


Content

Title :	Regulations Governing the Administration of Shareholder Services of Public Companies 
Date :	2015.12.21
Legislative :	<p>7. Articles 1-1, 2, 2-1, 2-2, 2-3, 2-4, 2-5, 2-6, 2-7, 5 and 19 were amended by the Securities and Exchange Commission of the Ministry of Finance, per its order dated September 21, 2000 Ref. No. (89) Taiwan-Finance-Securities (3) 03919.</p> <p>8. Article 29-1 added by the Securities and Exchange Commission of the Ministry of Finance, per its order dated December 29, 2000 Ref. No. (89) Taiwan-Finance-Securities (3) 05501.</p> <p>9. Fifty articles amended and promulgated in full by the Securities and Exchange Commission of the Ministry of Finance, per its order dated October 7, 2002 Ref. No. Taiwan-Finance-Securities (3) 0910005178.</p> <p>10. Article 12-1 added and article 49 deleted 15 May 2003 per Order No. Taiwan-Finance-Securities-III-0920002112 of the Securities and Futures Commission, Ministry of Finance</p> <p>11. Article 18 amended and promulgated 30 October 2003 per Order No. Taiwan-Finance-Securities-III-0920004473 of the Securities and Futures Commission, Ministry of Finance.</p> <p>12. Articles 2 to 5, 18 to 20, 22, and 24 amended and promulgated and articles 22-1, 34-1, 49-1 added 29 November 2004 per Order No. Financial-Supervisory-Securities-III-0930005759 of the Securities and Futures Commission, Ministry of Finance.</p> <p>13. Articles 3-1 and 44-1 to 44-8, and Chapter II-1, added and issued 15 December 2005 per Public Announcement No. Financial-Supervisory-Securities-III-0940005859 of the Financial Supervisory Commission, Executive Yuan.</p> <p>14. Articles 4, 33, and 49-1 amended and issued 14 February 2007 per Order No. Financial-Supervisory-Securities-III-0960006127 of the Financial Supervisory Commission, Executive Yuan</p> <p>15. Articles 19, 35, 36, and 50 amended and issued per 20 November 2009 Order No. Financial-Supervisory-Legal-09800716240 of the Financial Supervisory Commission, Executive Yuan; Article 19, paragraph 2, and Articles 35 and 36 to be implemented from 23 November 2009</p> <p>16. Articles 19, 35, and 36 amended and issued, and Article 12-2 added per 11 February 2010 Order No. Financial-Supervisory-Securities-Trading-0990006973 of the Financial Supervisory Commission, Executive Yuan</p> <p>17. Articles 2, 3, 4, 6, 9, 12-2, 16, 20, 22, 23, 29, 30, 38, 40, 41, 43, 44-1, and 44-3 amended and issued, Articles 3-2 to 3-4 added, and Articles 17, 31, 34, and 49-1 deleted per 11 April 2013 Order No. Financial-Supervisory-Securities-Trading-1020012999 of the Financial Supervisory Commission</p> <p>18. Articles 14 and 49-2 amended and issued per 23 December 2013 Order No. Financial-Supervisory-Securities-Trading-1020051039 of the Financial Supervisory Commission</p> <p>19. Article 24 amended and issued per 21 December 2015 Order No. Financial-Supervisory-Securities-Trading-1040051422 of the Financial Supervisory Commission</p>
Content :	<p>Chapter I General Provisions</p> <p>Article 1</p> <p>These Regulations are prescribed in accordance with Article 22-1, paragraph 2 of the Securities and Exchange Act (the "Act").</p> <p>Article 2</p> <p>The shareholder services referred to in these Regulations include the following affairs:</p>

1. Opening of account, change of basic shareholder information, etc. for a shareholder.
2. Transfer of share ownership, creation of pledge, removal of pledge, reporting of loss, canceling report of loss, etc. and the merger or split of stocks.
3. Holding shareholders' meetings.
4. Distribution of cash and stock dividends.
5. Rights issue stock affairs.
6. Affairs regarding printing of share certificates by a third party.
7. Shareholder's inquiry or other affairs related to stocks required by government regulations.
8. Other shareholder services approved by the Financial Supervisory Commission (hereinafter referred to as "this Commission").

#### Article 3

Shareholder services of a public company (hereinafter referred to as "company") may be entrusted to a third party. Such parties shall be limited to integrated securities firms and to those banks and trust enterprises that are permitted by law to handle shareholder services for others.

