

Swancor Holding Company Limited
Rules and Procedure for Shareholders Meetings

2021.07.19

1.0 Purpose

- 1.1 To establish a strong governance system and sound supervisory capabilities for this Company's Shareholders' Meetings, and to strengthen management capabilities for compliance.

2.0 Scope

- 2.1 The Rules are applicable to shareholders' meeting of the Company.

3.0 Authority

- 3.1 Stock affairs: notify shareholders and hold shareholders' meeting.
- 3.2 Board of directors: hold shareholders' meetings.

4.0 Explanation of terms

None.

5.0 Process Notes

- 5.1 Unless otherwise prescribed by relevant laws and ordinances or the Articles of Incorporation, the Company shall duly convene the shareholders' meeting exactly in accordance with these Rules.
- 5.2 Unless otherwise provided by law or regulation, this Company's shareholders meetings shall be convened by the board of directors.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall prepare the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders

at any time. They shall be displayed in the Company and the professional stock affairs agency appointed by the Company, and shall be issued at the shareholders' meeting.

The cause or subject of a meeting of shareholders to be convened shall be indicated in the individual notice to be given to shareholders; and the notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient thereof.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the meeting. None of the above matters may be raised by an extraordinary motion.

- 5.3 The attendance and voting at the shareholders' meeting shall be based on shares for calculation. The calculation of the number of shares present shall be based on the attendance register or sign-in cards submitted by the shareholders and those shares whose votes are exercised by mail or electronically via the internet.

For each event of a shareholder meeting, a shareholder may issue a proxy in the form printed by the Company to expressly stipulate the scope of authorized powers to authorize representative(s) to attend a shareholder meeting on his or her behalf.

A shareholder shall issue one proxy and entrust one proxy only, and shall deliver the proxy to the Company five days before the shareholders' meeting; if more than one proxy is delivered, the earliest one received by the Company shall prevail. However, a statement to revoke an earlier proxy is not subject to the aforementioned rule.

Where a shareholder intends to personally attend the shareholders' meeting or exercised voting rights by correspondence or electronic means after delivering a letter of attorney to this Company, the shareholder shall provide, two (2) days before the date of the shareholders' meeting, a printed notification to this Company for rescinding said letter of attorney. Where the period for rescinding the letter of attorney has expired, the voting right exercised by the commissioned agent attending the meeting shall prevail.

- 5.4 The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration

shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

- 5.5 The Company shall, in the notice of the shareholders' meeting, specify the time and place for shareholder registration, and other important matters.

Registration for shareholders referred to in the preceding paragraph shall begin at least thirty minutes before the meeting. There shall be clear signs and sufficient and adequate staff at the registration desk.

Shareholders or the power of attorney of a proxy (the shareholder) attending the Meeting shall have attendance card, sign-in card or other certificate of attendance issued by the Company. The Company shall not arbitrarily add other supporting documents for the attendance of the meeting. The proxy Solicitor shall provide ID documents for verification.

The Company shall deliver the handbook, annual report, attendance card, speaker's slip, votes, and other meeting materials to each shareholder attending the shareholders' meeting; if there are directors to be elected, ballots shall also be provided.

When a government or a juridical person is a shareholder, it may have more than one representative to attend the shareholders' meeting. In the event that a juristic (corporate) person is entrusted to participate in a shareholder meeting, that juristic (corporate) person may appoint only one representative to participate in the meeting.

- 5.6 If a shareholders' meeting is convened by the board of directors, the Chairman shall preside at such meeting. If the Chairman is on leave or unable to exercise his powers and duties for any reason, the Vice Chairman shall preside at such meeting. The Chairman shall designate a managing director to preside as the chairman if a Vice Chairman is not appointed, or if the Vice Chairman is on leave or unable to exercise his powers and duties for any reason. If no managing director is appointed, the Chairman shall designate a director to preside as the chairperson. If the Chairman fails to designate a chairperson for the meeting, the managing director or the directors shall nominate one from among themselves to preside at the meeting.

A managing director or a director who is designated as the chairperson for the meeting pursuant to the preceding paragraph shall have held office for at least six months and be familiar with the financial and business condition of the Company. The same requirements shall apply if the chairperson for the meeting is a director representative of a juristic person.

For a Shareholders' Meeting convened by the Board of Directors, it is advised that the Chairman chairs the meeting, that a majority of Directors attend the meeting in person, and that at least one member of all functional committees attend the meeting

as a representative. Attendance details shall be recorded in the minutes of the Shareholders' Meeting.

