



# 彰源企業股份有限公司 FROCH ENTERPRISE CO., LTD.

## Froch Enterprise Co., Ltd for the 2023 Annual Shareholders Meeting

### One. Meeting Agenda

Time: 9:00 am, June 15, 2023 (Thursday).

Venue: No. 7, Dougong 10th Road (Douliu Industrial Park Service Center), Tou-Liu City,  
Yun-Lin County.

### Two. Reports

#### Motion 1

Subject: Report on 2022 business performance; as presented.

Explanatory Notes: Please refer to Appendix 1 of this handbook for the business report.

#### Motion 2

Subject: Audit Committee's review of the 2022 year-end accounts, as presented.

Explanatory Notes: Please refer to Appendix 2 of this handbook for Audit Committee's review report.

#### Motion 3

Subject: Report on the allocation of 2022 employee and director remuneration, as presented.

Explanatory Notes: Please refer to Appendix 4 of this handbook for Allocation of 2022 Employee and Director Remuneration.

#### Motion 4

Subject: Report on the allocation of 2022 cash dividends; as presented.

Explanatory Notes:

1. It is based on Article 38-1 of the Company's "Articles of Incorporation", authorizing the board of directors to make a resolution to distribute all or part of the dividends and bonuses in cash and report to the shareholders' meeting.
2. It is proposed to distribute a cash dividend of NT\$ 1.50 per share, totaling NT\$ 420,789,041. Upon completion of the shareholders' meeting, the board of directors is authorized to establish a cash dividend distribution basis and other related matters. On the distribution date of cash dividends (distributed up to NTD, rounded down below NTD), the total amount of odd amounts distributed less than NT\$ 1 shall be included in the

Company's other income.

3. When the Company's relevant equity interests change and affect its total number of outstanding shares, it shall propose to the shareholders' meeting for authorizing the board of directors to adjust the shareholders' dividend distribution ratio based on the Company's number of outstanding shares on the dividend distribution date, in accordance with the total amount of surplus proposed to be distributed for ordinary shares as determined by the resolution of the present case.

#### Motion 5

Subject: Report on the amendment of the Company's "Corporate Governance Best Practice Principles", as presented.

Explanatory Notes: Please refer to Appendix 5 of this handbook for Comparison Table of Existing and Revised "Corporate Governance Best Practice Principles".

#### Motion 6

Subject: Report on the amendment of the Company's "Board of Directors Conference Rules", as presented.

Explanatory Notes: Please refer to Appendix 6 of this handbook for Comparison Table of Existing and Revised "Board of Directors Conference Rules"

### Three. Ratifications

#### Motion 1

(Proposed by the board of directors)

Subject: Ratification of the 2022 business report and year-end accounts, as presented.

Explanatory Notes: 1. The Company has finished preparation of its 2022 year-end accounts including Business Report, individual financial statements and consolidated financial statements. All above statements have been audited by certified public accountants and reviewed by the Audit Committee, and are hereby presented for ratification in shareholders' meeting.

2. Please refer to Appendices 1, 2, and 3 of this handbook for the Business Report, the Audit Committee's Review Report, and the aforementioned financial statements, respectively.

Resolution:

#### Motion 2

(Proposed by the board of directors)

Subject: Ratification of the Company's 2022 earnings appropriation, as presented.

Explanatory Notes: 1. Please refer to Appendix 7 of this handbook for the 2022 earnings appropriation chart.

Resolution:

#### **Four. Discussions**

##### **Motion 1**

(Proposed by the board of directors)

Subject: Amendments to the Company's "Articles of Incorporation"; as presented for discussion.

Explanatory Notes: Please refer to Appendix 10 of this handbook for the Comparison Table of Existing and Revised "Articles of Incorporation".

Resolution:

#### **Five. Other Business and Special Motions**

#### **Six. Adjournment**

# Froch Enterprise Co., Ltd.

## Comparison Table of Existing and Revised "Corporate Governance Best Practice Principles"

Article No.	Existing Article	Amended Article	Description
Article 10	The Company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the company.	The Company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the company. <b><u>It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of a TWSE/TPEX listed company become aware of the contents of the company's financial reports or relevant results. Measures include, without limitation, those prohibiting a director from trading its shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports.</u></b>	Amended to conform with regulatory amendment (s)
Article 23	The Company shall appoint independent directors in accordance with its Articles of Incorporation. They shall be not less than two in number and advisably not less than one-fifth of the total number of directors. Independent directors shall possess professional knowledge and there	The Company shall appoint independent directors in accordance with its Articles of Incorporation. They shall be not less than <b><u>three</u></b> in number and is advisable that <b><u>an independent director serve for not more than three consecutive terms.</u></b> Independent directors shall possess	Amended to conform with regulatory amendment (s)