To assist companies to successfully convene shareholders' meetings, companies limited by shares meeting the following conditions also may be entrusted to handle matters in connection with shareholders' meetings:

1. have paid-in capital of not less than NT\$200 million;
2. shareholders operating securities firm business under the Act hold an aggregate of more than 50 percent of the total number of the issued shares of the company, and any individual securities firm holds no more than 10 percent of the total number of the issued shares of the company;
3. at least one-third of the directorships of the company are held by independent directors;
4. personnel and the internal control system comply with the requirements of Articles 4 and 6.

In handling shareholder services, the company, or the institution entrusted by the company to handle such shareholder services (hereinafter referred to as a "shareholder services agent"), shall pay attention to upholding the rights and interests of the shareholders and the security of securities transactions.

If a company whose shares are listed on the stock exchange or traded on the OTC market handles its own shareholder services, its personnel, facilities, and internal control system shall comply with the requirements of these Regulations.

During a period in which a listed or OTC-traded company entrusts its shareholder services under the preceding paragraph to a shareholder services agent, it may not revert to handling those services in-house, with the exception of notifications for and issuance of cash dividends and capital increase shares for employees, directors, supervisors, and any shareholder holding more than 10 percent of the total issued shares of the company. When carrying out the above operations, the provisions of Articles 4 and 5 do not apply with respect to the employees carrying out the operations and the facilities used.

Companies applying for the first time for stocks to be listed on the stock exchange or to be traded in the OTC market shall, before the stocks are

listed or traded, publicly announce and report the name and place of the institution handling company shareholder services to the stock exchange and the OTC securities exchange for record and also notify the centralized securities depository enterprise.

For stocks that are listed on the stock exchange or traded in the OTC market, when the unit handling the company's shareholder services changes its business location, it shall publicly announce and report the fact to the stock exchange and the OTC securities exchange within three days from the decision, and shall also notify this Commission and the centralized securities depository enterprise. A shareholder services agent that is engaged to handle shareholder services for a company with stocks listed on the stock exchange or traded on the OTC market shall be required to make the same public announcement and reports when it enters into or terminates an agreement entrusting it with the handling of shareholder services or when it changes its business location.

If a company is not listed on the stock exchange or traded in the OTC market and its stocks are in the custody of a centralized securities depository enterprise, or it has not printed stock certificates and its stocks are registered with a centralized securities depository enterprise, then prior to delivering the stocks into custody or registering the stocks, the company shall notify the centralized securities depository enterprise of the name and the business location of the unit handling its shareholder services; when the company changes the agent handling its shareholder services or there is a change in the business location of the unit handling its shareholder services, it shall notify the centralized securities depository enterprise within three days after the decision.

This Commission or the institutions designated by this Commission may examine the shareholder services and internal control systems of any organizations handling shareholder services.

Should any dispute occur over law or regulation or any other uncertainty arise with respect to the handling of shareholder services business, the above-stated designated institutions may call together concerned bodies to deliberate and prepare an opinion on the handling of such matters, and submit it via letter to this Commission.

#### Article 3-1

A company referred to in paragraph 2 of the preceding article shall submit to an institution designated by this Commission relevant documents evidencing that it meets the conditions. It may not accept a mandate to handle matters in connection with shareholders' meetings until after the institution has reviewed the documents and forwarded them in a report to this Commission for recordation.

This commission or an institution designated by this Commission may from time to time inspect the qualifications of a company referred to in the preceding paragraph, and the company may not refuse inspection. A company that refuses inspection shall be deemed unqualified, and shall be prohibited from accepting a mandate to handle matters in connection with shareholders' meetings for a period of three years. If upon inspection a company is found to be unqualified in any way, and fails to make supplementations or corrections within a deadline upon being notified to do so by this Commission or an institution designated by this Commission, it

may not accept a mandate to handle matters in connection with shareholders' meetings until such time as it has made the supplementations or corrections.

When there is any change to the paid-in capital, or to a securities-firm shareholder, independent director, or supervisor or deputy supervisor, or any amendment to the internal control system, of a company referred to in paragraph 1, the company shall report to an institution designated by this Commission within five days after the change or amendment.

If a company fails to comply with the preceding paragraph, or fails to make supplementations or corrections within a deadline upon being notified to do so by this Commission or an institution designated by this Commission, it may not accept a mandate to handle matters in connection with shareholders' meetings until such time as it has made the supplementations or corrections.

