

Rules of Procedure for Shareholders' Meetings

Doc. Name	Rules of Procedure for Shareholders' Meetings
Date	The 3rd amendment was made on August 10, 2020
<p>Article 1 These Rules of Procedure are adopted pursuant to Article 5 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies to establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities.</p> <p>Article 2 The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.</p> <p>Article 3 The Company's shareholders' meetings shall be convened by the board of directors unless otherwise stated by law or regulation.</p> <p>The Company shall upload the electronic version of the meeting notice for the shareholders' meeting, notice for the power of attorney, proposals, discussions, and election or dismissal of directors to the Market Observation Post System 30 days before the annual meeting of shareholders or 15 days before the extraordinary shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials, and upload them to the MOPS 21 days before the date of the regular shareholders' meeting or 15 days before the date of the special shareholders' meeting. In addition, the Company shall also have printed the shareholders' meeting agenda and supplemental meeting materials, and made them available for review by shareholders at any time 15 days before the date of the shareholders' meeting. The meeting agenda and supplemental materials shall also be available for viewing at the Company as well as be distributed on-site at the meeting place, and the professional shareholder services agent shall also be designated.</p> <p>The reasons for convening a shareholders' meeting shall be stated in the meeting notice and the subsequent public announcement. The meeting notice may be given in electronic form with the consent of the addressee.</p> <p>Article 4 Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, approval to delist, approval of company directors' involvement in a competing business, approval for surplus profit to be distributed in the form of new shares, approval for capital reserve to be distributed in the form of new shares, the dissolution, merger or demerger of the Company or any matter under Article 185 Paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, Article 56-1 and Article 60-2 of the Regulations</p>	

Governing the Offering and Issuance of Securities by Securities Issuers shall be detailed out and the essential contents explained in the meeting notice on the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion. The essential contents may be posted on the website as designated by the competent authority in charge of securities affairs or the Company, and such website shall be provided in the above meeting notice. The reasons for convening a shareholders' meeting shall also cover the re-election of the entire board as well as state the date of appointment. The same shareholders' meeting shall not change the appointment date by temporary motion or other means after the re-election is completed.

Article 5 A shareholder holding one percent or more of the total number of issued shares may submit to the Company a written proposal for a topic to be added for discussion at a regular shareholders' meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. However, a shareholder proposal to urge the Company to promote public interests or fulfill its social responsibilities may still be included in the meeting agenda as decided by the board of directors. In addition, when the circumstances of any subparagraph of Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may choose to exclude it from the agenda.

Article 6 Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and disclose the location and time period allowed for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Article 7 The number of words in a proposal submitted by a shareholder shall be limited to no more than three hundred (300) words, and any proposal containing more than 300 words shall not be included in the shareholders' meeting agenda. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting where their proposal is to be discussed and shall take part in the discussion of said proposal.

Article 8 The Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article prior to the date for giving notice of a shareholders' meeting. The board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda at the

shareholders' meeting.

Article 9 Shareholders may use the proxy forms prepared by the Company, duly delineate the scope of the limited power of attorney, delegate to another person to vote by proxy prior to each shareholders' meeting, and have their proxy attend the shareholders' meeting in their place.

A shareholder may issue only one proxy form, appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company five days before the date of the shareholders' meeting. The one received earliest shall prevail when duplicate proxy forms are delivered unless a declaration is made to cancel the previous proxy appointment.

A proxy rescission notice shall be filed with the Company at least two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice in case the shareholder intends to attend in person, otherwise the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 10 The venue where a shareholder meeting is to be held shall be on the premises of the Company or a location easy for shareholders to access, and be appropriate for holding shareholders' meetings. All shareholders' meetings may not begin before 9:00 a.m. or after 3:00 p.m. The opinions of the independent directors shall be fully taken into consideration in deciding the location and time of a shareholders' meeting.

