

## **PROCEDURAL RULES OF GENERAL MEETING**

### **Article 1      Legal Basis**

This procedure is adopted in accordance with Company Act of Cayman Islands and relevant laws & regulations of Republic of China (the ROC), in order to assist the company to establish a sound shareholders meeting governance system, with the purposes of effectively developing supervision functions and strengthening management capabilities.

The shareholders meeting of company shall be proceeded with in accordance with these procedures, unless the law or regulation provides otherwise.

### **Article 2      Notice to convene shareholders' meeting**

The shareholders meeting of company shall be called by the board meeting, unless Company Act of Cayman Islands and the law or regulation of the ROC provides otherwise.

A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. While a public notice shall be given to the registered share shareholders whose shareholding is less than one thousand shares no later than 30 days prior to the scheduled meeting date in accordance with the laws and regulations provided by ROC to enter such information into the Market Observation Post System (the MOPS).

A notice to convene a special meeting of shareholders shall be given to each shareholder no later than 15 days prior to the scheduled meeting date; while a public notice shall be given to the registered share shareholders whose shareholding is less than one thousand shares no later than 15 days prior to the scheduled meeting date in accordance with the laws and regulations provided by ROC to enter such information into the MOPS.

The company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and its shareholder services agent as well as being distributed on-site at the meeting place.

The cause(s) or subject(s) of a meeting of shareholders to be convened shall be indicated in the individual notice and the public notice to be given to shareholders; and the notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof.

Election or dismissal of directors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act or Articles 26-1 and 43-6 of the Securities and Exchange Act of ROC, shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Shareholder(s) holding 1% or more of the total number of issued shares may submit to this company a written proposal for discussion at a regular shareholders meeting. Such proposal, however, are limited to one item only, and no proposal containing more than one item will be included in the agenda.

Under any circumstances of any subparagraph of Article 172-1, Paragraph 4 on the Company Act of ROC apply to proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the company shall give a public notice announcing the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than 10 days.

The number of words of a proposal to be submitted by a shareholder shall be limited to not more than 300 words, and any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.

The company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

### **Article 3**

#### **Appoint a proxy to attend shareholders' meeting and the authorization**

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing a power of attorney issued by the company and stating the scope of power authorized to the proxy.

A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the company no later than 5 days prior to the meeting date of the shareholders' meeting. In case the Company receives two or more written proxies from one shareholder, the first one shall prevail; unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

In case a Shareholder who has exercised his votes by proxy, such Shareholder may, at any time, revoke such proxy and choose to attend the general meeting in person.

**Article 4**                    **Principles of shareholders' meeting location and time**

The place for convening a shareholders' meeting shall be held inside the ROC, or held at any other overseas than ROC within 2 days prior to the board resolution, and may after obtain an approval from the competent authority.

Once the company's share listing on the Emerging Stock Market or GreTai Securities Market or the TSE, the place for convening a shareholders' meeting to be held inside the ROC, it shall be held at any other place convenient for presence of shareholders, and suitable for holding of the said meeting. In addition, the time for commencing the said meeting shall not be earlier than 9 o'clock in the morning or later than 3 o'clock in the afternoon, when it submits its place and time, shall take into full consideration each independent director's opinions.

**Article 5**                    **Preparation of attendance book and others relevant documents**

The company shall prepare an attendance book for shareholders or who may appoint another deputy (the "Shareholders") to attend as their proxy to sign in, or the shareholder present may hand in an attendance card in lieu of signing on the attendance book.

The company shall forward a schedule manual, annual report, attendance letter, slip of speech, ticket of voting and other materials concerning to shareholders present; with respect to the election of directors, shall forward with election ticket.

A shareholder present may hand in an attendance letter, attendance card or other attendance statements for the attendance of a shareholders meeting. In case a shareholder appoints another shareholder to attend a meeting in his/her behalf, he/she may present an evidentiary document for inspection.

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 proxy, it may designate only

one person to represent it in the meeting.

**Article 6**                    **Chairman and persons to attend the shareholders meeting**

If a shareholders' meeting is called by the board of directors, the board chairman shall preside at the said shareholders meeting. In case the chairman is on leave of absence, or cannot exercise his powers and authority, the chairman shall designate a director to act in lieu of him.

In the case of a shareholders' meeting to be called by the board of directors, it shall be decided by a majority attendance of a meeting of the board of directors attended.

If a shareholders' meeting is convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

The company may designate its lawyer, certified public accountant or other relevant persons to attend the shareholders meeting.

**Article 7**                    **The whole proceedings of the shareholders meeting to be recorded on audio or video tape as evidence**

The company shall record with an audio or video tape the whole proceedings of the shareholders meeting, and said video tape or audio tape shall be kept for at least one year. If a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189, Company Act of the Republic of China, the audio or video tape of the shareholders' meeting involved shall be kept by the company until the legal proceedings of the foregoing lawsuit have been concluded.