If a shareholders' meeting is convened by a person with the right to call other than the board of directors, the chairman shall be the person with the right to call. In case of two or more conveners, one of them shall be elected from among themselves to chair the meeting.

The Company may appoint the retained Attorney(s)-at-Law, Certified Public Accountant(s) or relevant personnel to participate in a shareholder meeting as an observer.

- 5.7 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The aforementioned audio and video recordings shall be kept for at least one (1) 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.
- 5.8 The calculation of the number of shares present shall be based on the attendance register or sign-in cards submitted by the shareholders and those shares whose votes are exercised by mail or electronically via the internet. The chairperson shall call the meeting to order at the time scheduled for the meeting, as well as announcing information such as the number of shares with no voting right and shares present. In the event that the meeting is attended by shareholders representing less than half of the total issued shares, the chairperson may announce a postponement of the meeting, however, there may not be more than two postponements in total and the total time accumulated in the postponement(s) shall not exceed one hour. In the event that the meeting is still attended by shareholders representing less than one-third of the total issued shares after two postponements, the chairperson may announce that the meeting should be canceled.

In the event that the meeting is attended by shareholders not up to the specified quorum but representing more than one-third of the total issued shares after two postponements in the preceding paragraph, a tentative resolution may be passed in accordance with Article 175, paragraph 1 of the Company Act, and the tentative resolution shall be notified to the shareholders to call the shareholders' meeting again within one month.

In the event that the total number of shares represented by attending shareholders reaches a majority of the total issued shares before that same shareholder meeting is adjourned, the chairperson may bring the tentative resolution(s) so adopted into the shareholder meeting in accordance with Article 174 of the Company Act and re-submit to the shareholders' meeting for voting.

- 5.9 The agenda for the shareholders' meeting shall be set by the Board of Directors if such meeting is convened by the Board of Directors. Unless otherwise resolved by resolution at the meeting, the meeting shall be carried out in accordance with the scheduled agenda.

The preceding paragraph shall apply mutatis mutandis to meetings convened by any person, other than the Board of Directors, with the authority to convene such meeting. A shareholder holding 1 percent or more of the total number of issued shares may submit a proposal to the Company for discussion at a regular shareholders meeting. The proposal is limited to one item. Any proposal with more than one item shall not be included in the proposal. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. Shareholders may submit suggestive proposals to urge this Company to promote the public interest or fulfill its social responsibilities. It shall be limited to one proposal in terms of the procedure in accordance with the Article 172-1 of the Company Act. Any proposal in excess shall be excluded from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

The chairperson shall not announce adjournment of the meeting until the agenda in the preceding paragraph is completed (including extempore motions) unless duly resolved in the meeting.

- 5.10 Prior to speaking at the meeting, an attending shareholder shall submit a slip of paper summarizing his/her/its comments and/or questions and specifying his/her/its shareholder account number (or the attendance ID number) and the account name of the shareholder, in order for the chairman to determine the speaking order.

An attending shareholder who submits a slip of paper but does not speak at the meeting is deemed to have not spoken. In the event of any inconsistency between the

contents of shareholder's speech and those recorded on the slip, the contents of shareholder's speech shall prevail.

On the same issue, each shareholder shall not take the floor more than twice and a shareholder shall not speak more than five minutes for each round unless agreed upon by the chairperson. However, if a shareholder's speech violates the rules or goes beyond the scope of the topic, the chairman may stop him/her from speaking.

When an attending shareholder is speaking at the meeting, no other shareholder shall interrupt the speaking shareholder unless otherwise permitted by the chairperson and such speaking shareholder; the chairperson shall stop any such violations.

In the event that a juristic (corporate) person shareholder appoints two or more representatives to participate in a shareholder meeting, only one representative may speak for the same issue.

After a shareholder speaks on the floor; the chairperson may answer either by himself or herself or through a designee.

- 5.11 The voting by shareholders shall be duly calculated based on the number of shares they hold.

With respect to the resolutions of a shareholders' meeting, the number of shares held by a shareholder without voting rights shall not be counted toward the total number of issued shares.

When a shareholder is an interested party in relation to an item on the agenda, and there is the likelihood that such a relationship would prejudice the interests of the Company, such a shareholder shall not vote on that item, and shall not exercise voting rights as a proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be counted toward the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the counting.