#### Article 3-2

When a company that is listed on the stock exchange or traded on the OTC market makes a change from outsourcing shareholder services matters to handling those matters in-house, it shall be done through the passage of a resolution by the shareholders meeting and application to and approval by the institution designated by this Commission.

When a company's application under the preceding paragraph to handle its own shareholders services has been approved, then within three days, calculated from its receipt of the approval from the institution designated by this Commission, the company shall report the approval to the stock exchange or the OTC securities exchange and publicly announce it, with a copy to this Commission.

#### Article 3-3

When a company that is listed on the stock exchange or traded on the OTC market terminates the agreement of entrusting its shareholder services matters to the shareholder services agent, or the handling of those matters is terminated by the shareholder services agent that handles them on its behalf, or when, by order of the competent authority, it must entrust the handling of shareholder services matters to another shareholder services agent, and it therefore makes a change in its shareholder services agent, the company shall in each case do so through the passage of a resolution by the board of directors, and after entering into an agreement with the new shareholder services agent, shall report the matter to the institution designated by this Commission for recordation.

When a company has made a change in its shareholder services agent pursuant to the preceding paragraph, then within three days, calculated from its receipt of the letter indicating recordation by the institution designated by this Commission, the company shall report the change to the stock exchange or the OTC securities exchange and publicly announce it, with a copy to this Commission.

#### Article 3-4

When a company that is listed on the stock exchange or traded on the OTC market handles its own shareholder services, if it is deemed likely by any shareholder who has held 3 percent or more of the total issued shares of the company for a continuous period of one year or more, or by the Securities and Futures Investors Protection Center, that the company's

handling of matters relating to shareholders meetings is detrimental to shareholder rights and interests, then that party, 10 days prior to the first day of the book closure period, may apply to the institution designated by this Commission to have the upcoming shareholders meeting handled by a shareholder services agent.

The company of the preceding paragraph, upon its receipt of the letter of approval from the institution designated by this Commission, and within the deadline specified by that institution, shall entrust matters relating to the holding of the upcoming shareholders meeting to a shareholder services agent, and shall submit the agreement entered into with that shareholder services agent to the institution designated by this Commission for recordation.

When the company fails to proceed as specified in the preceding paragraph, the institution designated by this Commission will designate a shareholder services agent to handle matters relating to the upcoming shareholders meeting. The centralized securities depository enterprise shall deliver the list of stock owners to the newly designated shareholder services agent within 3 days from the first day of the book closure period.

Fees for the handling of shareholders meeting matters by the agent designated pursuant to the preceding paragraph shall be borne by the company.

Within 3 days after its receipt of the letter of paragraph 2 indicating recordation, or the letter of paragraph 3 designating a shareholder services agent, the company shall report the matter to the stock exchange or the OTC securities exchange and publicly announce it, with a copy to this Commission.

#### Article 4

Any company whose shares are listed on the stock exchange or traded on the OTC market and that handles its own shareholder services, or any shareholder services agent of such a company, when handling shareholder services, shall allocate a sufficient number of personnel, provide them with appropriate training and management, and meet the following conditions:

1. At least one of the shareholder services agent's supervisory personnel must possess at least 5 years of practical experience in shareholder services operations; at least one-third of the remaining shareholder services business personnel, and no less than 5 in all, must meet one of the following criteria. However, this ratio requirement does not apply if at least 20 business personnel handling shareholder services meet the criteria:

A. Have three or more years of practical experience in shareholder services.

B. Are an agent or senior agent of a securities firm.

C. Have successfully passed the shareholder services examination held by an institution designated by this Commission.

2. If a company handles its own shareholder services, at least 1 of its supervisory personnel must have 5 or more years of practical experience in shareholder services, and at least 5 of the business personnel that handle shareholder services shall meet one of the qualifications set out under the preceding subparagraph.

Personnel of a shareholder services agent who are counted toward the minimum standards for numbers of personnel set forth in the preceding paragraph shall be full-time employees. At a company that handles its own stock registrar and transfer services, at least three of the personnel counted as meeting the qualifications of the preceding paragraph shall be full-time employees, and the remainder may be part-time employees.

The associated persons who handle shareholder services shall participate in education and training courses related to shareholder services that are held by the institution designated by this Commission, in accordance with the number of such course hours required by that institution.

