

**GROUNDHOG INC.  
RULES AND PROCEDURES OF  
SHAREHOLDERS MEETING**

**Last Amendment Date: June 26, 2023**

**Notice To Readers**

This English version is a machine-translated of Chinese version and is not an official document of Groundhog Inc. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

## **Article 1**

In order to establish a good shareholder meeting governance system, strengthen the supervisory function, and enhance management functions within the company, these rules are hereby established to be followed.

## **Article 2**

The rules for the company's shareholder meetings shall be governed by these rules unless otherwise provided by laws or the articles of incorporation.

## **Article 3**

The company's shareholder meetings shall be convened by the board of directors, except as otherwise provided by laws. When the company convenes a video conference for a shareholder meeting, it should be specified in the articles of incorporation, resolved by the board of directors, and the resolutions of the video shareholder meeting should be carried out with the presence of two-thirds or more of the directors and the approval of more than half of the attending directors unless otherwise provided in the guidelines for stock affairs of publicly traded companies. Any changes in the method of convening shareholder meetings should be resolved by the board of directors and made before the dispatch of the shareholder meeting notice at the latest. The notice and announcements should specify the purpose of the meeting, and with the consent of the relevant parties, may be made electronically.

Shareholders holding more than one percent of the total issued shares may propose one shareholder meeting agenda item, and if there are more than one, all of them shall not be included in the agenda. However, if the shareholder proposal is intended to urge the company to enhance public interest or fulfill social responsibility, the board of directors may still include it in the agenda. In addition, if the shareholder's proposal falls under any of the circumstances specified in Article 172-1, paragraph 4 of

the Company Act, it may not be included in the agenda. The company should notify the proposing shareholders of the handling results before the shareholder meeting notice is sent, and the proposals that comply with the provisions of this article should be included in the meeting notice. For shareholder proposals that are not included in the agenda, the board of directors should explain the reasons at the shareholder meeting.

#### **Article 4**

Shareholders may attend each shareholder meeting by presenting a proxy issued by the company, specifying the authorized scope, authorized agent, and attending the shareholder meeting in person. Each shareholder may issue only one proxy and authorize only one person, and should be sent to the company at least five days before the shareholder meeting. In the case of duplicate proxies, the one submitted first shall prevail. However, those who withdraw their previous proxies are not subject to this limit. After submitting the proxy to the company, shareholders who wish to attend the shareholder meeting in person or exercise their voting rights in writing or electronically should provide written notice to the company to revoke the proxy at least two days before the shareholder meeting. If revoked after the deadline, the voting rights exercised by the proxy agent shall prevail.

#### **Article 5**

The location of the shareholder meeting shall be at the company's location or at a location convenient for shareholders to attend and suitable for the convening of the shareholder meeting. The meeting start time shall not be earlier than 9:00 AM or later than 3:00 PM. The timing and location of the meeting notice shall fully take into account the opinions of independent directors. When the company convenes a video conference for a shareholder meeting, it is not subject to location restrictions.

#### **Article 6**

The company should specify the shareholder reporting time, reporting location, and other matters to be noted in the meeting notice. The shareholder reporting time in the preceding paragraph should be at least 30 minutes before the meeting starts. The reporting location should be clearly marked, and suitable personnel should be assigned to handle it.

Shareholders who complete the reporting in a video shareholder meeting platform 30 minutes before the meeting is considered as attending the shareholder meeting in person. Shareholders in person or shareholders who are delegated with authority (hereinafter referred to as "shareholders") should attend the shareholder meeting with their attendance certificate, attendance card, or other attendance documents. The company should set up a sign-in book for shareholders attending the meeting, or shareholders should submit an attendance card for proxy signing. When the government or legal entities are shareholders, there is no limit to the number of representatives attending the shareholder meeting. When legal entities attend the shareholder meeting on behalf of others, only one person can be assigned to represent them. For shareholder meetings conducted by video conference, shareholders who wish to attend by video should register with the company at least two days before the shareholder meeting.

#### **Article 6-1**

When the company convenes a video conference for a shareholder meeting, the meeting notice shall specify the following matters:

1. How shareholders can participate in the video conference and exercise their rights.
2. Procedures for handling obstacles in the video conference platform or participation by video due to natural disasters, emergencies, or other force majeure circumstances, including at least the following:
  - (1) If obstacles persist and cannot be eliminated, causing a delay or continuation of the meeting, the time and date for the delay or continuation of the meeting.
  - (2) Shareholders who have not registered to participate by video in the

original shareholder meeting may not participate in the delayed or continued meeting.

