

Orient Semiconductor Electronics, Ltd.

Audit Committee Charter

Establishment on March 29, 2019

March 27, 2020 Amendment Announcement

Article 1 This Charter is adopted pursuant to Article 3 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.

Article 2 Matters concerning the number, term of office, powers, rules of procedure for meetings, and resources to be provided by this Corporation when the Audit Committee ("the Committee") exercises its powers shall be handled in accordance with this Charter. Remuneration Committee (hereinafter, "the Committee") shall be handled in accordance with this Charter.

Article 3 The main function of the Audit Committee is to supervise the following matters:

1. Fair presentation of the financial reports of this Company.
2. The hiring (and dismissal), independence, and performance of certified public accountants of this Corporation.
3. The effective implementation of the internal control system of this Corporation.
4. Compliance with relevant laws and regulations by this Corporation.
5. Management of the existing or potential risks of this Corporation.

Article 4 The Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number and a member of the Committee shall be elected as the Chairperson by and from the entire membership of the committee. At least one of whom shall have accounting or financial expertise.

The independent director members of the Committee shall serve a 3-year term, and may be reelected to further terms. When the number of the independent director members on the Committee falls below that prescribed in the preceding paragraph or in the Articles of Incorporation due to an independent director's dismissal for any reason, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse or all of their positions are vacant, a special shareholders meeting shall be called within 60 days from the date of the occurrence to hold a by-election to fill the vacancies.

Article 5 Powers conferred by the Securities and Exchange Act, the Company Act, and any other law to be exercised by supervisors, excepting those set forth in Article 14-4, paragraph 4 of the Securities and Exchange Act, shall be exercised by the Committee. The provisions of Article 14-4, paragraph 4 of the Securities and Exchange Act, with regard to the Company Act as it concerns the actions of supervisors or their role as representatives of a company, apply mutatis mutandis to the independent director members of the Committee.

Article 6 The powers of the Committee are as follows:

1. The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, making loans to others, and endorsements or guarantees to others.
4. Auditing of matters in which a director is an interested party.
5. Auditing of asset transactions or derivatives trading of a material nature.
6. Auditing of loans, endorsements, or provision of guarantees of a significant nature.
7. Auditing of the offering, issuance, or private placement of equity-type securities.
8. Auditing of the hiring or dismissal of a certified public accountant, or their compensation.
9. Auditing of the appointment or discharge of a financial, accounting, or internal audit officer.
10. To review annual reports and second-quarter financial reports signed or sealed by Chairman, manager and chief accountant.
11. Auditing of other significant matters as may be required by this Corporation or by the competent governing authority.

The matters under the preceding paragraph shall be subject to the approval of one half or more of the entire membership of the Committee and shall be submitted to the board of directors for a resolution.

Any matter in the paragraph 1, with the exception of subparagraph 10, that has not been approved by one half or more of the entire membership of the

Committee shall be adopted with the approval of two thirds or more of the entire board of directors.

“The entire membership,” as used herein, shall be counted as the number of members actually in office at such given time.

The Chairperson of the Committee shall represent the Committee to the public.

Article 7 The Committee shall convene at least once per quarter, and may call additional meetings at its discretion whenever necessary.

In calling a meeting of the Committee, a notice of the reasons for convening the meeting shall be given to each member at least 7 days in advance. In emergencies, however, the meeting may be called on shorter notice.

When the Chairperson is on leave or unable to convene a meeting for any reason, the Chairperson shall appoint another member on the Committee as acting Chairperson; if the Chairperson does not make such an appointment, one member of the Committee shall be elected by and from the other members of the committee to serve as Chairperson.

The committee may request the managers of relevant departments, internal audit officers, certified public accountants, attorneys, or other personnel of this Corporation to attend the meeting as non-voting participants and provide pertinent and necessary information.

When the Committee calls a meeting, it shall furnish the members of the Committee present at the meeting with relevant materials for reference as necessary.

Article 8 When a meeting of the Committee is held, an attendance record book shall be made for signing by the members present, and thereafter kept for reference.

Members shall attend meetings of the Committee in person; if a member is unable to attend in person, the member may appoint another member as proxy to attend the meeting. Attendance by video conference is deemed as attendance in person.

A member of the Committee that appoints another member as proxy to attend a meeting of the Committee shall in each instance issue a written proxy stating the scope of authorization with respect to the items on the meeting agenda.

