

## **Director Election shall be pursuant to the nomination system**

The Company shall have at least five but no more than thirteen directors to be elected at the shareholders' meeting by the shareholders from any person with legal capacity in accordance with the Company Law. The term of office for directors shall be three years. All of the directors are eligible for re-election.

To conform to the Securities and Exchange Act, the Company shall have, among the aforementioned directors, at least two independent directors, and the number of independent directors shall be no less than one-fifth of the total number of the directors. The directors (including independent directors) shall be elected from among the nominees listed in the roster of director candidates pursuant to the candidates nomination system.

The company shall, prior to the share transfer suspension date dedicated before the meeting date of a shareholders' meeting, announce in a public notice, the period for accepting the nomination of director candidates, the quota of directors to be elected, the place designated for accepting the roster of director candidates nominated, and other necessary matters. The length of the period for accepting the nomination of director candidates shall not be shorter than ten (10) days.

Any shareholder holding 1% or more of the total number of outstanding shares issued by the company may submit to the company in writing a roster of director candidates, provided that the total number of director candidates so nominated shall not exceed the quota of the directors to be elected. This restrictive condition shall also be applicable to the roster of director candidates nominated by the board of directors of the company.

The roster of director candidates submitted by a shareholder as prescribed in the preceding Paragraph shall be annexed with the name, education background and past work experience of the director candidates, the letter of understanding issued by each director candidate to consent to act as director after he/she/it has been elected as such, a written statement issued by each director candidate assuring that he/she/it is not under any of the circumstances set forth in Article 30 of this Act, and other evidential documents executed and provided by each director candidate. If a director candidate is a juristic person shareholder or its representative, additional information and documents reflecting the basic registration information of the said juristic person shareholder and the document certifying the number of shares of the company in its possession.

The board of directors shall examine and/or screen the data and information of

each director candidate nominated; and shall, unless under any of the following circumstances, include all qualified director candidates in the final roster of director candidates accordingly:

1. Where the roster of director candidates is submitted by the nominating shareholder beyond the deadline fixed for accepting such candidates roster;
2. Where the number of shares of the company being held by the nominating shareholder is less than 1% of the total number of outstanding shares of the company at the time when the share transfer registration is suspended by the company in accordance with the provisions set out in Paragraph II or Paragraph III, Article 165 of this Act;
3. Where the number of director candidates nominated exceeds the quota of the directors to be elected; or
4. Where the relevant evidential documents required in this Article are not submitted along with the roster of director candidates.

The processes of the operation for examining and/or screening the director candidates nominated shall be recorded in writing and such records shall be retained in the file for a period of at least one year, provided, however, that if any shareholder has instituted a lawsuit against the result of directors election, the foregoing records shall be retained in the file until the legal proceedings of the foregoing lawsuit have been concluded.

The company shall, no later than 40 days prior to the scheduled meeting date of a regular shareholders' meeting or no later than 25 days prior to the scheduled meeting date of a special shareholders' meeting, have the roster of director candidates and their education background and past work experience, the number of shares of the company held by them, the name(s) of the government agency or the juristic person shareholder represented by them, and other relevant and essential information published in a public notice; and shall inform the nominating shareholders of the examination /screening results. With regards to the director candidates not included in the list of qualified director candidates, if any, the cause thereof shall also be made known to the nominating shareholders of such disqualified director candidates.

At the Company's 2012 Annual General Shareholders' Meeting, the independent directors were elected from among the nominees listed in the roster of director candidates pursuant to the candidates nomination system in Article 192-1 of the Company Law; hereof shall apply mutatis mutandis to the election of directors.