

## **President Securities Corp. Rules and Procedures of Shareholders' Meeting**

Article01. These Rules are prescribed in accordance with Article 5 of the Corporate Governance Best-Practice Principles for TSE/GTSM Listed Companies for the purpose of establishing good governance, strengthening the supervisory functions and administration by the shareholders' meeting.

Article02. Except as otherwise provided by the laws and regulations or the Articles of Incorporation of the Company, the shareholders' meetings of the Company shall be in accordance with these Rules.

Article03. Except as otherwise provided by the laws and regulations, the shareholders' meeting of the Company shall be convened by the Board of Directors.

The company shall prepare electronic files of the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors or Independent Directors, and other matters on the shareholders' meeting agenda, and upload them to the MOPS website thirty (30) days prior to a regular shareholders' meeting or fifteen (15) days prior to a temporary shareholders' meeting Twenty-one (21)days before a company is to convene an ordinary shareholders' meeting, or fifteen (15) days before an temporary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplemental materials, and upload it to the MOPS website. Fifteen (15) days before a company is to convene a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and supplemental materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the company and its stock registrar and transfer agent, and distributed on-site at the meeting.

The meeting notice and the public announcement of the shareholders meeting shall expressly indicate the reasons for convening the meeting. The meeting notice can be served by means of electricity facilities if agreed by the noticed party .

Election or dismissal of directors, supervisors, proposed amendment to the Articles of Incorporation, proposed dissolution, merger, or split of the Company, event(s) of the conditions provided in the first paragraph of Article 185 of the Company Act, or Article 26-1, or Article 43-6 of the Securities And Exchange Act must be indicated item by item in the reasons for convening the meeting in the meeting notice and none of them can be proposed by way of extempore motion.

A shareholder who holds 1% or more of the total issued shares of the Company may propose in writing one and only one proposal in advance to be included in the agenda for discussion and resolution at the shareholders meeting. All additional proposals, if any, proposed by the shareholder shall be excluded from the agenda. The Board of Directors may decide to exclude from the agenda any proposal proposed by the shareholder which runs into any of the conditions provided in the fourth paragraph of Article 172 -1 of the Company Act.

The Company shall make public announcement about when and where to submit proposal prior to the commencement date of the suspension of transfer of shares in the Company and the opening period for proposal acceptance shall not less than 10 days.

The proposal proposed by the shareholder shall be written in not more than 300 Chinese characters or shall otherwise be excluded from the agenda. The shareholder who has proposed a proposal shall personally attend the general shareholders meeting and participate in the discussion of his/her proposal or he/she may duly designate a proxy to act on his/her behalf at the meeting.

The Company shall give a notice to the shareholder prior to the meeting date regarding the Company's handling of the proposal he/she has proposed. The Company shall, item by item, indicate in the meeting notice all of the proposals submitted in conformity to this Article and the reasons why the other proposals are excluded from the agenda.

Article04. The shareholder may designate a proxy to attend the shareholders meeting on his/her behalf by signing and indicating the scope of authority in the proxy form prepared by the Company.

Each shareholder may sign one and only one proxy form to designate one and only one proxy. The signed proxy form must be served to the Company five days prior to the meeting day. In case of multiple signed proxies from the same shareholder, the first one served to the Company shall prevail except when the shareholder has expressed to cancel the proxy.

The shareholder who, after his/her signed proxy has been served to the Company, is to attend the meeting in person or to exercise his/her voting power by way of electronic transmission shall notify the Company in writing no later than two days prior to the meeting day of his/her intention to cancel his/her signed proxy or the ballots cast by his/her designated proxy present at the meeting shall govern for the purpose of vote counting.

Article05. The shareholders meeting shall be convened at the place where the Company is located or any other appropriate place convenient for

shareholders to attend and shall commence no earlier than 9:00AM and no later than 3:00PM on the meeting date. The venue, date and hour of the meeting shall be determined in consideration of the opinion of the independent director.

Article06. The company shall, in the meeting notice, state the reporting time, reporting venue and other items of importance for accepting shareholders.

