

Rafael Microelectronics, Inc.
2025 Meeting Notice for Annual Shareholders' Meeting

The 2025 Annual Shareholders' Meeting (the "Meeting") of Rafael Microelectronics, Inc. (the "Company") will be convened at 9:00a.m. on Tuesday, May 27, 2025 at No. 88, Zhuangjing 1st Rd., Zhubei City, Hsinchu County (National Taiwan University Chupei Campus, Pei-Zhen Hall, Room 107).

1. The agenda of the Meeting is as follows:

(1) Report Items

- A. 2024 business report.
- B. 2024 review report for the final account of the Audit Committee.
- C. Report on the distribution of remuneration of Directors and remuneration of employees for 2024.
- D. Report on the distribution of cash dividends from earnings and capital reserve for 2024.
- E. Report on the handling status for the "proposal for the issuance of ordinary shares under public offering, or the participation of global depository receipts, or the issuance of ordinary shares under private placement, or overseas or domestic convertible corporate bonds" resolved by the 2024 annual shareholders' meeting of the Company.

(2) Ratification items

- A. Ratification of the 2024 business report and financial statements.
- B. Ratification for the earning distribution for 2024.

(3) Discussion items

- A. Proposal for the amendments to partial provisions of the "Articles of Incorporation."
- B. Proposal for the issuance of restricted stock awards in 2025.
- C. Proposal for the issuance of ordinary shares under the public offering, or the participation of global depository receipts, or the issuance of ordinary shares under the private placement, or overseas or domestic convertible corporate bonds.
- D. Proposal for the cancelation of non-competition restrictions of the Company's Directors.

2. Dividend distribution :

- A. Cash dividends from earnings: NT\$31,012,000 (NT\$ 1 per share)
- B. Cash dividends from capital reserve: NT\$31,012,000 (NT\$ 1 per share)

3. The proposal for the issuance of restricted stock awards in 2025, please refer to the attachment I.

4. The Proposal for the issuance of ordinary shares under the private placement, or overseas or domestic convertible corporate bonds, please refer to the attachment II .

5. Regarding the major content of the annual shareholders' meeting, please visit the Market Observation Post System (<https://mops.twse.com.tw>).
6. Please find the Notice of attendance and Proxy Form enclosed with the Meeting Notice. If you plan to attend in person, please affix your signature or personal seal on the "attendance sign-in card" and register at the meeting venue on the date of the meeting. If you plan to appoint a proxy to attend the Meeting, please affix your signature or personal seal on the proxy, fill out the name and address of the proxy, and deliver to the registrar of the Company, Stock Affairs Agency Department of CTBC Bank Co., Ltd. (5F, No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100003, Taiwan (R.O.C.)), five days prior to the annual shareholders' meeting, to facilitate dispatching attendance sign-in card to the engaged proxy.
7. If there is any shareholder who intends to solicit for the Proxy Form, the Solicitor's Solicitation Information List compiled by the Company will be available on April 25, 2025 on the website of the Securities and Futures Institute (<https://free.sfi.org.tw>). For inquiries, please visit the website and click "Free Inquiry System for Information Related to the Public Announcement of Proxy Form"; then input the conditions of inquiry accordingly.
8. In this year's Annual Shareholders' Meeting, shareholders may exercise their voting rights by electronic means. The period for such electronic voting to be carried out is from April 26, 2025 to May 24, 2025. Please login to Taiwan Depository & Clearing Corporation's "Stock Vote" website and proceed in accordance with the instructions provided. (<https://stockservices.tdcc.com.tw>)
9. New shareholders who intend to submit their specimen seal card may download the form from the "Trust Online Banking" of CTBC Bank Co., Ltd.'s website, the stock agent of the Company.
10. The statistics and verification for the proxies of the Company is the Stock Affairs Agency Department of CTBC Bank Co., Ltd.

Board of Directors

Rafael Microelectronics, Inc.

【Attachment I】

The major items for the procedures of 2025 Restricted Stock Awards issuance are as follows :

1. Total amount of issuance: 400,000 ordinary shares will be issued; provided, the actual shares to be issued will be resolved by the Board after the proposal of Restricted Stock Awards issuance approved by the shareholders' meeting and the competent authority.

2. Issuance conditions:

(A) Issuance price: Issued to employees free of charge

(B) Vesting conditions:

After the employees receive the RSAs, they shall remain in service upon the expiry date of each of the following vesting periods, and the performance for the year before the expiry date shall achieve the following standards:

Vested period	Ratio of vested shares	Performance
One year from the date of appropriation of stock to the shareholders' register	30%	The performance evaluation result is outstanding or excellent one year before the expiry date
Two years from the date of appropriation of stock to the shareholders' register	30%	
Three years from the date of appropriation of stock to the shareholders' register	40%	

(C) Types of shares to be issued:

Shares to be issued and granted to employees are ordinary shares.

(D) The handling method for employees who fail to meet the vesting conditions or have a succession:

Please refer to paragraph (IV), Article 5 of the drafted issuance regulations.