If a company handles shareholder services for itself, or on behalf of another, for stock of a company that is already listed or traded on the OTC market, it shall report the basic information of the supervisory and business personnel for such services to the institution designated by this Commission before such employees carry out their duties, and file a summary report of any changes thereto by the 15th day of the month following the month in which such changes occurred.

#### Article 5

Companies whose shares are listed on the stock exchange or traded on the OTC market and who handle their own shareholder services, and shareholder services agents, must have facilities for handling shareholder services complying with the rules below:

1. Must have the necessary computer facility and chop comparison/verification equipment.
2. Must have a safe equipped to deal with fire, floods, and burglars, and establish and follow rules for management of the safe.

Companies whose shares are not listed on the stock exchange or traded on the OTC market and who handle their own shareholder services shall have a safe storage room and shall establish and follow rules for management of their storage room, as well as have sufficient watch equipment and other facilities.

The provisions of the preceding paragraph shall apply to the facilities for self-handling of shareholder services of companies whose shares are listed on the stock exchange or traded on the OTC market and who issue all their stock in scripless form.

#### Article 6

A company that handles its own shareholder services, or a shareholder services agent handling shareholder services on behalf of a company, shall adopt an internal control system in accordance with the rules establishing standards for the internal control systems of shareholder services units that have been set by the institution designated by this Commission; dedicated employees shall be assigned to carry out internal audits on a regular or irregular basis and prepare written records of the audits, which are to be retained for inspection.

A company or a shareholder services agent shall handle shareholder services in accordance with laws and regulations and the provisions of its internal control system.

If a company or a shareholder services agent violates the provisions of either of the two preceding paragraphs, and is issued an official reprimand or a disposition by this Commission, it may no longer handle shareholder

services for itself or for the company involved in the violation. The rules establishing standards for the internal control systems of shareholder services units which are to be set by the institution designated by this Commission pursuant to paragraph 1 shall be submitted to this Commission for ratification. The same shall be true for any amendment to those rules.

#### Article 7

The computer software used by the company or the shareholder services agent shall have an automatic inspection capability: in addition to regular inspections of the system and backing up of files, it shall keep a record of the tracking of the system's operations, the explanations of file structure, and the explanations of the systems control, and backing up files and shall be stored at a different location.

#### Article 8

For stocks not taken by shareholders and for blank spare corporate stocks, the company or the shareholder services agent shall establish management procedures and inventory plans and shall keep them on file for inspection. A company that for itself, or as entrusted by another company, handles shareholder services of a company whose stock is listed on the stock exchange or traded in the OTC market shall file the management procedures and inventory plans referred to in the preceding paragraph for recordation with the institution designated by this Commission, and shall do the same upon any amendment thereto.

#### Article 9

For stocks received from the centralized securities depository enterprise and temporarily kept due to a stock split or from a shareholder due to an application for transfer, or for reissuance due to a merger or split, the company or shareholder services agent shall keep a daily record and specially assign someone to be in charge of its storage.

#### Article 10

When handling shareholder services, a shareholder services agent shall open a special account with a bank for the receipt and payment of funds under its custody and shall not use the funds in such account for other purpose, unless the shareholder services agent is operated by a financial institution, in which case it shall follow the provisions of the Banking Act.

#### Article 11

Where a shareholder of a company processes shareholder services or exercise other related rights in writing, such writing shall be signed or chopped with the specimen chop.

Where matters under the preceding paragraph are handled by means of signature, if the company or the shareholder services agent is unable to discern whether the signature was made by the shareholder himself or herself, it may request the shareholder to appear at the company and sign in person, and present a National Identity Card, residence certificate, passport, certificate legalized by an ROC representative body or issued by local court or government agency in the shareholder's home country, identity document notarized by a statutory notary institution in the shareholder's home country, or other documentary proof of identity.

#### Article 12

Documents and forms utilized by a company during the process of handling shareholder services shall be stored in accordance with the following provisions after the affair has been completed:

1. Shareholders register, registry of lost stock certificates, shareholder specimen chop, voucher for issuance of rights issue stock, and minutes of the shareholders meeting shall be stored permanently.
2. Voucher for issuance of cash dividends shall be stored for at least five years.
3. Other documents and forms utilized during the handling of shareholder services shall be stored for at least three years. However, copies of identity card, replaced voided stock certificates, and stock owners list maintained and sent by centralized securities depository enterprises may be stored for one year.
4. The attendance list bearing the signatures of the shareholders present at the shareholders meeting and the powers of attorney of the proxies shall be kept for a period of at least one year. However if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the documents shall be kept by the company until the conclusion of the litigation.