The abovementioned accepted shareholders shall report at least 30 minutes before the start of the meeting; the reporting venue shall be clearly identifiable and managed by an adequate number of staff who are adequately competent.

Shareholders or agents authorized by shareholders (hereinafter referred to as shareholders) shall present their attendance ID, attendance cards or other attendance certificates at the shareholders' meeting; solicitors soliciting proxy forms shall bring along their identification documents for verification purposes.

The shareholder or his/her proxy who attends the meeting may turn in his/her signed attendance card instead of signing in the attendance book.

The Company shall deliver to each shareholder the agenda, annual report, attendance ID, speaking request form, ballots, other meeting materials and, where applicable, the ballots for election of directors and/or Independent Directors.

The shareholder shall present his/her attendance ID, signed attendance card or other pre-approved attendance documentation to attend the meeting. Those to attend the meeting as requesters shall also present their identification paper for verification.

A government agency shareholder or an institutional shareholder may be represented at the shareholders' meeting by one or more proxies. An institution acting as the proxy for a shareholder may appoint one and only one representative to act on behalf of the principal of the proxy at the meeting.

Article07. Where the shareholders meeting is convened by the Board of Directors, the meeting shall be presided by the chairman of the Board of Directors. If the chairman is for whatever reason unable to carry out his/her functions at the meeting, the vice chairman shall act in his/her stand. If the Company has no vice chairman or the vice chairman is for whatever reason unable to carry out the function at the meeting either, the chairman shall appoint a standing director to act in his/her stand at the meeting. If the Company has no standing director, the chairman shall appoint a director to act in his/her stand. If above are not applicable, the directors or standing directors (if any) shall elect one

from among themselves to preside the meeting.

If the abovementioned position of chairman be filled by a managing director or director, said managing director or director shall be one who has held office for more than six months and understands the company's financial and business conditions. The same applies if the position of chairman is held by a corporate director's representative.

Where the shareholders meeting is convened by any person legally authorized to do so other than the Board of Directors, the meeting shall be presided by the convener.

Where there are two or more conveners, they shall elect one from among themselves to preside the meeting.

The Company may appoint legal counsel(s), certified public accountant(s) and/or the relevant personnel to attend the shareholders' meeting without the right to vote.

Article08. The company shall record the entire meeting either through audio or video.

The abovementioned video and audio materials shall be kept for at least one year. However, in the event that a lawsuit has been filed by shareholder(s) in accordance with Article 189 of the Company Act, said video and audio recordings shall be kept until the end of said lawsuit.

Article09. Whether the shareholders' meeting meets the quorum shall be determined based on the total amount of shares represented at the meeting which shall be counted according to the numbers of attendance cards received plus voting power exercised by way of electronic transmission.

The chairperson shall call the meeting to order as scheduled, provided that where the number of shares represented at the meeting accounts for less than the majority of the total issued shares, the chairperson may announce to postpone calling the meeting to order twice and only twice for a total duration of not more than one hour. If the quorum is still not met after the above postponement duration has expired and the total number of shares represented at the meeting still accounts for less than one third of the total issued shares of the Company, the chairperson shall announce to abort the meeting.

If the quorum is still not met after the meeting has been twice postponed as provided in the preceding paragraph but the number of shares represented at the meeting exceeds one third of the total issued shares of the Company, temporary resolutions may be adopted in accordance with the first paragraph of Article 175 of the Company Act, in which case, the

temporary resolutions adopted shall be notified to all shareholders and the shareholders meeting shall reconvene within one month.

If, before the meeting ends, the total shares represented at the meeting account for half or more of the total issued shares of the Company, the chairperson may submit the temporary resolution adopted to the meeting for voting pursuant to Article 174 of the Company Act.

Article 10. Where the shareholders' meeting is convened by the Board of Directors, the agenda shall be determined by the Board of Directors and the meeting shall proceed according to the agenda except otherwise changed by the resolution adopted by the shareholders' meeting.

