

Swancor Holding Company Limited
Procedures for Election of Directors

2021.07.19

1.0 Purpose

1.1 To ensure a just, fair, and open election of directors, the Procedure is formulated pursuant to Articles 21 and 43 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

2.0 Scope

2.1 This procedure is applicable to the election of directors of the Company.

3.0 Authority

3.1 Shareholders' meeting: hosting the election of directors.

4.0 Explanation of terms

None.

5.0 Process Notes

5.1 Unless otherwise provided for in relevant laws and regulations or the Company's Articles of Incorporation, the directors of the company shall be duly elected in accordance with the Procedures specified herein.

5.2 The overall composition of the board of directors shall be taken into consideration in the selection of this Company's directors. The Company shall diversify Board composition and develop guidelines on diversity based on the operations, nature of business activities and development needs of the Company, including but not limited to the following two aspects: 1. basic conditions and values: gender, age, nationality and culture. 2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. The entire BOD shall possess the following abilities:

5.2.1 Capability to make sound business judgments

5.2.2 Accounting and financial analysis capabilities

5.2.3 Business management ability.

5.2.4 Crisis management capability

- 5.2.5 Industry knowledge
 - 5.2.6 Global market viewpoint
 - 5.2.7 Leadership skills
 - 5.2.8 Capability to make decisions
- 5.3 The following relationships may not exist among more than half of the Company's directors and at least more than one among the directors:
- 5.3.1 Spouse.
 - 5.3.2 A Relative within the second degree of kinship
- 5.4 The qualifications of the independent directors of the Company shall be in accordance with the provisions of Articles 2, 3 and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.
- The election of independent directors of the company shall be comply with Articles 5, 6, 7, 8, and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and shall be conducted in accordance with Article 24 and Article 43 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".
- 5.5 Elections of Company's Directors shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.
- The Company's Directors shall be duly elected by means of cumulative voting. Each common share with voting right is entitled to the number of ballots which are equivalent to the numbers of Directors to be elected. One person may be elected collectively or several persons may be elected separately.
- When it is necessary to amend the election method listed in the preceding paragraph, in addition to the provisions of Article 172 of the Company Act, a comparison table for the amendment of the method shall be listed in the reasons for convening the meeting.
- 5.6 Person with the right to call shall prepare separate ballots for directors in numbers corresponding to the directors 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 shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- 5.7 The number of directors and independent directors will be as specified in the Company's Articles of Incorporation, with voting rights separately calculated for

independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

5.8 Before the beginning of the election, the chairman shall designate a number of shareholders to supervise the casting of the ballots and a number of persons to count the ballots, each of which shall then respectively perform their relevant functions accordingly. The ballot box shall be prepared by the person with the right to call and opened to the public by the inspectors before the vote.

5.9 A ballot is deemed void if any of the following circumstances occurs:

5.9.1 A ballot was not prepared by the members with the convening right.

5.9.2 Any blank ballot.

5.9.3 Any ballot with illegible writing rendering it unrecognizable, or any ballot with corrections.

5.9.4 The candidates filled in are inconsistent with the list of candidates for directors.

5.9.5 Other words or marks are entered in addition to the number of voting rights allocated.

5.10 Ballots shall be counted at the spot upon completion of casting the ballots, and the elected directors including number of votes shall be announced by the Chairman.

The ballots shall be sealed and signed off by the ballot inspectors and be kept for at least a year. In the event a lawsuit regarding the Directors election under Article 189 of the Company Act, those ballots shall be archived until the conclusion of the lawsuit.

5.11 The Procedures and any amendments thereafter shall become effective upon resolution at the shareholders' meeting.

6.0 References

6.1 Company Act.

6.2 Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

6.3 Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies

7.0 Attachments

None.