The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

Acceptance of shareholders to attend the meeting shall be handled at least 30 minutes before the start of the meeting; the registration place shall be clearly marked, and personnel shall be appointed to handle registration.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend. Proxies shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall prepare agenda handbooks, annual reports, attendance cards, and voting cards for the shareholders' meeting, and they will be sent to or made available to the attending shareholders. A printed ballot shall also be sent

to the shareholders where voting powers on the election of directors are to be exercised.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the shareholders' meeting.

Article 11 If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. If the chairperson of the board is on leave or for any reason is unable to exercise their powers as the chairperson, the vice chairperson shall do so in place of the chairperson. If there is no vice chairperson, if the vice chairperson is also on leave or if for any reason is unable to act, a managing director or director shall be designated by the chairperson. If the chairperson does not make such a designation, a managing director or director shall be elected from among themselves.

When a managing director or a director serves in place of the chairperson, as in the preceding paragraph, the managing director or director shall have held that position for six months or more and shall understand the financial and business conditions of the Company. The same shall be true for a representative of a juristic person that serves in place of the chairperson.

The chairperson should personally preside in shareholders' meetings convened by the board of directors. If a shareholders' meeting is called for by the board of directors, half or more of the directors shall be present at the scheduled time for the shareholders' meeting.

If a shareholders' meeting is called for by those outside of the board of directors that has such a right, then that person shall preside at that meeting. If two or more people exercise that right, then they shall choose from among themselves to designate who shall preside at the meeting.

Article 12 The Company may appoint its attorneys, certified public accountants or related persons retained by it to attend a shareholders' meeting.

Article 13 The Company shall make an uninterrupted audio and video recording, beginning from the time it accepts shareholder attendance registrations, capture the registration procedure and the proceedings of the shareholders' meeting, and ending with the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 14 The attendance and voting at the shareholders' meeting shall be calculated based on the number of shares as indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chairperson shall call the meeting to order at the appointed meeting time. However, he chairperson may postpone the start of the shareholders' meeting when the attending shareholders do not represent a majority of the total number of issued shares provided that there can be no more than two such postponements with no more than an hour for each one. If the quorum is still not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairperson shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

If the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act prior to the conclusion of the shareholders' meeting.

Article 15 If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be determined by the board of directors. The relevant proposals (including motions and amendments to original proposals) shall be decided by voting on a case-by-case basis. The shareholders' meeting shall be convened according to the scheduled meeting agenda. The meeting agenda shall not be altered without a resolution adopted at the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the board of directors.

The chairperson shall not adjourn the shareholder meeting without a resolution before the conclusion of the proceedings (including provisional motions) for the first two items. If the chairperson violates shareholders' meeting rules and announces the meeting is adjourned, the attending shareholders can vote on choosing another chairperson and continue the shareholders' meeting if the vote

passes the majority pursuant to Article 182-1 of the Company Act.

The chairperson shall allow ample opportunity during the shareholders' meeting for explanation and discussion of proposals, amendments or extraordinary motions put forward by shareholders; when the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 16 An attending shareholder must specify on a speaker's slip the subject, their shareholder account number (or attendance card number), and their account name before speaking. The order in which shareholders speak will be set by the chairperson.

A shareholder in attendance who has submitted a speaker's slip, but does not actually speak shall be deemed to have not spoken. When the spoken content does not match the subject given on the speaker's slip, the spoken content shall prevail.

Unless otherwise permitted by the chairperson, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes). The chairperson may stop a shareholder's discussion if it violates the above provision or if it exceeds the scope of the discussion item.

Other shareholders may not speak or interrupt an ongoing shareholder from speaking unless they have sought and obtained the consent of the chairperson and of the shareholder that has the floor; the chairperson shall stop any such violation.

Article 17 When a juristic shareholder appoints two or more representatives to attend a shareholders' meeting on their behalf, only one of the representatives so appointed may speak on the same proposal.

Article 18 The chairperson may respond in person or direct relevant personnel to respond after an attending shareholder has spoken.

Voting at a shareholders' meeting shall be calculated based on the number of shares.

The number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares for shareholders' meeting resolutions.

A shareholder may not vote on a meeting agenda item, and may not exercise voting rights as a proxy for any other shareholder when said shareholder is an interested party in relation to that meeting agenda item and there is a likelihood

that such a relationship would prejudice the Company's interests.