**Article 8**                    **Process of Meeting**

The presence of shareholders in a shareholders meeting shall be calculated in accordance with the number of shares. The number of shares representing shareholders present in the meeting shall be calculated in accordance with those indicated on the attendance book or the attendance cards, plus the number of shares that the voting power may be exercised in writing or by way of electronic transmission.

When it is time to convene a shareholders' meeting, the chairman shall immediately convene the meeting, provided, however, that if the shareholders present do not represent a majority of the total amount of issued shares, the chairman may postpone the meeting, provided, however, that the postponement of the said meeting shall be limited to two times, and the total time postponed shall not exceed one hour. If the meeting has been postponed for two times, but the shareholders present still do not represent a majority of the total amount of issued shares, the chairman shall announce the meeting to be aborted.

**Article 9**      **Motion discussion**

If a shareholders' meeting is called by the Board of Directors, the proceedings of the meeting shall be formulated by the Board of Directors, and the meeting shall be proceeded with in accordance with the said proceedings. The proceedings shall not be changed without a resolution made by the shareholders meeting.

If a shareholders' meeting shall be called by any other person than the Board of Directors, the preceding provisions shall apply mutatis mutandis to the said meeting.

The chairman shall not adjourn a meeting without resolution adopted by shareholders if the motions (including extraordinary motions) covered in the proceedings so arranged in the above two paragraphs shall not have been resolved. If the chairman declares the adjournment of the meeting in a manner in violation of such rules governing the proceedings of meetings, a new chairman of the meeting may be elected by a resolution to be adopted by a majority of the voting rights represented by the shareholders attending the said meeting to continue the proceedings of the meeting.

The chairman shall clearly explain and give an opportunity to discuss any motion, and any amendment or extemporary motion has been submitted by a shareholder. When the chairman considers that the discussion for a motion has reached the extent for making a resolution, he/ she may announce discontinuance of the discussion and submit the motion for resolution.

After close of the said meeting, shareholders shall not elect another chairman to hold another meeting at the same place or at any other place, unless the chairman declares the adjournment of the meeting in a manner in violation of such rules governing the proceedings of meetings.

**Article 10**      **Speech of Shareholder**

When a Shareholder attending the general meeting wishes to speak, a speech note should be filled out with summary of the speech, the Shareholder's account number (or the number of attendance card) and the account name of the Shareholder. The sequence of speeches shall be determined by the chairman.

If any attending Shareholder at the general meeting submits a speech note but does not speak, no speech shall be deemed to have been made by such Shareholder. In case contents of the speech of a Shareholder are inconsistent with the contents of the speech note, the content of actual speech shall prevail.

Any Shareholder may not speak more than twice concerning the same item

without chairman's consent, and each speech time shall not exceed five minutes. In case the speech of any Shareholder violates this paragraph or is outside the scope of the agenda item, the chairman may stop the speech of such Shareholder.

Unless otherwise permitted by the chairman and the speaking Shareholder, no Shareholder shall interrupt the speech of other Shareholders. The chairman shall stop such interruption.

If a corporate Shareholder has appointed two or more representatives to attend the general meeting, only one representative can speak for each agenda item.

After the speech of any Shareholder, the Chairman may make responses by him or herself or appoint an appropriate person to respond.

#### **Article 11**            **Proposal by Shareholder**

In accordance with the Applicable Listing Rules and subject to Article 52 of the Articles, any Shareholders who individually or collectively hold one percent (1%) or more of the total number of issued Shares of the Company may submit to the Company a proposal for discussion at the annual general meeting.

#### **Article 12**            **Calculation of Voting Shares and Recusal**

A shareholder shall have one voting power in respect of each share in his/her/its possession. Unless otherwise provided, or except no voting right on the exercise of voting power.

Subject to the Applicable Listing Rules, the votes may be exercised in writing or by way of electronic transmission if such method for exercising the votes has been described in the notice of the general meeting; provided however that in the event the general meeting is to be held outside Taiwan, the Company shall specify in the notice of the general meeting that the votes may be exercised in writing or by way of electronic transmission. A Shareholder who exercises his votes in writing or by way of electronic transmission shall be deemed to have appointed the chairman of the general meeting as his or her proxy to exercise his or her voting right at such general meeting in accordance with the instructions stipulated in the written or electronic document, but shall be deemed to have waived his votes in respect of any ad hoc motions and the amendments to the contents of the original proposals at such general meeting.

A Shareholder shall deliver his declaration about the votes in writing or by way of electronic transmission to the Company no later than the 2<sup>nd</sup> day prior to the scheduled meeting date of the general meeting; whereas if two or more declarations are delivered to the Company, the first declaration shall

prevail unless an explicit statement to revoke the previous declaration is made in the declaration which comes later. In case a Shareholder who has exercised his votes in writing or by way of electronic transmission, such Shareholder may, at any time, revoke such written or electronic voting and choose to attend the general meeting in person.

A Shareholder who is deemed to have appointed the chairman of the general meeting as proxy shall have the right to appoint another person as its proxy to attend the meeting, in which case, unless an explicit statement to revoke such express appointment of proxy, the express appointment of another proxy shall be deemed to have revoked the deemed appointment of the chairman as proxy and the Company shall only count the vote(s) cast by such expressly appointed proxy at the meeting.

