

DAVICOM Semiconductor, Inc.

Year 2023

Annual Shareholders' Meeting Minutes

Time: 9:00 a.m., May. 31, 2023 (Wednesday)

Venue: Auditorium, DAVICOM Semiconductor, Inc.
(3F., No.6, Li-Hsin Rd.6, Science Park, Hsinchu, Taiwan)

The number of shares of attendance:

Attending shareholders and proxy represented 45,051,253 shares, accounting for 54.53% of the Company's total outstanding shares 82,605,089.

Chairman: Mr. Ting Hao

Recorder: Ms. Chu-Mei Lin

Others present:

Independent Director: Chang-Yue Ueng(Chairperson of Audit Committee),

Niang-Shou Wei, Jen- Jyh Hwang

Director: Wen-Chen Lin, Cheng- Feng Chiu

President: Nien-Tai Chen

PWC CPA: Se-Kai Lin

I. *Call Meeting to Order:*

The aggregate shareholding of the shareholders presents in person or by proxy constituted a quorum. The Chairman called the meeting to order.

II. *Chairman's Address:* Omitted.

III. Report Items

1. To report the business of 2022 and operating plan of 2023

Explanatory Notes: Please refer to the English version of the 2023 Annual General Shareholders' Meeting Handbook on Page 8-10.

2. Audit Committee's review report of 2022

Explanatory Notes: Please refer to the English version of the 2022 Annual General Shareholders' Meeting Handbook on Page 11.

3. To report the 2022 directors and employees' compensation distribution

Explanatory Notes: The pre-tax profits of 2022 is NT\$96,787,569 and according to the Company's Articles of Incorporation, the Board has adopted a proposal for distribution of 2022 profit as follows: directors' compensation is NT\$1,931,984 and the profit to employees is NT\$ 8,226,943; both shall be paid in cash.

4. To report the directors' remuneration policy and the state of remuneration received by directors in 2022

Explanatory Notes:

- (1) The directors' remuneration policy: Please refer to the English version of the 2022 Annual General Shareholders' Meeting Handbook on Page 38.
- (2) 2022 List of Remuneration of each Directors: Please refer to the English version of the 2022 Annual General Shareholders' Meeting Handbook on Page 38.

5. To report the state of implementation of the Company's Share Buyback in 2020.

Explanatory Notes:

- (1) The Company's Share Buyback in 2020: The Company purchased 1,400,000 shares common stock from Mar. 2, 2020 to May. 1, 2020. Total monetary amount of shares buyback was NT\$22,758,483, for transfer to employees.
- (2) As of March 31st, 2023, 888,000 shares have been transferred to employees, leaving 512,000 shares remaining. The ratio is 0.62% of remaining shares to the total number of the Company's issued shares.

IV. *Approval and Discussion Item*

Proposal 1

Proposed by the Board of Directors

Subject : To approve 2022 Business Report and Financial Statements

Explanatory Notes:

- (1) DAVICOM's 2022 Business Report, Financial Statements, including Balance Sheets, Statement of Comprehensive Income, Statements of Changes in Equity, and Statements of Cash Flows, were audited by independent auditors, Mr. Se-Kai Lin and Mr. Chia-Hung Lin, of PricewaterhouseCoopers, Taiwan.
- (2) 2022 Business Report, Independent Auditors' Report, and the aforementioned Financial Statements, please refer to the English version of the 2022 Annual General Shareholders' Meeting Handbook on Page 8-10 and Page 12-37.

Resolution: The result is as follows:

Approval votes: 44,636,491., 99.07% of total votes 45,051,253.

Disapproval votes: 18,129., 0.04% of total votes 45,051,253.

Abstention votes: 396,633., 0.88% of total votes 45,051,253.

The proposal was approved.

Proposal 2

Proposed by the Board of Directors

Subject : To accept the proposal for distribution of 2022 profits

Explanatory Notes:

- (1) 2022 net profit after tax is NT\$ 69,031,965. To make up the actuarial loss of the pension and to allocate 10% of the statutory surplus reserve, the proposed dividend to shareholders is NT\$62,201,632. Each shareholder will be entitled to receive a cash dividend of NT\$0.753 per share.
- (2) In the event of any change in the number of outstanding shares resulting from executing employee stock options or converting treasury stock to its employees, the dividend ratio must be adjusted. It is proposed to fully authorize the Chairman of Board of Directors of DAVICOM to adjust the dividend ratio and to proceed on the relevant matters.
- (3) Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Chairman of Board of Directors of DAVICOM be authorized to resolve the ex-dividend date and other relevant issues.
- (4) Please discuss. For the 2022 Annual Profit Distribution Table, please refer to the English version of the 2022 Annual General Shareholders' Meeting Handbook on Page 39.

Resolution: The result is as follows:

Approval votes: 44,602,489., 99.00% of total votes 45,051,253.

Disapproval votes: 52,129., 0.11% of total votes 45,051,253.

Abstention votes: 396,635., 0.88% of total votes 45,051,253.

The proposal was approved.

V. *Discussion Item*

Proposal 1

Proposed by the Board of Directors

Subject : To approve the proposal for cash distribution of 2022 additional paid in capital

Explanatory Notes:

- (1) Based on the profit allocation proposal, the Company intends to declare cash dividends in the amount of NT\$ 20,403,457 at NT\$ 0.247 per share from its distributable reserved surplus earnings for the year 2022. Total cash dividends are NT\$ 1 (NT\$0.753 per share from net profit after tax and NT\$0.247 per share from its reserved surplus earnings.)
- (2) In the event of any change in the number of outstanding shares resulting from executing employee stock options or converting treasury stock to its employees, the dividend ratio must be adjusted. It is proposed to fully authorize the Chairman of Board of Directors of DAVICOM to adjust the dividend ratio and to proceed on the relevant matters.
- (3) Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Chairman of Board of Directors of DAVICOM be authorized to resolve the ex-dividend date and other relevant issues.
- (4) Please discuss

Resolution: The result is as follows:

Approval votes: 44,634,578., 99.07% of total votes 45,051,253.

Disapproval votes: 20,038., 0.04% of total votes 45,051,253.

Abstention votes: 396,637 0.88% of total votes 45,051,253.

The proposal was approved

VI. *Extemporaneous Motions*

None

VII. *Adjournment*

Time: 09:31 a.m.

Please refer to the English Version of the 2023 Annual General Shareholders' Meeting Handbook for further information.

<https://www.davicom.com.tw/pdf/ir/irsbp4s03dl2-E.pdf>