The number of shares for which voting rights may not be exercised under the preceding paragraph will not be included as part of the number of shares with voting rights represented by attending shareholders.

If one person is entrusted by two or more shareholders at the same time, the proxy voting rights shall not exceed three percent of the total voting rights of the issued shares except if the shareholders are a trust business or if the securities regulatory authority has given prior approval to the stock agency. If it does, excess voting rights are not included.

A shareholder shall be entitled to one vote for each share held except when the shares are restricted shares or are deemed non-voting shares as under Article 179, Paragraph 2 of the Company Act.

When the Company convenes a shareholders' meeting, shareholders may exercise their voting rights by electronic means or they may exercise their voting rights in writing. The method for exercising voting rights in writing or by electronic means shall be indicated in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that shareholders' meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail except when a declaration is made to cancel the earlier declaration of intent.

A shareholder may still attend the shareholders' meeting after exercising their voting rights either by written correspondence or electronically as in the preceding paragraph if they make their intent to retract known to the Company by providing a written declaration or by doing so electronically 2 business days before the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights by correspondence or electronic means, and by appointing a proxy to attend a shareholders' meeting on their behalf, the voting rights exercised by the proxy at the shareholders' meeting

shall prevail.

The adoption of a resolution shall be approved by the majority of voting rights represented by the attending shareholders unless otherwise provided in the Company Act and Articles of Incorporation. The chairperson or a person designated by the chairperson shall first announce the total number of voting rights represented by the attending shareholders for each proposal at the time of the vote, and then poll the attending shareholders. The results for each proposal, including the number of votes for and against, and the number of abstentions, shall be entered into the MOPS after the conclusion of the shareholders' meeting on the same day.

The chairperson shall present the amended or alternative proposal together with the original proposal when one is introduced, and then decide the order in which they will be put to a vote. The other proposals will then be deemed rejected when any one among them is passed, and no further voting shall be required.

The chairperson shall appoint personnel, whom must also be shareholders, to monitor the voting procedures as well as count the number of votes.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. The results of the voting, including the statistical tallies of the numbers of votes, shall be immediately announced on-site at the meeting, and a record made of the vote.

Article 19 The election of directors at a shareholders' meeting shall be conducted in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be immediately announced on-site, including the names of those elected as directors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the shareholders' meeting minutes of the preceding

paragraph by means of a public announcement made through the MOPS.

The shareholders' meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results, including the number of voting rights and the number of voting rights won by each candidate in the event of an election of directors or supervisors. The shareholders' meeting minutes shall be retained for the duration of the existence of the Company.

The Company shall compile a statistical statement in the prescribed format of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies on the day of the shareholders' meeting, and shall make an express disclosure of the same at the place of the shareholders' meeting. If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 20 The staff involved in the shareholders' meeting affairs shall wear identification cards or armbands.

The chairperson shall instruct the pickets or security personnel to maintain order. Such security personnel shall wear an identification card or armband bearing the word "Proctor."

The chairperson may prevent a shareholder's attempts to speak through any device other than the public address equipment set up by the Company at the place of the shareholders' meeting.

The chairperson may direct Proctors to escort the shareholder from the meeting when they violate the Rules of Procedure, and defies the chairperson's correction, continues to obstruct the proceedings, and refuses to heed calls to stop.

Article 21 The chairperson may announce a break based on time considerations during a shareholders' meeting. If a force majeure event occurs, the chairperson may rule the shareholders' meeting temporarily suspended, and announce a time when, in view of the circumstances, the shareholders' meeting will be resumed.

If the agenda set by the shareholders' meeting cannot be finished before the end of the proceedings (including the extempore motions), the shareholders' meeting may pass a resolution to adopt a new venue to finish the said agenda at a later time.

A resolution may be adopted at a shareholders' meeting to defer or resume the

shareholders' meeting within five days in accordance with Article 182 of the Company Act.

Article 22 These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereafter shall be affected in the same manner.