

## **Chang Wah Technology Co., Ltd.**

### **Rules for Election of Directors**

Article 1: Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

Article 2: The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the

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shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

- Article 3: Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.
- Article 4: The ballot boxes for the election of directors shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 5: In accordance with the laws and regulations of the competent authorities, if the Company needs to establish independent directors, the number of seats and qualifications for their election shall be in accordance with the provisions of the competent authorities or laws and regulations.
- Article 6: The Company's directors shall be elected by the shareholders' meeting from among the persons with disposing capacity. The directors shall be elected by the candidates nomination system, and in accordance with the quotas set forth in the Company's Articles of Incorporation and the results of the election ballot, the persons elected with the higher number of votes (based on voting rights) shall be elected as independent directors and non-independent directors in order of the votes received. If two or more persons have the same number of votes and the required number of seats is exceeded, the winning candidates shall be determined by drawing lots, and the chair shall draw lots on behalf of the candidates who are not present. If the higher number of votes received for the election of independent directors is not an accounting or financial professional, the number of votes received by the candidates with accounting or financial expertise shall be calculated separately and the one with the highest number of votes shall be elected to one seat, and the remaining elected seats shall be subject to the preceding provisions. If a director elected in accordance with the preceding paragraph renounces his or her election before submitting the change of registration to the competent authority, or if it is verified that his or her personal information does not match or that his or her election is ineffective in accordance with the relevant laws and regulations, the vacant seat shall be filled by the eligible candidate with the second highest number of original voting rights.

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- Article 7: The following relationships may not exist among more than half of the Company's directors; item 4 shall not apply where the competent authority has granted approval:
1. the spouse
  2. blood relative within the second degree of kinship
  3. collateral relative within the third degree of kinship
  4. representative of the same legal entity
- Article 8: (Deleted)
- Article 9: Election ballots are prepared by the board of directors and distributed to each shareholder according to the number of persons to be elected. The number of votes assigned are based on the number of voting rights of each shareholder.
- Independent directors and non-independent directors shall be elected together and the number of elected seats shall be calculated separately.
- Article 10: If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.
- Article 11: A ballot is invalid under any of the following circumstances:
1. The ballot was not prepared by the board of directors.
  2. A blank ballot is placed in the ballot box.
  3. The writing is unclear and indecipherable or has been altered.
  4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity

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card number do not match.

5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.
7. The number of candidates entered in each ballot exceeds the number of seats required.

Article 12: The Company does not select a separate supervisor when the Audit Committee is established.

Article 13: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.  
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 ballots shall be retained until the conclusion of the litigation.

Article 14: The board of directors of the Company shall issue notifications to the persons elected as directors.

Article 15: These Procedures shall take effect after they have been approved by the board of directors and submitted to and approved by the shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.