

Orient Semiconductor Electronics, Ltd.

Audit Committee Charter

Establishment on March 29, 2019

March 27, 2020 Amendment Announcement

January 31, 2024 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

The provisions of the Securities and Exchange Act, the Company Act and other laws on supervisors shall be applied to the Audit Committee.

The provisions of Article 14-4, paragraph 4, of the Securities Exchange Act concerning provisions of the Company Act that involve the powers of supervisors shall apply mutatis mutandis to the independent director members on the audit committee.

Resolutions of the committee shall be adopted with the approval of one-half or more of the entire membership of the audit committee. The committee convenor shall represent the audit committee to the public.

Persons to represent the company in matters under Articles 213, 214, and 223 of the Company Act shall be selected by the audit committee by the procedure set out in the preceding paragraph. The audit committee may resolve for members to individually represent or jointly represent the company in such matters. If representatives are not selected by the procedure in the preceding paragraph, the entire membership shall jointly represent the company.

The term "entire membership" as used in these Regulations shall be calculated as the number of members actually in office.

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.

Article 7

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

The reasons for calling a meeting of the audit committee shall be notified to each independent director member at least seven days in advance. In emergency circumstances, however, this requirement does not apply.

The committee meeting shall be held at the location and during the business hours of the company, or at a place and time convenient to attendance by all audit committee members and suitable for holding an audit committee meeting.

One member shall be elected as the convener and meeting chair by and from among the entire membership of the audit committee. However, if the audit committee members are unable to elect a convener, the independent director who received votes representing the largest share of the voting rights shall serve as the convener. When the convener goes on leave or otherwise for any reason whatsoever is unable to convene a meeting, the meeting shall be convened by another independent director member designated by the convener, or if no such designation is made, by another member elected by and from among the independent director members of the committee.

Independent directors constituting one-half or more of the entire membership of the audit committee may, by filing a written proposal setting forth the subjects for discussions and the reasons, request the convener to convene a meeting of the audit committee. If the convener fails to convene an audit committee meeting within 15 days from the filing of the request under the preceding paragraph, independent directors constituting one-half or more of the entire membership of the audit committee may convene a meeting on their own.

The committee may by resolution request relevant department officers, internal auditors, certified public accountants, legal counsels, or other personnel to attend the meeting as nonvoting participants and provide pertinent and necessary information; provided, they shall leave the meeting when discussion and voting take place.

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. However, the matters under Article 6, paragraph 1, subparagraph 10 shall still be approved by the independent directors.

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

Article 8-1

When the time of a meeting has arrived, if the audit committee members present do not reach one-half of the entire membership, the meeting chair may announce that the meeting time will be postponed to later on the same day, provided that only two postponements may be made. If the quorum is still not met after two postponements, the chair may re-call the meeting following the procedures provided in Article 7, paragraph 2.

Article 8-2

An audit committee meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of one-half or more of the entire membership of the audit committee.

The meeting chair may not declare the meeting closed without the approval of one-half or more of the entire membership of the audit committee.

If at any time during the proceedings of an audit committee meeting the members sitting at the meeting do not reach one-half of the entire membership, then upon motion by the independent directors sitting at the meeting, the chair shall declare a suspension of the meeting, in which case the preceding article shall apply mutatis mutandis.

If at any time during the proceedings of an audit committee meeting, the convener for any reason is unable to chair the meeting or the chair fails to declare the meeting closed as provided in paragraph 2, the provisions of Article 7, paragraph 5 shall apply mutatis mutandis to the selection of the deputy to act in place thereof.

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.