Unless otherwise specifically provided for in the Company Act of Republic of China or the Articles of Incorporation of the Company, resolutions shall be adopted by a majority vote at a meeting attended by the shareholders. When the discussion for a motion has been reached the extent for making a resolution, the chairman or his/her/its designated person may announce the total number of shares represented by shareholders attending a shareholders' meeting case by case, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

If there shall be an amendment or alternative to one motion, the chairman may combine the amendment or alternative into the original motion, and determine their orders for resolution. If any one of the above shall be resolved, the others shall be considered as rejected, upon which no further resolution shall be required.

The chairman shall appoint monitoring and counting personnel for a proposal calls for vote, however, all monitoring personnel shall be shareholder of this company.

Vote counting shall be held at shareholders meeting venue, voting results shall be made known immediately and recorded in writing.

The shares held by shareholders having no voting right shall not be counted in the total number of issued shares while adopting a resolution at a meeting of shareholders. A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the interest of the company, shall not vote nor exercise the voting right on behalf of another shareholder.

Shares for which voting right cannot be exercised as aforesaid, shall not be counted in the number of votes of shareholders present at the meeting.

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/ her shall not exceed 3% of the total number of voting shares of the company, otherwise,

the portion of excessive voting power shall not be counted.

**Article 13**      **Principle for Voting Right**

Subject to the Articles and any rights and restrictions for the time being attached to any Share, every Shareholder and every Person represented by proxy shall have one vote for each Share of which he or the Person represented by proxy is the holder.

Shareholders shall vote on each of the proposals presented at the meeting and the result of the vote indicating Shareholders' consent, objection or abstaining from voting shall be entered at the Market Observation Post System on the day immediately following the convention of the Shareholders' meeting.

Where any Director or supervisor (if any), who is also a Shareholder of the Company, creates or has created a pledge on the Shares held by such Director (the "**Pledged Shares**") exceeding fifty percent (50%) of total Shares held by such Director at the time of his/her appointment as Director or supervisor (if any), such Director or supervisor (if any) shall refrain from exercising its voting rights on the Shares representing the difference between the Pledged Shares and fifty percent (50%) of total Shares held by such Director or supervisor (if any) at the time of his/her appointment as Director or supervisor (if any), and such Shares shall not be counted toward the number of votes represented by the Shareholders present at a general meeting.

**Article 14**      **Voting on Proposal**

Unless otherwise provided for under the Applicable Listing Rules or the Articles, a proposal put to a vote shall be approved by consent of a majority of Shareholders present at the meeting attended.

In case of an amendment proposal or substitute proposal to an original proposal, the chairman shall decide on the order of vote together with the original proposal. However, if one of the proposals has been approved, the others shall be deemed overruled and no further vote is required.

Where directors and/or supervisors are elected at a Shareholders' meeting, the election shall be conducted in accordance with the applicable election rules established by the Company and the election results shall be announced at the same meeting.

Voting ballots cast in the election of director(s) shall be signed and sealed by scrutiner and properly kept for at least one (1) years; provided, however, that in case of a litigation instituted by Shareholder, these ballots shall then



be kept until conclusion of the litigation.

**Article 15**      **Checking and Counting Ballots**

The chairman shall appoint persons responsible for checking and counting ballots during votes on agenda items. However, the persons responsible for checking ballots must be Shareholders. The ballots shall be publicly counted at any general meeting venue and the result of voting shall be announced at the general meeting and placed on record.

**Article 16**      **Meeting Minutes**

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within 20 days after the close of the meeting. The preparation and distribution of the minutes may be effected by means of electronic transmission.

With regard to the company, the distribution of the minutes of shareholders' meeting as required in the preceding Paragraph to the registered stock shareholders may be posted on Market Observation Post System (the MOPS) by means of a public notice.

The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the company.

**Article 17**      **Election of Directors**

The election results shall be made known immediately while a shareholders' meeting shall elect Directors.

Upon the election tickets of the election matters of the preceding paragraph have been sealed and signed by monitoring personnel, it shall be kept for at least one year.

If a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189, Company Act of the Republic of China, the said tickets shall be kept by the company until the legal proceedings of the foregoing lawsuit have been concluded.

**Article 18**      **Preservation of Order at the Meeting Venue**

The chairman may direct inspectors (or security guards) to assist in preserving the order at the meeting venue. Inspectors (or security guards) shall wear an arm-band with the word "Inspector" when assisting in preserving the order at the meeting venue.

The chairman may direct inspectors or security guards to ask Shareholders who violate the Rules, disobey the chairman's correction, impede the process of the meeting and do not comply after being asked to stop to leave the meeting venue.

**Article 19**      **Enforcement and Amendment**

Establishment and amendment to the Rules shall be subject to approval of the Board of Directors, which shall be further approved by Ordinary Resolution in the general meeting.