3. Qualifications and conditions of employees and the number of shares available for subscription:

(A) Qualifications and conditions of employees:

Employees who can receive RSAs are limited to the full-time employees of the Company and its subordinates who are in-service on the grant date of RSAs. Regarding the number of RSAs to be granted, the distribution standards or principles shall be established with reference to the seniority, job level, work performance, overall contributions, special achievements, or other conditions to be referred to for management, and other factors; such standards or principles will be reported to the Board for approval after being approved by the Chairman. However, if a subscriber is a Director or manager who is an employee, it shall be approved by the Remuneration Committee first. For a person on the list of subscribers who is not a manager, it shall be approved by the Audit Committee first, and then reported to the Board for resolution.

(B) Number of shares available for subscription:

The number of shares to be granted to a single employee by the Company shall be subject to

the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers.”

4. The reasons for the necessity of the issuance of the RSAs:

To retain and attract professional talents required by the Company, provide incentives to employees, and improve employees' cohesion to jointly create benefits for the Company and shareholders.

5. Amounts that may be expensed, dilution of earnings per share, and other impacts on shareholders' rights and interests:

(A) Amounts that may be expensed:

Calculating based on the closing price of the Company on February 6, 2025 at NT\$165, the maximum amount that may be expensed when all vesting conditions are fulfilled is NT\$66,000 thousand. Calculating based on the vesting conditions and the issuance at the beginning of October 2025, the amount to be expensed from 2025 to 2028 will be NT\$9,625 thousand, NT\$33,550 thousand, NT\$16,225 thousand, and NT\$6,600 thousand.

(B) Dilution of earnings per share and other impacts on shareholders' rights and interests:

Calculating based on the number of issued shares of 31,012,000 shares at present, the possible reduction amount of the expensed earnings per share (excluding the effects of income tax) from 2025 to 2028 will be NT\$0.31, NT\$1.08, NT\$0.52, and NT\$0.21. If the outstanding shares increase or decrease before the issuance of RSAs above, the effects on earnings per share will also be adjusted proportionally to comply with laws and regulations.

6. Other agreed matters:

During the trusted period of RSAs, the Company shall carry out the (including but not limited to) negotiation, execution, amendments, extensions, cancelation, and termination of the trust contract and the delivery, utilization, and disposal instructions with the stock trust institution on behalf of employees at its full discretion.

7. If matters related to the issuance of RSAs are required to be amended due to amendments to laws and regulations, the review requirements of the competent authority, or other factors subsequently, the Company intends to request the annual shareholders' meeting to authorize the Chairman in amending the regulations, and the issuance will be subject to the report to and ratification of the Board.

【Attachment II】

The major items for the issuance of ordinary shares under the private placement, or overseas or domestic convertible corporate bonds are as follows :

1. The basis and reasonableness of the private placement pricing:

- (1). For the private placement of ordinary shares, the issuance price per share that is not lower than 80% of the reference price shall be adopted as the basis for the establishment of the private placement price. The reference price shall be the higher of the following two calculations:
 - (A) The stock price shall be the simple arithmetic mean calculated based on the closing price of ordinary shares on either one, three, or five business days prior to the pricing day, less the ex-rights for stock grants and dividends, plus the reverse of ex-rights for the capital reduction;
 - (B) The stock price shall be the simple arithmetic mean calculated based on the closing price of ordinary shares 30 business days prior to the pricing day, less the ex-rights for stock grants and dividends, plus the reverse of ex-rights for the capital reduction.

In the future, the price of private placement may fall below the par value of stocks; however, the price of private placement may be lower than the par value, which is stated in the prevailing laws and regulations; therefore, it shall be reasonable. If the price per share of the ordinary share under the private placement is lower than the par value of stocks due to the effects of market factors subsequently, the effects on shareholders are the cumulative losses generated from the differences between the price of the private placement and the par value. The cumulative losses will be eliminated subject to the operating status of the Company in the future. For the pricing date and the price of the private placement, the Company intends to request the shareholders' meeting to authorize the Board to establish them within the scope of the ratio as resolved subject to the market and corporate conditions and the status of the selected strategic investors. For the basis for establishing the price of private placement above, it shall comply with the "Directions for Public Companies Conducting Private Placements of Securities." In addition, considering that the transfer counterparties and quantity are restricted within three years from the delivery day of securities under private placement and that the application for the supplementary public offering and listing may not be made to the competent authority within three years after the delivery; therefore, it shall be reasonable.

- (2) The issuance price of convertible corporate bonds under private placement shall not be lower than 80% of the theoretical price. The theoretical price will be set based on the pricing model selected by taking into account all rights contained in the issuance conditions. The conversion price of convertible corporate bonds under private placement shall adopt the pricing method adopted by the private placement of ordinary shares. If the issuance price per share established is lower than the par value of stocks due to effects of changes and factors in the securities market subsequently, as arrangements were made based on the pricing basis stated in laws and regulations with the market price and conditions reflected for the necessity to successfully raise funds for the benefit of the long-term stable growth of the Company; therefore, the price established shall be necessary and reasonable. If cumulative losses caused by the price per share being lower than the par value have effects on shareholders' rights and interests, the Company will report to the Board for resolution subject to the corporate operation and market conditions in the future to compensate such losses through a capital reduction, earnings, capital reserve, or other

statutory methods.