Where the shareholders' meeting is convened by any person legally authorized to do so other than the Board of Director, the preceding paragraph shall apply.

The chairperson shall not forthwith announce to adjourn the meeting before the agenda provided in the two preceding paragraphs (including extempore motions) is duly completed except on the resolution adopted by the shareholders' meeting for him/her to do so. In the event the chairperson announces to adjourn the meeting in contravention to these Rules, the other members of the Board of Directors present shall promptly assist the shareholders present at the meeting to duly elect, by a majority vote, one from among the directors present to preside to continue the meeting.

The chairperson shall allow sufficient time for explanation to be given and discussion on each proposal on the agenda and each amendment or extempore motion proposed by the shareholders. The chairperson may announce to conclude the discussion as he/she sees fit and submit the proposal to voting for resolution.

Article 11. The shareholder shall fill out the speaking request form floor before making statement at the meeting and he/she will indicate the gist of his/her statement to make, shareholder account number (or attendance card number) and shareholder name. The chairperson will decide the order for the shareholders to make their statement.

The shareholder who has only filled out the speaking request form floor without actually doing so shall be deemed not having made any statement. In case of any discrepancy between the gist of statement indicated in the shareholder's speaking request and the actual statement made, the actual statement made shall govern.

The shareholder may speak on each proposal twice and only twice for not more than five minutes each except otherwise approved by the chairperson, provided that the chairperson may stop at any time the shareholder from taking the floor if such shareholder has acted in contravention of these Rules or is making statement out of the scope of

the proposal being discussed.

No shareholder may interrupt the shareholder taking the floor without the consent of both of the chairperson and the shareholder taking the floor. The chairperson shall restrain any shareholder from acting in breach of the above.

An institutional shareholder who is represented by two or more appointed representatives at the meeting will have its statement on the same proposal made (if any) by one and only one of its appointed representatives.

The chairperson may personally respond to the statement made by the shareholder or appoint the relevant personnel to do so.

Article 12. The votes at the shareholders' meeting will be counted based on the number of shares.

The non-voting shares represented at the meeting shall be disregarded for the purpose of counting votes for adopting the resolution.

Shareholders who have personal conflict of interests against the Company on certain proposal shall not vote on that proposal, either for himself/herself or for another shareholder by proxy.

The non-voting shares provided in the preceding paragraph shall be excluded from the calculation of voting shares represented at the meeting.

Except trust businesses or stock affair agency approved by the competent securities authority, a proxy acting on behalf of two or more shareholders at the meeting will have the voting right by proxy representing not exceeding 3% of the total issued shares of the Company. Any vote cast by the proxy in excess of the said representation limit will be ignored.

Article 13. The shareholder will have one vote for each share held except where there is limitation on the voting right or the voting right is denied by operation of the second paragraph of Article 179 of the Company Act.

The voting power at a shareholders' meeting may be exercised by way of electronic transmission described in the shareholders' meeting notice. A shareholder who exercises his/her voting power at a shareholders meeting by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have waived his/her voting power in respect of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting.

In case a shareholder elects to exercise his/her/its voting power by way of electronic transmission, his/her declaration of intention shall be served to the company two days prior to the scheduled meeting date of the

shareholders' meeting, whereas if two or more declarations of the same intention are served to the company, the first declaration of such intention received 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/her voting power by way of electronic transmission intends to attend the shareholders' meeting in person, he/she shall serve a separate declaration of intention to rescind his/her previous declaration of intention made in exercising the voting power two days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising his/her/its voting power. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised by way of electronic transmission shall prevail.

In case a shareholder has exercised his/her voting power by way of electronic transmission, and has also authorized a proxy to attend the shareholders' meeting in his/her behalf, then the voting power exercised by the authorized proxy for the said shareholder shall prevail.

Except as otherwise provided by the Company Act or the Articles of Incorporation of the Company, the resolution of a shareholders meeting shall be adopted by the majority vote represented at the meeting. For the purpose of voting, the chairperson shall announce the total number of votes represented and currently present at the meeting or appoint a personnel to do so each time before calling for voting on each proposal. The resolutions, whether agreement/disagreement/waiver, shall be uploaded to the MOPS website on the day which shareholder' meeting was held.

