

Niko Semiconductor Co., Ltd.

Procedures for Election of Directors

Article 1: For the fair, just and open election of directors and supervisors, these Measures are formulated in accordance with Articles 21 and 41 of the "Code of Practice for the Governance of Listed OTC Companies".

Article 2: The selection and appointment of directors of the company shall be handled in accordance with these regulations, unless otherwise stipulated by laws and regulations or bylaws.

Article 3: The selection and appointment of directors of the company shall take into account the overall configuration of the board of directors. The composition of the board of directors should consider diversity, and formulate an appropriate diversity policy based on its own operation, operation type and development needs. It should include but not limited to the following two standards:

1. Basic conditions and values: gender, age, nationality and culture, etc.
2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

The members of the board of directors shall generally possess the necessary knowledge, skills and qualities to perform their duties, and their overall abilities shall be as follows:

1. Operational judgment ability.
2. Accounting and financial analysis ability.
3. Operation and management ability
4. Crisis handling capability.
5. Industrial knowledge.
6. The international market view.
7. Leadership.
8. Decision-making ability.

Directors shall have more than half of the seats, and shall not have

spouses or relatives within the second degree of kinship.

The board of directors of the company shall consider and adjust the composition of the board of directors based on the results of the performance evaluation.

Article 4: The qualifications of independent directors of the company shall comply with the provisions of Articles 2, 3 and 4 of "Regulations on the Establishment of Independent Directors of Public Offering Companies and Matters to be Followed".

The selection and appointment of independent directors of the company shall comply with the provisions of Articles 5, 6, 7, 8 and 9 of the "Regulations on the Establishment of Independent Directors of Publicly Issued Companies and Matters to be Followed", and shall be based on the "Listing on the OTC Market" Article 24 of the Code of Practice for Corporate Governance.

Article 5: In order to examine the qualifications, educational background, and the existence of any of the conditions listed in Article 30 of the Company Law of independent director candidates, other qualification documents shall not be arbitrarily added, and the review results shall be provided to shareholders for reference in order to elect suitable independent directors.

Article 6: The company shall announce the period for accepting the nomination of independent director candidates, the number of candidates to be elected, the place of acceptance and other necessary matters before the date of the suspension of stock transfer before the shareholders' meeting. The acceptance period shall not be less than ten days.

Article 7: The election of directors of the company adopts the candidate nomination system. Shareholders should select them from the list of candidates for directors. The nomination-related operations shall be handled in accordance with the Company Law and the relevant regulations of the securities regulatory authority.

Article 8: The election of directors of the company shall adopt a cumulative voting system. Each share has the same voting rights as the number of directors to be elected. One person may be elected in a centralized manner, or several people may be elected, and independent directors and non-independent directors shall be elected together, and the elected quota shall be calculated separately.

Article 9: The board of directors shall prepare ballots equal to the number of directors to be elected, fill in their weights, and distribute to shareholders attending the shareholders meeting. The names of the electors may be replaced by the attendance certificate number printed on the ballot.

Article 10: The number of directors of the company determined in accordance with the company's articles of association will be elected by the person with the most voting rights. If there are two or more people with the same number of rights and the number of people exceeds the specified number, the same number of people will be drawn to decide. Attendees will be drawn by the chairperson.

Article 11: Before the election begins, the chairman shall designate a number of scrutineers and tellers with shareholder status to perform various relevant duties. The ballot boxes are prepared by the board of directors and open for inspection by the scrutineers before voting.

Article 12: If the electee is a shareholder, the elector must fill in the electee's account name and shareholder account number in the elector column of the ballot paper; if the electee is not a shareholder, the electee's name and Identification document number. However, when the government or legal person shareholder is the electee, the name of the electee on the ballot shall be filled with the name of the government or legal person, and the name of the government or legal person and the name of its representative; when there are several representatives, the name of the representative should be added separately.

Article 13: Ballots with one of the following circumstances are invalid:

1. Those who do not need the ballot paper prepared by the person with the right to convene.
2. Those who put blank ballot papers into the ballot box.
3. The handwriting is illegible or has been altered.
4. The candidates filled in are inconsistent with the list of candidates for directors.
5. In addition to filling in the number of voting rights allocated, other words are included.

Article 14: After the voting is completed, the ballots will be counted on the spot, and

the results of the counting of ballots shall be announced on the spot, including the list of elected directors and their electoral rights, and the list of unsuccessful directors and their voting rights.

The ballots for the election matters mentioned in the preceding paragraph shall be sealed and signed by the scrutineers, and shall be properly kept for at least one year.

However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, it shall be kept until the lawsuit is concluded.

Article 15: The elected directors will be issued a notice of election by the board of directors of the company.

Article 16: Matters not stipulated in these Regulations shall be handled in accordance with the relevant regulations of the Company Law and the competent securities authority.

Article 17: These measures shall be implemented after being approved by the shareholders' meeting, and the same shall apply to amendments.

The first amendment of these measures was made on April 11, 2005.

The second amendment of these measures was made on May 26, 2006.

The third amendment of these measures was made on May 25, 2007.

The fourth amendment of these measures was made on September 6, 2010.

The fifth amendment of these measures was made on June 18, 2012.

The sixth amendment of these measures was made on June 30, 2015.

The seventh amendment of these measures was made on June 14, 2018.

The eighth amendment of these measures was made on June 8, 2022.