- (3) In the case of convening a video-assisted shareholder meeting, if the video conference cannot be continued, the meeting should continue after deducting the number of shareholders attending by video from the total number of shareholders attending. The shareholder meeting shall proceed, and the number of shares held by shareholders attending by video shall be included in the total number of shares held by attending shareholders, and for all agenda items of that shareholder meeting, they shall be deemed to have abstained.
- (4) When all agenda items have been announced and no ad hoc motions have been made, the handling method for such cases. For video conference shareholder meetings, the company should provide appropriate alternative measures for shareholders who have difficulty participating by video. Except as provided in Article 44-9, paragraph 6 of the Corporate Share Transfer Guidelines for Public Companies, at least video conference equipment and necessary assistance should be provided, and the period for shareholders to apply to the company and other related matters should be specified.

## **Article 7**

When the shareholder meeting is convened by the board of directors, the chairman shall be the chairman of the board, and when the chairman of the board is absent or unable to perform his duties for any reason, one director shall be designated by the chairman of the board to act on his behalf, and if no proxy is designated, one director shall be chosen by mutual agreement. If the shareholder meeting is convened by someone other than the board of directors, the chairman shall be the person who convenes the meeting, and when there are two or more conveners, one person shall be chosen by mutual agreement. The company may designate the attorney, accountant, or relevant personnel it appoints to attend the shareholder meeting.

## **Article 8**

The company should record the entire proceedings of the shareholder meeting in audio and video. The audiovisual data in the preceding paragraph should be kept for at least one year. However, if a shareholder brings a lawsuit under Article 189 of the Company Act, it should be kept until the end of the lawsuit. When the shareholder meeting is held by video conference, the company should also record and retain data on shareholder registration, registration, reporting, questioning, voting, and company vote counting results. The data and audio and video recordings in the preceding two paragraphs should be properly kept during their duration.

## **Article 9**

Shareholders' meeting attendance shall be based on the number of shares. The number of attending shares shall be calculated based on the signed attendance sheet or the submitted check-in card, in addition to the shares exercised through written or electronic means.

At the appointed meeting time, the chairperson shall immediately announce the commencement of the meeting. However, if there are not enough shareholders present, representing more than half of the total issued shares, the chairperson may announce a postponement of the meeting. This postponement may occur up to two times, and the total delay time shall not exceed one hour. If, after two postponements, there are still not enough shareholders present, representing more than one-third of the total issued shares, the chairperson shall declare an adjournment. In case of a shareholders' meeting conducted via video conference, the company shall also announce the adjournment on the shareholders' meeting video conference platform.

If, after two postponements, there are still not enough shareholders present, representing more than one-third of the total issued shares, the chairperson may proceed with a provisional resolution as per Article 175, Paragraph 1 of the Company Act and notify the shareholders within one month to

convene another shareholders' meeting. In the case of a shareholders' meeting conducted via video conference, shareholders who wish to attend via video must re-register with the company as per Article 6.

Before the conclusion of the current meeting, if the shares represented by the attending shareholders reach more than half of the total issued shares, the chairperson may submit the provisional resolution made to a vote as per Article 174 of the Company Act.

#### **Article 10**

When a shareholders' meeting is convened by the board of directors, the agenda shall be determined by the board of directors, and the meeting shall proceed according to the established agenda, which shall not be altered without the resolution of the shareholders' meeting. When a shareholders' meeting is convened by persons other than the board of directors, the provisions of the preceding paragraph shall apply mutatis mutandis. Unless resolved by the shareholders' meeting, the agenda set forth in the preceding two paragraphs, including ad hoc motions, shall not be concluded by the chairperson. In case the chairperson violates the rules of the meeting and adjourns the meeting, other members of the board of directors shall promptly assist the attending shareholders in accordance with the legal procedures to elect a new chairperson with the consent of the majority of the attending shareholders and continue the meeting. The chairperson should provide adequate explanation and discussion opportunities for proposals and amendments or ad hoc motions raised by the shareholders and may declare a halt to discussions when it is deemed ready for voting.

#### **Article 11**

Before speaking at the shareholders' meeting, shareholders must complete a speaking form indicating the purpose of their speech, shareholder account number (or attendance certificate number), and the name of the shareholder. The chairperson shall determine the order of speeches. Shareholders who only submit a speaking form without speaking shall be considered as not

having spoken. If the content of the speech does not match what is stated in the speaking form, the content of the speech shall prevail.

The same shareholder may speak on the same agenda item no more than two times, with each speech limited to five minutes. However, the chairperson may stop a shareholder's speech if it violates the rules or goes off-topic. While a shareholder is speaking, other shareholders may not speak without the consent of the chairperson and the speaking shareholder, and the chairperson should intervene if this rule is violated. When a legal entity shareholder designates more than two representatives to attend the shareholders' meeting, only one representative may speak on the same agenda item. After a shareholder has spoken, the chairperson may personally or designate relevant personnel to respond. For shareholders attending via video conference, they may submit questions in writing on the shareholders' meeting video conference platform from the beginning of the meeting until the adjournment. Each agenda item may be questioned up to two times, with a limit of 200 words for each question, except as provided in the first through fifth paragraphs.

