

Rules for Election of Directors

Approved by the Annual General Meeting on June 28, 1999

1st amendment approved by the AGM on June 4, 2002

2nd Amended approved by the AGM on June 20, 2017

3rd Amendment approved by the AGM on June 25, 2019

Article 1: Unless otherwise provided in the Company Law or the Articles of Incorporation of this Company, directors of this Company shall be elected in accordance with the rules specified herein.

Article 2: Election of directors of this Company shall be held at the shareholders' meeting. The Board of Directors shall prepare ballots and note the number of voting rights.

The election of Independent Directors of the Company shall adopt the candidates nomination system. A shareholder holding 1% or more of the total number of issued shares may present a slate of independent director candidates in writing to the company. The Board of Directors screen the candidate's qualification and send to the Shareholders Meeting where shareholders shall elect Independent Directors from the candidate list. The election of independent directors is subject to the provisions of the Company Act and the Securities and Exchange Act. When the number of directors falls below five due to the dismissal of a director for any reason, the company shall hold a by-election for director at the next following shareholders meeting. However, when the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact to hold a by-election for directors. When the number of Independent Directors fails to meet the requirement of Article 14-2, Paragraph 1 of the Securities and Exchange Act, Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings or the

Subparagraph 8 of “Standards for Determining Unsuitability for TPEX Listing under Article 10, Paragraph 1 of the Taipei Exchange Rules Governing the Review of Securities for Trading on the TPEX,” the company shall hold a by-election for director at the next following shareholders meeting. When all Independent Directors are discharged, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact to hold a by-election for Independent Directors. When the number of directors falls below the required number for any reason, the company shall hold a by-election for director at the next following shareholders meeting.

Article 2-1: The election of the Company’s directors shall take into account the arrangement of the board of directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company’s business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

- I. Basic requirements and values: Gender, age, nationality, and culture.
- II. Professional knowledge and skills: professional background (such as laws, accounting, industries, finance, marketing or technology), professional skills, and industrial experience.

The board members shall have the necessary knowledge, skill, and experience for performing their duties and shall have the following abilities:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. An international market perspective.
7. Ability to lead.
8. Ability to make policy decisions.

More than half of a company’s directors shall not have either a spousal relationship or a familial relationship within the second degree of kinship with

other members of the Board.

- Article 2-2: Elections for directors of the Company shall adopt the nomination system prescribed in Article 192-1 of the Company Act, the adoption of such system shall be expressly stipulated in the Articles of Incorporation of the company including qualification of directors and candidates, educational and work background as well as any violation to requirements of Article 30 of the Company Act. Other documentations for qualification shall not be randomly added and the review results shall be provided to shareholders for the reference purpose to elect the most suitable directors.
- Article 3: The Company's directors shall be elected by means of single-named cumulative ballots method. Each share is entitled to have votes equivalent to the number of directors to be elected, and the number of votes may be used to elect one candidate or be allocated among several candidates.
- Article 3-1: The Board of Directors shall prepare the election ballots which equal to the number of directors to be elected with the number of voting rights. The ballots shall be given to the shareholders present at the shareholders' meeting. In the election of directors, the names of the voters may be represented by their shareholder number.
- Article 3-2: Qualification of independent directors of the Company shall meet requirements of Article 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." Election for independent directors of the Company shall comply with Article 5, 6, and 8 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."
- Article 4: In the election of the directors, the candidates who acquired more votes should win the seats; and, if two or more persons receive the same number of votes, those persons who have received the same number of votes shall draw straws to decide who is elected. Those who do not attend in person shall be drawn by the chairperson.
- Article 5: Before beginning of the election, the chairman shall designate a certain number of persons who are also shareholders to check, count ballots and perform the

relevant duties.

Article 6: The ballot box used for voting shall be prepared by the board of directors and checked in public by the person assigned to check the ballots before voting.

Article 7: Electors shall fill in the “candidate” column the candidate’s name and candidate’s number or ID number or passport number on each ballot and number of votes before casting in the ballot box. However, if the candidate is a government agency or a legal entity, the full name of the government agency or the legal entity or the name of the representative should be filled in the column.

Article 8: A ballot shall be construed as null and void under the following conditions:

1. A ballot is not casted into the ballot cabinet (box);
2. The elector has failed to use the ballot prepared by the board of directors;
3. Blank ballots not completed by the voter;
4. Ballots with other written characters in addition to candidate’s name, number, and number of votes;
5. The name of the candidates filled in the ballots being the same as another candidate’s name and the respective shareholder’s numbers (ID numbers) not being indicated to distinguish them.
6. The writing is unclear and illegible.

Article 9: The ballots should be calculated during the meeting right after the voting and the results of the election should be announced by the chairman at the meeting.

Article 10: The Company shall give Certificate of Election to elected directors and supervisors.

Article 11: These Regulations, and any amendments hereto, shall enter into force after approved by the Board of Director.