Resolutions at meetings of the Committee shall be adopted with the approval of one half or more of the entire membership. The result of a vote shall be made known immediately and recorded in writing.

If for a legitimate reason it is impossible to hold a meeting of the Committee, matters on the meeting agenda shall be adopted with the consent of two thirds or more of the entire board of directors. Nevertheless, a written opinion indicating approval or disapproval shall be obtained from each independent director member with respect to the matters under Article 6, paragraph 1, subparagraph 10.

The proxy member under paragraph 2 hereof may accept a proxy request from one member only. Article

Article 9 Discussions at a meeting of the Committee shall be included in the meeting minutes, which shall faithfully record the following:

1. The session, time, and place of the meeting.
2. The name of the meeting Chair.
3. Attendance by the independent director members, including the names and the number of members present, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.
7. Discussion Matters: the type of resolution and result for each proposal; summary of comments made by Committee members, experts, and others present; the name of any Committee member deemed to have an interested party relationship as per Paragraph 1, Article 11 of this Charter, a description of the key aspects of the interested party relationship, reasons why the member should or should not recuse himself or herself, and the status of the recusal; any objections or reservations expressed.
8. Ad Hoc Motion(s): The name of the mover; the method of resolution and the result for each motion; a summary of the comments made by Committee members, experts, and others present; the name of any Committee member deemed to have an interested party relationship as per Paragraph 1, Article 11 of this Charter, a description of the key aspects of the interested party relationship, reasons why the member should or should not recuse himself or herself, and the status of the recusal; and any objections or reservations expressed.
9. Other matters required to be recorded.

The attendance record book constitutes part of the minutes for each meeting of the Committee and shall be preserved permanently.

The minutes of a Committee meeting shall bear the signature or seal of both

the chair and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting.

The minutes shall be deemed important corporate records and appropriately preserved during the existence of this Company. The meeting minutes of paragraph 1 may be produced and distributed in electronic form.

Article 10 The Committee's meeting agenda shall be drafted by the Chairperson. Other members may also put forward proposals for discussion items of the Committee meeting.

Article 11 A member of the Committee shall explain the material aspects of the interest he or she has when he or she is an interested party with respect to a given agenda item. When such a relationship is likely to prejudice the interests of this Corporation, the director shall not attend the discussion and voting and shall recuse himself or herself therefrom. Also, they shall not exercise the voting right for and on behalf of another independent director member.

Where the spouse or a blood relative within the second degree of kinship of a member is an interested party with respect to an agenda item as described in the preceding paragraph, such independent director shall be deemed to be an interested party with respect to that agenda item. If, for the reason stated in paragraph 1, an agenda item cannot be resolved at a meeting of the Committee, it shall be reported to the board of directors, which shall resolve the item.

Article 11-1 Any and all meetings of the Committee shall be audio-recorded or videotaped from beginning to adjournment of the meeting as evidence and the files shall be kept for at least five years. The files may be stored in the electronic form.

If any litigation relating to a resolution of the meeting of the Committee commences before the expiry of the period in which the evidence shall be kept in accordance with the preceding paragraph, the relevant data of audio-recorded or videotaped evidence shall continually be kept until the conclusion of the litigation.

For a meeting of the Committee convened via videoconferencing, the audio-recorded and videotaped data shall be part of the minutes of the meeting and shall be properly kept during the existence of the Corporation.

Article 12 The Committee may resolve to retain the service of an attorney, certified

public accountant, or other professionals to provide advice with respect to matters in connection with Article 6. The costs of their services shall be borne by this Corporation.

Article 13 The Committee members shall exercise the due diligence and care of a good administrator and faithfully perform the duties prescribed in this Charter; they shall be accountable to the board of directors and shall submit their proposals for resolution by the board.

Article 14 The Committee shall conduct regular reviews of matters relating to this Charter and present the resulting proposals for amendment to the board of directors.

The execution of tasks relating to resolutions adopted by the Committee may be delegated to the Chairperson or other Committee members for follow-ups, with a written or verbal report to be presented to the Committee during the implementation period. When necessary, the matter shall be presented for ratification or a report made at the next meeting of the Committee.

Article 15 This Charter, shall be promulgated after adoption by a resolution of the board of directors, and the same for any amendments.