

# **Qisda Corporation**

## **Director election method**

- Article 1      The selection of directors of the company shall be conducted in accordance with this method unless otherwise provided by laws or articles of incorporation.
- Article 2      The election of directors of the company shall take place during the shareholders' meeting.
- Article 3      The election of directors of the company shall use a single-named cumulative voting system.
- Article 4      In the election of directors of the company, each share shall have a voting right corresponding to the number of directors to be elected. The votes obtained shall represent the voting rights of the candidates. The candidate with the most votes shall be elected as a director.
- Article 5      Company directors shall be selected from individuals with legal capacity by the shareholders' meeting. Based on the provisions of the company's articles of incorporation and the results of the election votes, candidates with the most votes shall be sequentially elected as independent or non-independent directors. A drawing will determine the winner if two or more candidates have the same number of votes and exceed the stipulated quota. If the candidate is absent, the chairperson shall draw on their behalf.
- Votes for the election of directors shall be counted separately for independent and non-independent directors.
- Article 6      When the board of directors prepares the ballots, they should indicate the number of voting rights. The board of directors shall prepare the ballot box and be publicly inspected by the scrutineer before voting.
- Article 7      At the beginning of the election, the chairperson shall appoint scrutineers and vote counters to oversee and count the votes.
- Article 8      The company shall announce the period for accepting nominations for director candidates, the number of directors to be elected, the place of acceptance, and other necessary matters before the suspension of stock transfer before the shareholders' meeting. The election of directors of the company adopts a candidate nomination system, and the board of directors of the company or shareholders holding more than one percent of the total issued shares may, in accordance with the provisions of company law, provide a list of recommended candidates for the next term of directors. The eligibility of director candidates of the company shall be processed in accordance with relevant

laws and regulations.

Article 9 Shareholders shall select directors from the list of director candidates. If the candidate is a shareholder, the shareholder must indicate the candidate's name and shareholder account number in the candidate's ballot column. The candidate's name and ID document number must be shown if the candidate is not a shareholder. However, if the candidate is a government agency or a legal entity shareholder, the candidate's name column on the ballot shall list the name of the government agency or legal entity. The representative's name may also be listed; if there are multiple representatives, their names shall be listed separately.

Article 10 Ballots shall be deemed invalid under the following circumstances:

1. Ballots not in accordance with the provisions of this method.
2. Blank ballots are inserted into the ballot box.
3. Illegible handwriting or alterations that make identification impossible.
4. The candidate's name filled in does not match the published list of candidates.
5. In addition to the matters stipulated in Article 10, other text or symbols are present.
6. Failure to complete or provide the information required by Article 10.
7. The names of two or more candidates for the same position on a single ballot.

Article 11 After the voting, the ballots shall be counted on the spot. After the scrutineer confirms the vote count is accurate, the chairperson shall announce the list of elected directors on the site.

Article 12 The Principles will be taken into effect after the BOD adopts the resolution, same as amendment.

Article 13 The Principles were enacted on June 12, 2012.