Upon voting for resolution on a proposal, if no opposition is expressed by shareholders present at the meeting, and shareholders either through electronic or written form, in response to the chairperson's invitation for opinion on that proposal, the resolution shall be deemed adopted unanimously and operate as one adopted by voting. In case an opposition is expressed, the proposal shall be voted in accordance with the preceding paragraph.

Where there is revision or substitute proposal on the same proposal, the chairperson shall combine them with that proposal for the purpose of determining their order of voting. If one of the proposals is adopted, the other proposals shall be deemed vetoed and no voting on them will be necessary.

The chairperson shall appoint vote supervisor and vote counter during the voting and the vote supervisor shall also be a shareholder. The vote counting for voting or election motions at the shareholders' meeting shall be conducted publicly at the meeting venue, after vote counting has been completed, the voting results shall be announced on the spot (including the tallied number of votes) and recorded accordingly.

Article 14. The election of a director and or supervisor shall be in accordance with the relevant bylaw of the Company and the result of the election, including list of elected directors and Independent Directors and the number of votes they received, shall be announced on site.

The ballots of the election provided in the preceding paragraph shall be sealed and signed by the personnel supervising the voting and properly kept for at least one year or up through the conclusion of the shareholder action (if any) initiated under Article 189 of the Company Act.

Article 15. Each resolution adopted by the shareholders' meeting must be taken down in the meeting minutes which must be signed or impressed with the seal of the chairperson with a copy thereof sent to the shareholders each within twenty (20) after the end of the meeting.

The Company may publish the meeting minutes provided in the preceding paragraph on the MOPS website.

The meeting minutes shall accurately indicate the year, month, date, venue, name of the chairperson, method of adopting resolutions, gist of the proceeding and the conclusion of the meeting and shall be properly kept throughout the standing of the Company.

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Article 16. The Company shall count the number of shares represented by the requesters and proxies present at the meeting, produce and clearly display at the meeting a statistic statement thereof according to the required form.

For each resolution adopted the publication of which is required by law or which belongs to the TWSE-required material information, the Company shall, within the applicable time limit, transmit it to the MOPS.

Article 17. The working staff of the meeting shall each wear an ID tag or badge.

The chairperson may direct the order-maintaining personnel or security guard to maintain the order of the meeting. The order-maintaining personnel or security guard shall each wear a badge or ID tag bearing their designation when performing their functions at the meeting.

The chairperson may stop the shareholder from making statements by using any equipment other than those readily facilitated by the meeting (if any).

If the shareholder ignores the chairperson's request for him/her to retrain himself/herself from acting in contravention of these Rules at the cost of the proceeding of the meeting, the chairperson may direct the order-maintaining personnel or security guard at the meeting to escort



such shareholder out of the venue of the meeting.

Article18. The chairperson may call the meeting to a break as he/she sees fit. In the event of force majeure. the chairperson may suspend the meeting and announce the appropriate date and hour to resume the meeting. In the event that the venue of the shareholders' meeting is kept from being available for use before the agenda (including extempore motions) is discussed in full, the shareholders' meeting may adopt the resolution for continuing the meeting elsewhere. The shareholders' meeting may adopt the resolution pursuant to Article 182 of the Company Act to re-schedule or resume the meeting within five days.

Article19. These Rules and all subsequent amendments shall come into force after being adopted by the shareholders' meeting.

These Rules were duly established on April 16<sup>th</sup>,1998 and the first amendment was approved on June 25<sup>th</sup>,2010. The second amendment was approved on June 24<sup>th</sup>,2011. The third amendment was approved on June 22<sup>th</sup>,2012. The fourth amendment was approved on June 19<sup>th</sup>,2013. The fifth amendment was approved on June 18<sup>th</sup>,2014.

The sixth amendment was approved on June 22<sup>th</sup>,2017.