## **Article 12**

The vote at the shareholders' meeting shall be based on the number of shares. The shares of shareholders without voting rights shall not be included in the total issued shares. Shareholders with a conflict of interest in the matters discussed at the meeting, which may harm the company's interests, shall not participate in the voting and may not act as proxies for other shareholders. The shares for which voting rights cannot be exercised shall not be included in the number of votes present.

## **Article 13**

Each shareholder has one voting right per share; however, those restricted or without voting rights as listed in Article 179, Paragraph 2 of the Company Act are not subject to this limit. When this company convenes a shareholders' meeting, it may exercise its voting rights in writing or



electronically; the method of exercising the rights should be specified in the notice of the shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically are considered to be personally present at the shareholders' meeting. However, they are considered to have abstained on ad-hoc motions and amendments to the original proposal at that shareholders' meeting.

Shareholders exercising their voting rights in writing or electronically shall deliver their intentions to the company two days before the shareholders' meeting. In the case of duplicate intentions, the one delivered first shall prevail. However, shareholders declaring the withdrawal of previous intentions are not subject to this limit. Shareholders who have exercised their voting rights in writing or electronically and wish to attend the shareholders' meeting in person or via video must withdraw their previous voting intentions in the same manner two days before the shareholders' meeting. Late withdrawals will be based on the voting rights exercised in writing or electronically. If shareholders exercise their voting rights in writing or electronically and attend the shareholders' meeting through a proxy with a power of attorney, the voting rights exercised by the proxy shall prevail.

The voting on resolutions, except where otherwise provided by the Company Act and the company's articles of association, shall be deemed passed with the approval of more than half of the voting rights present. When voting, if there is no objection upon consultation by the chairperson, approval shall be indicated by applause, and it shall have the same effect as a vote. Shareholders who have objections shall vote by ballot.

When there are amendments or substitute resolutions for the same proposal, the order of voting shall be determined by the chairperson. If one of them has already been approved, the others shall be deemed rejected, and there is no need for further voting.

The scrutineers and vote counters for the vote or election of resolutions at the shareholders' meeting shall be designated by the chairperson, but the scrutineers must have shareholder status.

The vote counting and election procedures for the shareholders' meeting shall be conducted openly within the shareholders' meeting venue, and the voting results, including the number of votes, shall be announced on the spot after the counting, and a record shall be made.

When this company convenes a video conference shareholders' meeting, shareholders participating via video shall conduct voting on various resolutions and elections through the video conference platform after the chairperson announces the start of the meeting, and this must be completed before the chairperson announces the end of voting. Late submissions will be considered abstentions.

For shareholders' meetings held as video-assisted shareholders' meetings, shareholders who have registered to attend the shareholders' meeting via video in accordance with Article 6 and wish to attend the physical shareholders' meeting in person should withdraw their registration in the same manner two days before the shareholders' meeting. Late withdrawals shall only allow attendance via video.

Shareholders who exercise their voting rights in writing or electronically and participate in the shareholders' meeting via video, except for ad-hoc motions, may not exercise their voting rights again on the original proposal or make amendments to the original proposal or amendments to the original proposal.

#### **Article 14**

When the shareholders' meeting elects directors, it shall be handled in accordance with the relevant selection regulations established by the Company. The election results, including the list of elected directors and their voting rights, shall be announced on the spot.

The election ballots for the election items mentioned in the preceding paragraph shall be sealed and signed by the scrutineers, properly kept, and retained for at least one year. However, in the event of a lawsuit filed by a shareholder pursuant to Article 189 of the Company Act, they shall be retained until the end of the lawsuit.

## **Article 15**

The decisions of the shareholders' meeting shall be recorded in the minutes, signed or sealed by the chairperson, and distributed to all shareholders within twenty days after the meeting. The preparation and distribution of the minutes shall be handled in accordance with the provisions of Article 183 of the Company Act.

The minutes shall accurately record the year, month, day, venue, name of the chairperson, method of resolution, main points of the proceedings, and their results. When directors are elected, the number of votes obtained by each elected person shall be disclosed. During the existence of this company, they shall be permanently preserved.

For shareholders' meetings held as video conferences, in addition to the matters required to be recorded according to the preceding paragraph, the minutes shall also include the start and end times of the shareholders' meeting, the method of convening the meeting, the names of the chairperson and the recorder, and the handling method and results in case of obstacles to the video conference platform or participation via video due to natural disasters, incidents, or other force majeure events. For video-assisted shareholders' meetings held by this company, it shall also be recorded in the minutes the alternative measures provided for shareholders who have difficulties participating via video.

