

## **Annual General Meeting Notice**

(Summary Translation)

The 2023 Annual General Shareholders' Meeting of Orient Semiconductor Electronics, Limited ("OSE") will be convened at Auditorium (Address : No. 600, Chia-Chang Road, Nan-Zih District, Kaohsiung City, Taiwan) at 9:00 a.m., Friday, June 09, 2023. The meeting type is physical shareholders' meeting.

1. The Agenda for the Meeting is as follows:

(1). Matters to Report

- A. 2022 Business Report.
- B. Audit Committee's Auditing Report.
- C. 2022 Distribution of Remunerations to Employees and Directors.
- D. Report on 2022 Earnings Distribution in Cash.
- E. Report on amendment to the "Rules of Procedure for the Board Meeting."
- F. Report on amendment to the "Ethical Corporate Management Best Practice Principles".
- G. Report on the "Procedures for Ethical Management and Guidelines for Conduct".

(2). Proposals for Recognition

- A. 2022 Business Report and Financial Statements.
- B. Motion of 2022 Earnings Distribution.

(3). Discussion Matters.

- A. Amendment to the "Articles of Incorporation".
- B. Issuance of restricted shares for employees.

(4). Extempore Motions

2. The Board of Directors resolved to distribution of dividends for the 2022 as follows:

- (1)Cash dividend: In the amount of NT\$472,012,083 at NT\$0.85 per ordinary share.

3. Please inquire the information at Market Observation Post System (the "MOPS")

(<http://mops.twse.com.tw>) for more details.

4. The explanation of proposal for Issuance of Employee Restricted Stock Awards please refer to the attachment.

5. Please find enclosed the "Notice of Attendance" and "Proxy Statement". Please sign or apply your seal to the "Notice of Attendance" if you plan to attend the Meeting in person on the Meeting date (Do NOT return this by mail). Members may appoint a proxy to attend the Meeting on his or her behalf by signing or applying their seal to this "Proxy Statement". Please send out such signed or sealed "Proxy Statement" to the Company's stock agency, the Transfer Agency Department of CTBC Bank, five (5) days prior to the Meeting date to allow the stock agency to deliver the "Attendance Card" to your proxy.

6. If members solicit proxies to attend the Meeting in their place, the Company will compile a proxy solicitation summary statement and disclose its contents on the Securities & Futures Institute(SFI)'s website on May 09, 2023. Members can access the website

through SFI's web address (<http://free.sfi.org.tw>) for relevant information.

7. The voting at this Meeting can be exercised by way of electronic method from May 10, 2023 to June 6, 2023. The members/shareholders can log in Electronic Voting Platform of Shareholders' Meeting established by Taiwan Depository and Clearing Corporation (<https://www.stockvote.com.tw>) directly and cast the vote according to the relevant explanations.
8. The proxies shall be tallied and verified by the Transfer Agency Department of CTBC Bank.

To Shareholder

**Board of Directors**  
**Orient Semiconductor Electronics, Limited**

## 【Attachment】

### **The explanation of proposal for Issuance of Employee Restricted Stock Awards.**

#### **I. Total Issuance Amount:**

The Plan is to issue employee restricted stock awards for 5,000,000 ordinary shares at the par value of NT\$10. Totaling is NT\$50,000,000.

#### **II. Issuance Conditions**

(I) Issue Price: NT\$0, i.e., gratuitous issue.

(II) Type of issued shares: Shares of common stock issued by the company for new shares.

(III) Vesting condition: Employees who are still with the Company at the expiry of the following vesting periods after being granted new restricted employee shares according to these Regulations, who are not deemed by the Company to have violated the employment contract or Work Rules, and who are not subject to any disciplinary action may have their new restricted employee shares vested by the following percentage, service years, and performance criteria:

1. 30% for employees who have served the Company for one year after the Grant Date and are ranked “A” or above at the performance evaluation in the year immediately preceding the expiry date of a vesting period.
2. 30% for employees who have served the Company for two years after the Grant Date and are ranked “A” or above at the performance evaluation in the year immediately preceding the expiry date of a vesting period.
3. 40% for employees who have served the Company for three years after the Grant Date and are ranked “A” or above at the performance evaluation in the year immediately preceding the expiry date of a vesting period.