<p>shall be restrictions on their shareholdings. Independent directors shall also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the company. The election of the Company's independent directors is subject to the provisions of Article 192-1 of the Company Act in that a candidate nomination system shall be adopted, that such system shall be expressly stated in the Articles of Incorporation of the Company, and that shareholders shall elect independent directors from among the those listed in the slate of independent director candidates. Independent and non-independent directors shall be elected in accordance with Article 198 of the Company Act at the same time, but in separately calculated numbers.</p> <p>(The rest of the article omitted.)</p>	<p>professional knowledge and there shall be restrictions on their shareholdings and the positions they may concurrently hold. They shall maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the company. The election of the Company's independent directors is subject to the provisions of Article 192-1 of the Company Act in that a candidate nomination system shall be adopted, that such system shall be expressly stated in the Articles of Incorporation of the Company, and that shareholders shall elect independent directors from among the those listed in the slate of independent director candidates. Independent and non-independent directors shall be elected in accordance with Article 198 of the Company Act at the same time, but in separately calculated numbers.</p> <p>(The rest of the article omitted.)</p>	
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# Froch Enterprise Co., Ltd.

## Comparison Table

of

### Existing and Revised "Board of Directors Conference Rules"

Article No.	Existing Article	Amended Article	Description
Article 3	<p>A board of directors shall meet at least quarterly. The reasons for calling a board of directors meeting shall be notified to each director and supervisor at least seven days in advance. It may be affected by means of written form, e-mail, or fax after obtaining prior consent from the recipient(s) thereof. In the case of emergency, a meeting of the board of directors may be convened at any time and may be effected by means of written form, e-mail, or fax after obtaining prior consent from the recipient(s) thereof. All matters set forth under Article 12, paragraph 1 of these Rules <del>shall be specified in the notice of the reasons for convening a board meeting.</del> None of those matters may be raised by an extraordinary motion <del>except in the case of an emergency or for other legitimate reason.</del></p>	<p>A board of directors shall meet at least quarterly. The reasons for calling a board of directors meeting shall be notified to each director and supervisor at least seven days in advance. It may be effected by means of written form, e-mail, or fax after obtaining prior consent from the recipient(s) thereof. In the case of emergency, a meeting of the board of directors may be convened at any time and may be effected by means of written form, e-mail, or fax after obtaining prior consent from the recipient(s) thereof. All matters set forth under Article 12, paragraph 1 of these Rules may not be raised by an extraordinary motion:-</p>	Amended to conform with regulatory amendment(s)
Article 12	<p>The Company shall submit the following items for discussion by the board of directors:</p> <ol style="list-style-type: none"> <li>1. Corporate business plan.</li> <li>2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA).</li> <li>3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Act, and an assessment of the internal control system.</li> <li>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,</li> </ol>	<p>The Company shall submit the following items for discussion by the board of directors:</p> <ol style="list-style-type: none"> <li>1. Corporate business plan.</li> <li>2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA).</li> <li>3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Act, and an assessment of the internal control system.</li> <li>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</li> </ol>	Amended to conform with regulatory amendment(s)

	<p>extension of monetary loans to others, and endorsements or guarantees for others.</p> <p>5. The offering, issuance, or private placement of any equity-type securities.</p> <p>6. The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>7. A donation to a related party or a major donation to a non-related party, provided that 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. 8. Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.</p> <p>(The rest of the article omitted.)</p>	<p>monetary loans to others, and endorsements or guarantees for others.</p> <p>5. The offering, issuance, or private placement of any equity-type securities.</p> <p><b><u>6. The election or discharge of the chairman of the board of directors if the board of directors does not have managing directors.</u></b></p> <p><u>7.</u> The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p><u>8.</u> A donation to a related party or a major donation to a non-related party, provided that 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.</p> <p><u>9.</u> Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.</p> <p>(The rest of the article omitted.)</p>	
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**Froch Enterprise Co., Ltd.**  
**Comparison Table**  
**of**  
**Existing and Revised "Articles of Incorporation"**

Article No.	Existing Article	Amended Article	Description
Article 17	<p>The Company sets seven to nine directors. A candidates nomination system is adopted and those shall be elected by the shareholders' meeting from among the persons with disposing capacity. All consecutive terms are three years and can be reelected. The number of independent director shall be not less than three in the Company's directors number mentioned above. A candidates nomination system is adopted and those shall be elected by the shareholder's meeting from the nomination list. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the Competent Authority. After the Company publicly issues shares, the percentage of shareholdings of all the directors selected shall be subjected to the Competent Authority.</p>	<p>The Company sets seven to nine directors. A candidates nomination system is adopted and those shall be elected by the shareholders' meeting from among the persons with disposing capacity. All consecutive terms are three years and can be reelected. The number of independent director shall be not less than three in the Company's directors number mentioned above <b><u>and the continuous consecutive terms shall not exceed three terms.</u></b> A candidates nomination system is adopted and those shall be elected by the shareholder's meeting from the nomination list. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the Competent Authority. After the Company publicly issues shares, the percentage of shareholdings of all the directors selected shall be subjected to the Competent Authority.</p>	<p>Amended to conform with regulatory amendment (s)</p>