## **Article 16**

The personnel in charge of the shareholders' meeting shall wear identification cards or armbands.

The chairperson may direct security personnel to assist in maintaining order at the venue. When security personnel are present to assist in maintaining order, they shall wear armbands or identification cards with the words "security personnel."

If there is a public address system in the venue and a shareholder does not

speaking using the equipment provided by the company, the chairperson may prohibit it.

If shareholders violate the rules of the meeting and do not obey the chairperson's correction, obstructing the progress of the meeting, and refusing to leave the venue after being stopped by the chairperson, the chairperson may instruct the security personnel to ask them to leave.

#### **Article 17**

During the meeting, the chairman may, at their discretion, announce breaks. In the event of unforeseen circumstances, the chairman may temporarily suspend the meeting and determine a suitable time to resume the meeting. If the venue for the shareholders' meeting scheduled agenda is no longer available before the meeting's conclusion (including any extraordinary motions), the shareholders' meeting may resolve to find an alternative location to continue the meeting. In accordance with Article 182 of the Company Act, the shareholders' meeting may decide to postpone or continue the gathering within five days.

#### **Article 18**

For shareholders' meetings convened via video conferencing, the company shall promptly disclose the voting results and election results of each agenda item on the shareholders' meeting video conference platform after the voting has concluded.

#### **Article 19**

When the company convenes a virtual shareholders' meeting, the chairman and recording personnel must be located at the same domestic location. The chairman should announce the address of that location at the beginning of the meeting.

#### **Article 20**

For shareholders' meetings convened via video conferencing, the company may offer a simple connection test before the meeting and provide relevant services before and during the meeting to assist with technical communication issues. In the case of a shareholders' meeting held through video conferencing, the chairman should, upon announcing the meeting, also declare that, except as stipulated in Article 44-2, Paragraph 4 of the Regulations Governing the Handling of Stock Affairs by Public Companies, there is no need for postponement or continuation of the meeting; in the event of a natural disaster, an incident, or other irresistible force that obstructs the video conferencing platform or participation via video for a continuous period of more than thirty minutes before the chairman announces the adjournment, the company should postpone or continue the meeting within five days. The provisions of Article 182 of the Company Act do not apply to this situation. Shareholders who were not registered to participate in the original shareholders' meeting via video may not participate in the postponed or continued meeting. Shareholders who were registered to participate in the original shareholders' meeting via video and completed the registration but did not participate in the postponed or continued meeting will have their shares, voting rights, and election rights counted in the total shares, voting rights, and election rights of the shareholders who attended the postponed or continued meeting. When a shareholders' meeting is postponed or continued in accordance with the provisions of the preceding paragraph, resolutions that have been voted on, tallied, and announced, as well as resolutions for the election of directors or supervisors, do not need to be discussed or resolved again. When the company convenes an assisted virtual shareholders' meeting, in the event of a situation as described in the second paragraph, where the meeting via video conferencing cannot continue, if the total shares represented at the shareholders' meeting still meet the statutory quorum after deducting the shares represented via video conferencing, the shareholders' meeting should proceed without postponement or continuation in accordance with the provisions of Article 44-20, Paragraph 7 of the Regulations Governing the Handling of Stock Affairs by Public Companies. In the event of the

situation described in the preceding paragraph, shareholders who participate via video conferencing will have their shares counted in the total shares represented at the shareholders' meeting. However, for all matters on the agenda of that shareholders' meeting, they are deemed to have abstained. When the company postpones or continues the meeting in accordance with the provisions of the second paragraph, the company should carry out the relevant preparatory work in accordance with the original shareholders' meeting date and the provisions listed in Article 44-20, Paragraph 7 of the Regulations Governing the Handling of Stock Affairs by Public Companies. During the periods specified in the latter part of Article 12 and Paragraph 3 of Article 13 of the Rules for the Use of Powers of Attorney for Attendance at Shareholders' Meetings by Public Companies and Article 44-5, Article 44-15, and Article 44-17 of the Regulations Governing the Handling of Stock Affairs by Public Companies, the company should conduct the postponed or continued shareholders' meeting in accordance with the dates specified in the second paragraph.

#### **Article 20-1**

When the company convenes a virtual shareholders' meeting, it should provide suitable alternative measures to shareholders who have difficulty attending the meeting via video, except in cases specified in Article 44-9, Paragraph 6 of the Regulations Governing the Handling of Stock Affairs by Public Companies. At a minimum, the company should provide shareholders with the necessary connection equipment and assistance, as well as specify the period during which shareholders may apply to the company and other relevant points to note.

#### **Article 21**

These meeting rules shall take effect after being approved by the shareholders' meeting and shall also apply to amendments.

The first amendment was approved at shareholders' extraordinary general meeting on August 4, 2022.

The second amendment was approved at shareholders' annual general meeting on June 26, 2023.