

KWONG LUNG ENTERPRISE CO., LTD.

Rules for Election of Directors and Supervisors

- Article 1 Election of directors and supervisors of the Company shall be handled under the Rules hereof.
- Article 2 Election of directors and supervisors adopts voter registration and cumulative voting system. The number of certificate of attendance or shareholder reference number printed in the ballot paper can substitute for the voter registration. In the process of electing directors and supervisors, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates.
- Article 3 The Company's directors and supervisors shall be elected by the shareholders' meeting from among the persons with disposing capacity, and conforming to the fixed number of the elected prescribed in the articles of incorporation, according to the statistical results of the election votes, candidates to whom the ballots cast represent a prevailing number of votes shall be deemed a non-independent directors, independent directors and supervisors respectively. If two (or more) nominees poll the same number of the voting rights and exceed the fixed number of the elected prescribed, such nominees shall draw lots to decide the elected. The Chairman shall draw lots on behalf of those who are absent.
- Qualification requirements and election shall be compliant with the provisions of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and subject to "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies".
- Article 4 All of the shareholders' listed in the shareholders' roster shall have voting rights.
- Article 5 Ballots shall be issued by the Board of Directors and numbered in accordance with shareholder reference numbers, and shall indicate the number of each shareholder's voting rights.
- Article 6 Starting the election, it shall begin with the Chairman's statement, and the Chairman shall appoint several ballot examiners and tellers for implementing related tasks.
- Article 7 A voter shall fill out the name of the person to be elected or the corporate name on the ballot's "to be elected" column (may be substituted by the number of certificate of attendance) and may additionally specify shareholder reference number or identification number. A non-shareholder should fill out the name of the person to be elected and his/her identification number. The shareholders' names and the names of representative corporate shall be separately and respectively specified in case of two or more representatives to be elected.
- The votes of the electors and the right to vote allocated in the preceding ballot shall be put on the ballot box. If the electors have the same name, they should add the serial number of their shareholder number and identity card.
- Shareholders fill in the names of the electors, household number, identification number, to be stamped alternative.
- Article 8 A ballot shall be null and void in the event of one of the following circumstances :
- (1) Failed to use the ballot paper prescribed in the Article 5 hereof.
 - (2) The number of people to be elected filled in exceeded the number prescribed in the Articles of Incorporation.
 - (3) Filled in words other than names of people to be elected (including the legal person's name and name of representative), shareholder reference number, VAT number or ID number.
 - (4) Ballot papers were obliterated or altered.

- Article 9 A ballot paper of a person to be elected shall be null and void in the event of one of the following circumstances :
- (1) Illegible, unrecognizable in writing.
 - (2) Name of the person to be elected filled in is the same as that of the other shareholders or legal persons without shareholder numbers, VAT number or ID number to be identified.
 - (3) Where a person to be elected filled in is a shareholder of whom the name is not compliant with that specified in the Register of Shareholders, or a person to be elected filled in is a non-shareholder of whom the name and ID number are not in line with the results verified.
- Article 10 One voting box shall be placed for directors and another box for supervisors to be respectively and separately used in voting.
- Article 11 All ballots shall be counted on the spot under the supervision of ballot examiners in public after the vote is completed as well as the results shall be announced.
- Article 12 The elected directors and supervisors shall be respectively issued a notice of the elected by the Board of Directors and shall sign a “ Consent to Act as Director/Supervisor”.
- Article 13 All matters not otherwise provided for herein shall be subject to the provisions of the Company Act and relevant decrees.
- Article 14 The Rules hereunder shall be implemented after approval of shareholders’ meeting, and the same shall apply to the amendment.
- Article 15 The Rules hereunder was set on May 17, 2002.
The first amendment was completed on June 9, 2015.