

# **ABILITY ENTERPRISE CO., LTD**

## **Method of Election of Directors**

- Article 1: The election of directors of the Company shall be conducted in accordance with these regulations.
- Article 2: The election of directors of the Company shall be conducted during the shareholders' meeting.
- Article 3: The election of directors of the Company shall adopt the cumulative voting method. In the process of electing directors, 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. The board of directors shall prepare 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.
- Article 4: As for the Company's election of independent and non-independent directors, the number of 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 coordinate and determine who is the winner among them by themselves. If coordination cannot be done, the position will remain vacant.
- Article 5: At the beginning of the election, the Chairman shall appoint several persons each to check, record the ballots, and other related missions. The persons to check the ballots shall be a shareholder.

Article 6: The ballot box used for the Company's election of directors shall be prepared by the board of directors, and be checked in public by the person to check the ballots before voting.

Article 7: If the candidate is a shareholder of the Company, voters shall fill in the "candidate" column the candidate's name and shareholder's number. If the candidate is not a shareholder, voters shall fill in the "candidate" column the candidate's name, the candidate's ID number. If the candidate is a government agency or shareholder of a legal entity, the "name of the candidate" column on the ballot shall be filled in either the name of government or the legal entity; or may as well be the name of government or the legal entity and the name of the responsible person. Under the circumstances that there are several responsible persons, each name shall be listed respectively.

Article 8: Ballots shall be deemed invalid under the following conditions:

- (I) Ballots not prepared by the board of directors.
- (II) Blank ballots not completed by the voter.
- (III) Illegible writing, or if anything on the ballot being erased and changed.
- (IV) If the candidate is a shareholder of this Company, the name or shareholder's number of the candidate filled in the ballot is inconsistent with the shareholders' register. If the candidate is not a shareholder of this Company, the name or ID number of the candidate filled in the ballot is incorrect.
- (V) Ballots with other written characters or symbols in addition to candidate's name, shareholder's number (ID number) and the number of votes cast for the candidate.
- (VI) The name of the candidates filled in the ballots being the same as another candidate's name and the respective shareholder's numbers (ID numbers) not being indicated to distinguish them.

Article 9: The ballots should be calculated during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting, including the list of elected directors and the number of votes cast for each candidates. 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 10: The Company shall issue notifications to the directors elected.

Article 11: Any matters that are not mentioned in this regulation, shall follow Company Act or any other related legal regulations.

Article 12: These Rules and any revision thereof shall become effective after approval at the shareholders' meeting.

Article 13: This regulation was established on June 15, 1992.

The first amendment was made on May 31, 2001.

The second amendment was made on May 27, 2002.

The third amendment was made on June 11, 2007.

The fourth amendment was made on June 29, 2016.