(IV) Measures to be taken when employees fail to meet the vesting conditions or in the event of inheritance:

1. If an employee who were granted shares under these Regulations serves the Company for the number of years specified in the preceding paragraph, but fails to meet the performance criteria, which are part of vesting conditions, the Company will retrieve and retire such shares from the employee without any compensation.
2. If any of the following circumstance applies to an employee, it shall be deemed that the vesting conditions have not been met, and the restricted shares not vested shall be retrieved by the Company without any compensation and retired according to law.
  - (1) Resignation: If an employee resigns for any cause, retires, or is laid off or transferred to another job, such an employee, immediately on the effective date of said circumstance, shall be deemed to have failed to meet the vesting conditions for his/her restricted shares not vested
  - (2) Ordinary Death: If an employee dies, such an employee, immediately on the death date, shall be deemed to have failed to meet the vesting conditions for his/her restricted shares not vested.
3. If any the following circumstances applies to an employee, the restricted shares not vested shall be handled in the following manner:
  - (1) Employees who resign due to incompetency in work as a result of physical

inability caused by work-related injury are deemed to have met the vesting conditions and may have the unvested shares in his/her possession vested early upon the resignation date.

(2) If an employee dies due to any occupational incident, such an employee, immediately on the death date, shall be deemed to have met the vesting conditions for his/her restricted shares not vested. The employee's heir, after having accomplished all legal procedures and submitted supporting documents, may apply to inherit the shares such an heir is entitled to.

(3) Leave without pay: In the event that the employee takes the leave without pay with the Company's approval, calculation of the vesting period will be suspended on the effective date of approval of leave without pay and will be resumed on the date of resumption of duty. However, in the event that the employee does not resume his/her duty after the period of leave without pay, the abovementioned handling process of voluntary resignation will apply.

4. Others: If after being granted restricted shares in accordance with the Regulations, an employee violates the employment contract or the Work Rules to an extent considered material by the Company, the Company has the right to retrieve the unvested new restricted employee shares in the employee's possession without any compensation and retire such shares by law.

III. Qualification criteria for employees and number of shares granted to them:

(I) Employees eligible for such restricted shares shall be limited to the regular employees who were still in service on the Grant Date and whose performance was rated "Excellent". However, employees holding 10% or more of the Company's issued shares shall not be eligible.

(II) Eligible employees shall be limited to those who fall into the following category:

1. Personnel highly associated with the development of the Company's strategy in the future
2. Talent of core technologies

(III) The actual subscribable quantity of such restricted shares shall be determined by referencing an employee's job tenure, job rank, job performance, overall contribution, special merits, and potential to contribute in the future, and requirements of the Company's operations and business development strategy, and after being approved by the Chairman and then by the Board of Directors; however, if such an employee is a director or manager, an additional and prior approval of the Remuneration Committee shall be obtained. If such an employee is not a director or manager, an additional and prior approval from the Audit Committee shall be obtained.

(IV) Where the Company issues employee stock warrants under Article 56-1, paragraph 1 of the Offering and Issuance Regulations, the cumulative number of shares subscribable by a single warrant holder of the employee stock warrants, in combination with the cumulative number of new restricted employee shares obtained by the single warrant holder, may not exceed 0.3 percent of the Company's total issued shares. And the above in combination with the cumulative number of shares subscribable by the single warrant holder of employee stock warrants issued by the Company under Article 56,

paragraph 1 of the Offering and issuance Regulations, may not exceed 1 percent of the Company's total issued shares. If the cap on the number of new restricted employee shares subscribable by a single employee as specified in this paragraph of this article changes due to change in the competent authority's requirements, the updated laws and regulations and the requirements of the competent authority shall prevail, or the said percentage does not apply if an approval from the competent authority of the industry concerned specifying otherwise is obtained.

iv. The necessary reason for the current issuance of RSA:

To attract and retain requisite professional talent; to motivate employees and enhance their cohesion; to jointly create benefits for the Company and shareholders; and to ensure that the interest of the Company is linked to the interest of employees and shareholders.

v. Calculated expense amount, the dilution of the Company's earnings per share and other matters affecting shareholder's equity:

(I) Amount likely to be recognized as expenses:

The company shall measure the fair value of the stock on the Grant Date, and recognize the relevant expenses annually during the vesting periods. A pro forma calculation based on the closing price of the Company's common shares on April 18, 2023, which is NT\$21.5, leads to possible expenses of NT\$107,500 thousand on the grounds that vesting conditions are met for all shares. Possible expenses in 2023 through 2026 are estimated to be NT\$2,986 thousand, NT\$35,833 thousand, NT\$35,833 thousand, and NT\$32,848 thousand, respectively.

(II) The dilution of the Company's earnings per share, and any other impact on shareholders equity:

Company's 555,308,333 outstanding common shares 180,180,000 outstanding Class C preferred shares, the EPS in 2023 through 2026 is estimated to be decreased by NT\$0.004, NT\$0.049, NT\$0.049, and NT\$0.044, respectively. The dilution of earnings per share of the Company is still limited and should pose no significant impact on shareholders' equity.