- 5.12 A shareholder shall have one voting power in respect of each share; however, this limit is not applicable to those who are restricted, or who do not have the right to vote under Paragraph 2, Article 179 of the Company Act.

When the Company convenes a shareholders' meeting, shareholders may exercise their voting right in written or electronic form; when they exercise their voting right in writing or electronic form, the exercise method shall be specified in the notice of convening the shareholders' meeting. A shareholder who exercises his/her voting power at a shareholders meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person. However, the questions and motions of the shareholders' meeting and the amendment to the original proposal are deemed to be a waiver.

A shareholder intending to exercise voting rights by correspondence or electronic transmission under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. However, when a declaration is made to cancel an earlier declaration of intent is not subject to the limits.

After a shareholder has exercised his voting rights in writing or electronically, if he wishes to attend the meeting in person, he shall withdraw, in the same manner, the previous exercise of voting rights no later than 2 days before the shareholders' meeting. Once the withdrawal is overdue, the previous exercise of voting rights in writing or electronically shall prevail. If the voting rights are exercised in writing or via electronic means and a proxy is entrusted to attend the shareholders' meeting by a power of attorney, the voting rights exercised by the attending entrusted proxy shall prevail.

Unless otherwise provided for in the Company Act and the Company's Articles of Incorporation, decisions at the shareholder meeting shall be resolved by a majority vote of the shareholders attending the meeting. When voting, the chairperson or his/her designated person shall announce the total number of voting rights of the shareholders present, and then the shareholders shall vote on a case by case basis. On the day after the shareholders' meeting, the results of the shareholders' consent, opposition and abstention shall be input into the MOPS.

In the event that an amendment or a substitute comes out of the same issue, the chairperson shall fix the order of balloting in consolidation with the original issue. When one among them is duly resolved, other issue(s) is (are) deemed to have been vetoed and no voting process is required.

The person(s) supervising the casting of the ballots and the person(s) counting the ballots are designated by the chairperson, provided that the person(s) supervising the casting of the ballots shall be a shareholder. The recording procedure of issues of shareholder meetings shall be processed publicly in shareholder meetings and the results including statistical weights shall be reported on the spot and shall be recorded into the minutes of the meeting.

- 5.13 The election of directors at the shareholders' meeting, if any, shall be handled according to the relevant regulations on election formulated by the Company, and the voting results shall be announced on the spot, including the list of elected directors and the numbers of votes, as well as the list of unelected Directors and the respective number of votes received.

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.

- 5.14 Resolutions of the shareholders' meeting shall be recorded as minutes and handled in accordance with Article 183 of the Company Act.

With regard to the resolution methods in the preceding paragraph, if no objection is voiced by any of the shareholders when inquired by the Chairman, the wordings, "The proposal is approved by a unanimous consent of all attending shareholders upon inquiry from the Chairman", shall be recorded. For proposals where shareholders voice objections, the adoption of ballot casting method, number of votes, and its percentage of total shall be clearly stated.

- 5.15 On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by the proxies and shall make an express disclosure of the same at the place of the shareholders' meeting.

For any shareholders' meeting resolution that relates to statutory regulations or to material information as specified by the Taiwan Stock Exchange Corporation (or Taipei Exchange), the Company shall upload, within the specified time limit, said resolution to the MOPS.

- 5.16 Staff at the shareholders' meetings shall wear ID badges or arm badges.

The chairman may direct patrol personnel or security personnel to assist in maintaining the order of the meeting. Such patrol personnel or security personnel shall wear arm badges or ID badges marked "Patrol Personnel" while assisting in maintaining the order of the meeting.

There is amplification equipment at the meeting place, if a shareholder makes a speech with amplification equipment not provided by the Company, the chair may stop it.

In the event that a shareholder violates the Rules Governing the Proceedings of Shareholder Meetings, defies the chairperson's rectification or obstructs progress of the meeting or objects to the action to stop him or her, the chairperson may instruct the rectification or security personnel to ask the shareholder to leave the meeting.

5.17 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

The shareholders' meeting may resolve to postpone the meeting for a period of no more than five (5) days or continue the meeting pursuant to the provisions of Article 182 of the Company Act.

5.18 These Rules and any amendments hereof shall be put into enforcement after being resolved at the shareholder meeting.

6.0 References

6.1 Company Act.

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

7.0 Attachments

None.