#### Article 12-1

After obtaining shareholder approval, a company may transmit documents related to convening of shareholders meetings and other notices via electronic documents.

#### Article 12-2

When a company whose shares are listed on a stock exchange or traded on the OTC market convenes a shareholders meeting, the meeting shall be attended by personnel with the qualifications specified in paragraph 1 of Article 4 and complying with paragraph 4 of the same article.

### Chapter II Company Shareholder services

#### Section I The Format of and the Production of Stock Certificates

#### Article 13

When issuing stocks, the company may print the share certificates and deliver them physically or through bank transfer.

In case the delivery is through bank transfer prescribed in the preceding paragraph, there is no need to physically print the share certificates for the stock issuance and the issuance shall be handled according to the procedure for centralized custody of securities through book transfer and relevant regulations prescribed the centralized securities depository enterprise.

The printing and production of stock certificates shall be in conformance with the prescribed format attached hereinafter.

#### Article 14

The par value of each share issued by a company shall be the same.

#### Article 15

Subsequent to the printing and production of stock certificates, such stock certificates shall be sent to a certifying institution for certification in accordance with the Regulations Governing Certification of Corporate Stock and Bond Issues by Public Companies.

#### Article 16

Where the format of the stock certificates issued by a formerly non-public



company are not in compliance with these Regulations, such company shall print and produce new stock certificates in accordance with these Regulations and commence replacement procedures within six months of the date of approval for public issuance.

#### Article 17

(deleted)

#### Section II Shareholders Register and Shareholder Account Opening

#### Article 18

The names registered on the shareholders register, as applicable to natural persons, shall be based on the name shown on the National Identity Card, except in the case of overseas Chinese and foreign nationals who may supply the name shown on the alien resident certificate, passport or other documents evidencing identity; as applicable for juristic persons, the name registered on the shareholders list shall be their full registered name.

In handling matters in the preceding paragraph regarding securities or securities underlying overseas depositary receipts that are held by offshore overseas Chinese and foreign nationals, securities investment trust funds, or under trust contracts, the shareholders register of the company may be registered under a specialized account name that can clearly identify the rights and obligations relating to the stock certificates.

A company with shares listed on the stock exchange or traded in the OTC market that issues employee stock option certificates to foreign nationals employed by an overseas subsidiary may, when foreign employees exercise the stock options and obtain certificates of payment for exercising stock options issued by the company or company stock certificates, transfer the certificates of payment for exercising the stock options or the company stock certificates directly into an investment account opened by its overseas subsidiary pursuant to the Regulations Governing Investment in Securities by Overseas Chinese and Foreign Nationals, and make the entry in the company's shareholders register in the name of said account.

The registration referred to in the preceding paragraph may be itemized by the specific subsidiaries of the company whose shares are listed on the stock exchange or traded in the OTC market and by the year of issue and issue number.

If the company whose shares are listed on the stock exchange or traded in the OTC market, or foreign employees of an overseas subsidiary thereof, are unwilling to follow the procedures set forth in paragraph 3, the foreign employees of the individual subsidiary shall themselves open investment accounts for such purpose.

A company shall not open two or more accounts for the same shareholder.

#### Article 19

Upon opening a new account, the shareholder shall supply a specimen chop, photocopy of the National Identity Card, resident certificate, passport, or other documents evidencing identity or photocopy of documents evidencing company registration; where necessary, the company or the shareholder services agent may require the shareholder to supply originals of the above documents; where a foreign shareholder consigns a domestic agent or representative to open the account, a power of attorney shall be supplied. When opening an account as referred to in the preceding paragraph, a natural person shall leave on file a signature or chop specimen using his

or her true name; a juristic person shall use its full registered name, and in addition, may also register the signature or chop of its representative or use the professional chop of its agent; where in accordance with paragraph 2 of the preceding article a specialized account is used for the entry in the shareholders register, a chop based on the name of such specialized account name shall be used, provided that where the Taiwan representative of an overseas Chinese or foreign national is the same person as the custodian institution, or where a trust enterprise established under the Trust Act serves as the trustee institution, the exclusive chop of that custodian or trustee institution may be used as the shareholder chop for its account; in case of a minor or a person who has been declared under guardianship or assistance, the statutory agent, guardian, or assistant shall also supply their signature or chop; if the statutory agent, guardian, or assistant is the parents, the parents may agree to signing or use of chop by either parent on behalf of both parents; in the case of a signature account, the company or the shareholder services agent may adopt the procedures set forth in Article 11, paragraph 2.

