

# ITEQ CORPORATION

## Rules for Election of Directors

- Article 1 In order to provide a fair, just, and open procedure for the election of directors, the Rules for election of directors was established in accordance with Article 21 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”. Unless otherwise provided in relevant laws and regulations or the Corporation’s Articles of Incorporation, the directors of the Corporation shall be elected in accordance with the rules specified herein.
- Article 2 The cumulative voting method shall be used for election of the directors at the Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 3 Elections of directors at the Corporation shall be conducted in accordance with the candidate nomination system. The number of directors will be as specified in the Corporation’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 chairperson drawing lots on behalf of any person not in attendance.
- The number of voting rights in the preceding paragraph shall be calculated based on the number of voting rights on site at the shareholders’ meeting plus the number of voting rights by electronic voting.
- Article 4 Before the election begins, the chairperson shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.
- Article 5 The Board of Directors 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.
- Article 6 The ballot boxes used for election of directors shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 7 If a candidate is a shareholder, a voter must enter the candidate’s account name and shareholder account number in the “candidate” column of the ballot; for a non-shareholder, the voter shall enter the candidate’s full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate’s account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the

name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 8 A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared according to the Rules.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Other words or marks are entered in addition to the candidate's account name and shareholder account number or identity card number.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.
7. Two or more candidates are entered on the same ballot.

Article 9 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chairperson on the site.

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 Board of Directors of the Corporation shall issue notifications to the persons elected as directors separately.

Article 11 Any matters not set forth herein shall be governed by the Company Act and applicable laws and regulations.

Article 12 These Rules shall become effective after approval by the shareholders' meeting on June 20, 2002 and the same shall apply to any revision.

The 1st amendment was made on June 15, 2007.

The 2nd amendment was made on June 15, 2018.