- (3) To maintain maximum issuance flexibility, the pricing date, reference price, theoretical price, issuance price, issuance conditions (including the coupon rate, conversion price of corporate bonds under private placement, and conversion period and method), and other details and conditions are not determined. The Company requests the shareholders' meeting to authorize the Board to establish them subject to the issuance conditions in the capital market and the conditions of the selected strategic investors. For the basis for establishing the price of private placement above, it shall comply with the "Directions for Public Companies Conducting Private Placements of Securities." In addition, considering that the transfer counterparties and quantity are restricted within three years from the delivery day of securities under private placement and that the application for the supplementary public offering and listing may not be made to the competent authority within three years after the delivery; therefore, it shall be reasonable.
2. Selection method of specific persons: Limit to strategic investors who comply with the qualifications and conditions in paragraph 6-1, Article 43 of the Securities and Exchange Act and can assist the Company in improving technology, improving quality, reducing costs, improving efficiency, expanding the market while recognizing the business philosophy of the Company. The purpose, necessity, and estimated benefits of contacting strategic investors who comply with the abovementioned conditions are for the requirements for the long-term development of the Company. The Company intends to utilize the technologies, knowledge, or channels of such strategic investors to assist the Company in achieving the abovementioned benefits. The Company intends to request the shareholders' meetings to authorize the Board to handle matters related to confirming specific persons at its full discretion.
3. The reasons for the necessity of a private placement:
 - (1) Reasons for not adopting public offering: The Company considers the capital market condition, the timeliness and feasibility of fundraising, issuance costs, and the requirements for introducing strategic investors. Securities under private placement cannot be transferred freely within three years, which ensures the long-term cooperation relationships between the Company and its strategic investment partners. In addition, authorizing the Board to organize private placement subject to the business requirements of the Company will also effectively improve the mobility and flexibility of fundraising; therefore, private placement is adopted for the issuance of securities instead of the public offering.
 - (2) number of shares under the private placement: Within the limit of 3,000,000 shares, the private placement shall be conducted in one or multiple tranches (no more than three times in total) within one year from the date of the resolution adopted at the shareholders' meeting.
 - (3) Usage of funds from private placement and benefits estimated to be achieved: The Company will organize the private placement at once or in batches (no more than three times) subject to the market and the conditions of specific persons; funds raised from each private placement will be fully used in enriching the working capital. Each private placement is expected to strengthen the Company's competitiveness, improve operational efficiency, and strengthen the financial structure, which has positive help to shareholders' rights and interests.
4. Relevant restrictions on the securities under the private placement (including GDRs) shall be

subject to Article 43-8 of the Securities and Exchange Act and relevant laws, regulations, and explanation letters of the competent authority.

5. Regarding the important content of the proposal, including but not limited to the issuance price, the number of shares to be issued, issuance conditions, fundraising amount, capital utilization plan, estimated progress, estimated benefits, and all other unaddressed matters, the Company requests the shareholders' meeting to authorize the Board to make full disposals at its full discretion; this shall also apply to necessary amendments due to the approval of the competent authority or other circumstances.
6. Regarding the public offering of ordinary shares, issuance of new shares for the participation in GDRs, issuance of ordinary shares under private placement, or issuance of overseas or domestic convertible corporate bonds, the Company intends to request the shareholders' meeting to authorize the Chairman or a person it designates to execute and negotiate all contracts and documents related to the public offering or the private placement plan on behalf of the Company and to make disposals for all matters required for the public offering or the private placement plan for the Company.
7. For the private placement of overseas or domestic convertible bonds, the content of the proposal stated that the issuance price of convertible corporate bonds under private placement shall not be lower than 80% of the theoretical price, and the conversion price for the conversion into ordinary shares shall not be lower than 80% of the reference price, complying with laws and regulations. However, strategic investors are not confirmed at present; the Board shall establish the issuance conditions, coupon rates of bonds, and relevant conditions after the proposal is approved by the shareholders' meeting and the strategic investors are confirmed with reference to the issuance conditions in the market.
8. Any objections or reservations expressed by the independent directors: None.
9. Whether there will be any material change in the company's management and control from one year prior to the board resolution approving the private placement of securities to one year after the delivery date of such securities, or as a result of introducing strategic investors through the private placement: No.
10. In accordance with Article 43-6 of the Securities and Exchange Act, the company's private equity proposal, please refer to the Market Observation Post System (<https://mopsplus.twse.com.tw/mops/#/web/t116sb01>) and the company's website (<https://www.rafaelmicro.com/>), please click (Investors / Shareholder Services)