

Holtek Semiconductor Inc.

Procedures and Rules of Board of Directors Meeting

Article 1

To establish a good governance system, sound supervisory capabilities, and solid management abilities for the Company's board of directors, the Company's board of directors meeting shall be complied with f Article 26-3 of the Securities and Exchange Act.

Article 2

The Rules of Procedure for Board of Directors Meetings of the Company, unless otherwise specified in laws or Articles of Incorporation, shall be handled according to the requirements specified in these Rules.

Article 3

The board of directors shall conduct a meeting at least once every quarter. A meeting notice of the reasons for convening a board meeting shall be delivered to each director 7 days prior to the meeting. For emergency circumstances, the Board of Director may call the meeting at any time.

After obtaining the consent of the counterparty, directors may be informed via the methods of written notice, e-mail or facsimile.

The matters covered under Paragraph 1 of Article 7 of these Rules shall be listed in the meeting notice and may not be raised by an extraordinary motion except in the case of an emergency or for a legitimate reason.

Article 4

The location and time of the board meetings should be held at the company's premises during office hours or at a place and time convenient for board members to attend and suitable for board meetings.

Article 5

The designated department responsible for the board meetings of the Company shall be The Finance Division. The responsible department shall prepare a draft agenda items and sufficient meeting materials, and shall deliver such together with the notice of the meeting. If the directors consider the meeting materials to be insufficient, they may request the designated department to provide supplemental materials in advance. If a director is of the opinion that materials concerning any proposal insufficient, the board of directors may resolve to postpone the deliberation of such proposal.

Article 6

Agenda items for regular board of directors' meetings shall include at least the following items:

1. Reports:

- (1) Records of the last meeting and execution status.
- (2) Reporting on important financial and business matters.
- (3) Reporting on internal audit activities.
- (4) Other important matters to be reported.

2. Discussions:

- (1) Items discussed and continued from the last meeting.
 - (2) Items to be discussed at this meeting.
3. Extraordinary motions.

Article 7

The following issues shall be submitted to the Board of Directors meeting for discussion:

1. Corporate business plan.
2. Annual and second quarter financial reports that are required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Act, and an assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. Appointment or dismissal of the chairman.
7. Appointment or dismissal of the head officers of finance, accounting or internal auditor.
8. Donation to related parties or major donation to non-related parties. However, a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
9. Other issues that shall be decided in the shareholders' meeting or raised in the Board of Directors meeting pursuant to Article 14-3 of the Securities and Exchange Act, other laws or the articles of incorporation, and major issues specified by the competent authority.

The related parties as mentioned above in Item 8 refer to the related parties specified in the Regulations Governing the Preparation of Financial Reports by Securities Issuers; major donation to non-related parties refers to a single donation or accumulated donation to the same donee in a year up to NT\$100 million or above, or up to 1% of the net operating revenues or 5% or above of the paid-up capital as disclosed in the latest annual financial report audited by a CPA. "In a year" as mentioned in the preceding paragraph shall be counted from the date when this Board meeting is convened, tracing back one year. The part that has been approved by a resolution of the Board of Directors shall not be included.

At least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

Article 8

Principles of Authorization of the Board of Directors

When the board of directors authorizes the chairman to exercise the functions and powers of the board of directors during the adjournment of the board of directors in accordance with the provisions of the company's articles of association, except that matters that should be brought to the board of directors for discussion and related party transactions in accordance with laws and regulations or related regulations must still be resolved by the board of directors, the authorized content or The matters are as follows:

1. According to the company's capital needs, it has full authority to handle matters related to the loan amount and conditions of various financial institutions, and report the implementation situation to the board of directors.
2. Depending on the company's capital needs, handle endorsement guarantees within the amount specified in the endorsement guarantee operating procedures, and conduct transactions within the amount specified in the procedures for acquiring or disposing of assets, and report the implementation status to the board of directors.
3. Appointment of directors, supervisors and representatives of subsidiaries (including overseas branches).
4. Reorganization of the company and revision of organizational rules.
5. Determine the record Date of capital increase or reduction, cash dividend distribution base date, allotment or subscription base date, etc., and report the implementation status to the board of directors.

