



Taiwan Hon Chuan Enterprise Co., Ltd

Procedures for Election of Directors

Date : 2017.06.15 (Amended)

- Article 1** Election of directors shall be conducted in accordance with relevant laws and the procedures specified herein.
- Article 2** Election of directors shall be held at the shareholders' meeting.
- Article 3** Any shareholder with full legal capacity may be elected to be directors of the Company in accordance with the procedures specified herein.
- Article 4** The registered cumulative voting method shall be used for election of the directors. The name of voter may be replaced with the attendance card serial numbers printed on the ballots. Each share shall have voting rights equivalent to the number of seats to be elected and such voting rights can be combined to vote for one candidate or divided to vote for several candidates. The elections of independent directors and non-independent directors shall be conducted at the same time, but the numbers to be elected shall be separately calculated.
- Article 5** Based upon the number of vacancy in positions specified in the Articles of Incorporation, candidates with the higher number of votes shall be elected as independent directors or directors respectively. When two or more candidates receive the same number of votes, thus exceeding the specified number of positions, such candidates shall draw lots to determine the winner, and the Chairman shall draw lots on behalf of any candidate not in attendance.
- Article 6** The board of directors shall prepare ballots on which should affix company seal. Attendance card numbers and the number of voting rights of voting shareholders shall be specified on the ballots as well.
- Article 7** Before the election begins, the Chairman shall appoint several persons to check and count the ballots.



- Article 8** The ballot boxes used for the voting shall be prepared by the board of directors and are checked in public by the persons described in Article 7 before voting.
- Article 9** If a candidate is a shareholder, a voter must fill in the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall fill in the candidate's full name and identity card number in the said column. However, when the candidate is a government agency or a corporate shareholder, the name of the government agency or a corporate shareholder shall be filled in the "candidate" column in the ballot. Meanwhile, if there is a representative, the name of its representative shall be filled in as well.
- Article 10** A ballot shall be deemed invalid under any of the following circumstances:
1. The ballot is not prepared by the board of directors.
 2. A blank ballot is placed in the ballot box.
 3. The writing is unclear and indecipherable.
 4. Any of the candidate's name, shareholder's account number or the number of votes cast for such candidates altered in the ballot.
 5. The candidate's name filled in the ballot does not conform with that given in the shareholder register.
 6. The name of the candidate filled in the ballot is identical to that of another shareholder, but no shareholder account number is provided in the ballot to distinguish them.
 7. Ballots contain other written characters or symbols in addition to the candidate's name, shareholder account number and the number of votes cast for the candidate.
 8. The number of candidates filled in the ballot is exceeding the number of the seats to be elected.
 9. The total votes cast by the voter are more than the total voting rights of such voter.
- Article 11** While the total votes cast by the voter is less than the total voting rights of such voters, the reduced amount shall be counted as abstention vote.
- Article 12** The voting rights shall be calculated during the meeting immediately after the vote casting, and the results of the election shall be announced by the



Chairman at the meeting and kept in agenda as well.

Article 13 With regard to those matters not provided for in these procedures, the Company Act and the regulations of the Company shall govern.

Article 14 The procedures, and any amendments thereof, shall take effect after approval by the shareholders' meeting. It shall be considered as announcement if there is no objection and the effect is equal to vote by ballot.

Article 15 These procedures and any amendments hereto, shall take effect after approval by shareholders' meeting.