monitoring and counting personnel to perform the respective duties. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting begins.

Article 7 The Board of Directors should prepare election ballots corresponding to the number of directors to be elected. Ballots are prepared by the Company and distributed to shareholders attending the shareholders' meeting according to the attendance card number (or shareholder account number). Each ballot contains the number of voting rights of each shareholder on a pro-rata basis.

Article 8 (Deleted)

Article 9 A ballot is invalid if one of the following is true:

- I. Do not use ballots as specified by the procedure.
- II. Put void ballots into the ballot box.

III. The handwriting is blurred and unrecognizable or has been altered.

IV. The names of the persons to be elected do not match with the list of director candidates after verification.

V. In addition to the number of voting rights allocated, other words are included.

VI. Fill in more than two candidates on the same ballot.

Article 10 After the voting is completed, the ballot box should be opened on the spot. The voting results shall be announced by the chair on-site, including the list of directors elected.

Article 11 The Board of Directors of the Company shall issue separate election notices to the Directors elected by voting.

Article 12 Matters not provided for in this Procedure shall be handled in accordance with the provisions of the Company Act and related laws and regulations.

Article 13 The Procedure is to be announced and implemented after being approved by the shareholders' meeting, and likewise for the revision.

Article 14 The Procedure was established on April 15, 2011.

1st revision was made on April 14, 2012.

2nd revision was made on December 17, 2012.

3rd revision was made on June 21, 2013.

4th revision was made on June 9, 2015.

5th revision was made on May 31, 2021.