Article 9

When a meeting of the Company's Board of Directors is held, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.

All directors shall attend Board meetings in person; if attendance in person is not possible, they may appoint another director to attend as their proxy in accordance with the Company's articles of incorporation. Attendance via video-conferencing is deemed as attendance in person.

A director that appoints another director as their proxy at a Board meeting shall in each instance issue a written proxy stating the scope of authorization with respect to the items on the agenda.

The proxy described in the preceding two paragraphs is limited to accepting the entrustment of one director only.

Article 10

The Board Meetings are convened by chairman who is also the chairman of the Board Meetings. However, the first meeting of every term of the newly elected board of directors shall be convened and presided over by the director who has received the largest number of votes in such election. If there are two or more persons with such convening rights, they shall elect from amongst themselves one person to convene and preside over the meeting.

According to the Company Law, if the board of directors is convened by more than half of the

directors themselves, the directors shall elect one of them to serve as the chairman.

When the chairman asks for leave or is unable to exercise his powers for some reason, a director designated by the chairman shall act as a proxy. If no proxy is designated by the chairman, the directors shall mutually elect one director to act as a proxy.

Article 11

When the Board of Directors convenes, the management department (or the designated unit by the board) should prepare relevant materials for the attending directors to reference at any time. For board meetings, relevant personnel from related departments or subsidiaries may be notified to attend based on the agenda content. If necessary, accountants, lawyers, or other professionals may also be invited to attend the meeting and provide explanations; however, they should leave the room during discussions and voting.

Article 12

The chairman of the board shall announce the meeting when the scheduled time arrives and a majority of the directors are present. If less than half of the directors are present at the scheduled time, the chairman may announce a postponement of the meeting to the same day, with a maximum of two postponements allowed. If there are still insufficient attendees after two postponements, the chairman may reconvene the meeting according to the procedures outlined in Article 3, Paragraph 1. The term "all directors" in the preceding paragraph and in Article 16, Paragraph 2, Subparagraph 2, shall be calculated based on the actual serving directors..

Article 13

A meeting of the Company's Board of Directors shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. The order may however be changed with the approval of a majority of directors present.

The chairman may not unilaterally declare the meeting adjourned without the consent of a majority of the attending directors.

During the proceedings of the Board meeting, if the number of attending directors does not reach a majority of the directors present, a proposal by the attending directors shall prompt the chairman to announce a temporary suspension of the meeting, applying the provisions of Article 12, Paragraph 2 accordingly.

During the Board meeting, if the chairman is unable to preside over the meeting for any reason or unilaterally declares the meeting adjourned without following the provisions of Paragraph 2, the appointment of a proxy shall follow the provisions of Article 10, Paragraph 3 accordingly

Article 14

When the chairman believes that the discussion on a Board agenda item has reached a point where it can be put to a vote, they may announce the cessation of discussion and proceed to the vote.

During the voting on board agenda items, if the chairman consults the attending directors and there are no objections, the item shall be considered approved. If there are objections raised upon consultation by the chairman, the item shall be put to a vote.

During the voting on Board agenda items, if the chairman consults all attending directors and there

are no objections, the item shall be deemed approved. If there are any objections raised during the chairman's consultation, the item shall be put to a vote.

The voting method shall be determined by the chairman, choosing one of the following options; however, if there are objections from the attendees, a majority opinion shall be sought to make a decision :

1. Voting by raised hand or voting device.
2. Voting by roll call.
3. Voting by ballot.
4. Any voting method selected by the company.

The term "All Attending Directors" in the previous two items does not include directors who are prohibited from exercising voting rights according to the provisions of Article 15, Paragraph 1. Resolutions of the Board of Directors shall require the presence of a majority of directors, and decisions shall be made with the consent of a majority of the attending directors, unless otherwise specified by the Securities Exchange Act or the Company Act.

When there are amendments or alternative proposals for the same agenda item, the chairman shall determine the order of voting along with the original proposal. However, if one of the proposals is approved, the other proposals shall be deemed rejected and shall not require further voting.

If it is necessary to appoint monitors and counters for the voting on proposals, the chairman shall designate them; however, the monitors must be directors.

The results of the vote shall be reported on the spot and recorded.

Article 15

When directors have a conflict of interest - personally or when representing a legal entity - concerning the agenda item in a meeting, they shall give a detailed account of the conflict of interest in that meeting. If it is potentially detrimental to the Company's interest, the directors concerned shall not participate in discussion and vote, shall retreat when discussion and voting is in progress, and shall not act as a proxy of another director to exercise the voting right. If there is a director's spouse, or blood relative within the second degree of kinship, or a company that has a controlling affiliation with a director, who has interests in the matters at the meeting of the preceding paragraph, such directors shall be deemed to have a personal interest in the matter.

Resolutions of the Board of Directors shall be handled in accordance with the provisions of Article 206, Paragraph 4 of the Company Act, as applicable to Paragraph 2 of Article 180, for directors who are prohibited from exercising voting rights as per regulations.

Article 16

Minutes shall be made for the discussion in the board meetings. The minutes shall faithfully recorded the following details:

1. Session, time and venue of the meeting
2. Name of the chairman
3. Attendance of directors, including the name of directors who are present, on leave and absent.
4. Name and job title of people who attend the meeting as a non-voting member.

5. Name of the recorder of the meeting minutes

6. Announcements

7. Discussion: The resolution methods and results for each agenda item, summaries of statements made by directors, experts, and other personnel, the names of directors involved in conflicts of interest as specified in Article 15, Paragraph 1, a description of the important content of the conflicts of interest, reasons for their recusal or non-recusals, details of the recusal situation, any recorded or written statements of opposition or reservations, and the written opinions issued by independent directors in accordance with Article 7, Paragraph 4.

8. Extemporaneous motions: The name of the proposer, the resolution methods and results of the proposals, summaries of statements made by directors, experts, and other personnel, the names of directors involved in conflicts of interest as specified in Article 15, Paragraph 1, a description of the important content of the conflicts of interest, reasons for their recusal or non-recusals, details of the recusal situation, and any recorded or written statements of opposition or reservations.

9. Other matters required to be recorded.

If the decisions made by the board of directors include any of the following circumstances, they must be recorded in the minutes and publicly announced within two days from the date of the Board meeting at the designated public information observatory of the Financial Supervisory Commission:

1. Independent directors have expressed opposition or reservations, along with recorded or written statements.
2. Matters not approved by the company's audit committee are passed with the consent of more than two-thirds of all directors.

The attendance register for the Board meeting is part of the minutes and should be properly preserved during the company's existence.

The minutes must be signed or stamped by the meeting chair and the recorder, and distributed to all directors within twenty days after the meeting. They should also be included in the company's important files and preserved properly for the duration of the company.

The production and distribution of the minutes mentioned in the first paragraph may be done electronically

Article 17

The whole session of the board meetings shall be recorded in audio or video format for legal attestation. The record shall be retained for at least five years, and may be in electronic format. While litigation concerning resolutions made at a board meeting arises prior to the end of the preservation period previously mentioned, the relevant audio or video record shall be kept until the litigation ends. For meetings conducted by means of video conference, the audio and video record shall be deemed as a part of the minutes, and shall be well-stored permanently during the existence of the Company.

Article 18

In order to establish good corporate governance of the company, assist the directors to perform their duties and enhance the effectiveness of the board of directors, the company shall handle matters related to the directors' requests, unless otherwise stipulated by laws or articles of association, in accordance with the provisions of these rules.

Directors of the Company should have access to appropriate and timely information in a form and quality sufficient to enable directors to make informed decisions and to perform their duties as directors.

All directors of the Company shall have access to the assistance of a corporate governance officer to ensure compliance with board procedures and all applicable laws and regulations, and to ensure good information exchange among board members and between directors and managers.

The company's corporate governance supervisor is responsible for handling the matters requested by the directors, and shall handle them as quickly as possible within seven days based on the principle of immediately and effectively assisting the directors in performing their duties.

Article 19

These rules will come into effect on the date of issue after being approved by the board of directors, and any subsequent amendments will also come into effect after being approved by the board of directors.