A shareholder that has provided both a signature and chop specimen on the specimen chop card on file may effectively use either signature or chop to process shareholder services with the company or exercise related rights pursuant to Article 11, paragraph 1.

The shareholder specimen chop and signature shall be limited to a single copy.

#### Article 20

The contents of the specimen chop card shall include the shareholder account number, name of the shareholder, commencement date, and specimen signature or specimen chop. In addition, natural persons shall indicate the address shown on the household registry, and contact address and telephone number, National Identity Card number or the number of other document evidencing identity, and the date of birth; a juristic person shall indicate its registered address and its uniform number; a foreign shareholder consigning a domestic agent or representative to open account shall indicate the address and uniform number of the domestic agent or representative.

A contact address indicated by a domestic shareholder as referred to in the preceding paragraph shall be confined to a domestic address; where a foreign shareholder has designated a custodian institution, the name of such institution shall be included.

The uniform ID number for people of the Mainland Area, Hong Kong, and Macao, and overseas Chinese or foreign nationals, in the case of natural persons, shall be the ID number assigned by the Ministry of the Interior; where an ID number has not been obtained, it shall be a number assigned in accordance with Ministry of Finance rules governing the allocation of relevant identification numbers; in case of juristic persons, the number shall be based on the withholding uniform invoice number assigned by the tax authority.

#### Article 21

Where a shareholder changes the specimen chop on file to a new chop or to a signature, a change of specimen chop application shall be completed specifying the full serial numbers of the stock certificates and the number

of shares held bearing the old chop, affixed with the old and new specimen chop or specimen signature, together with the new specimen chop card and the stock certificates, and the above materials shall be sent to the company for processing. The new specimen chop shall be effective on the date following completion of registration.

In processing the change of specimen chop referred to in the preceding paragraph, where the stock certificate has been sent to the centralized securities depository enterprise, has been pledged, or has been sold, and for valid reasons the shareholder cannot supply the stock certificate for processing, the stock certificates need not be supplied.

Where a stock is pledged as referred to in the preceding paragraph, where the pledge is removed, the stock certificate shall be presented and amendment registration procedures carried out.

Where a chop is replaced by a signature pursuant to paragraph 1, the company or the shareholder services agent may adopt the procedures set forth in paragraph 2 of Article 11.

#### Article 22

Where the specimen chop is lost or destroyed, a lost specimen chop application shall be completed specifying the serial numbers and number of shares bearing the old chop, together with identification papers and copies thereof, new specimen chop card and the stock certificates, and the above materials shall be personally sent to the company for processing. Upon determination that the specimen chop may be replaced with a new one or with a specimen signature, and upon completing the procedures for registering a new specimen chop, the new specimen chop shall be effective on the date following completion of registration, unless it is declared that the effective date shall be on the same date.

Where the procedures for replacement of a specimen chop with a new chop or provision of a specimen signature are consigned to a third party or handled through correspondence, the following identity documents shall be submitted:

1. Natural person shareholder: if a domestic natural person, the National Identity Card or the chop certificate issued by the household registration office; if a foreign natural person, the alien residence certificate, passport, or certificate legalized by an ROC representative body or issued by a local court or government agency in the shareholder's home country, or identity document notarized by a statutory notary institution in the shareholder's home country.

2. Juristic person shareholder:

- A. A juristic person shareholder shall submit an application letter bearing the company chop on the company amendment registration evidentiary document issued by the competent authority and the chop of the responsible person who represents the company.

- B. Photocopy of the company amendment registration evidentiary document issued by the competent authority, with a statement thereupon indicating that it is a true and faithful copy of the original.

- C. Documentation of identity in accordance with the preceding subparagraph for the responsible person of the juristic person shareholder.

3. Where a third party is consigned to carry out the procedures, such consignee shall be a citizen of the Republic of China, and, in addition to

the identity documents set forth in the preceding two subparagraphs the National Identity Card and power of attorney of the consignee shall also be submitted.

The provisions of paragraphs 2 and 3 of the preceding Article shall apply *mutatis mutandis* while processing the lost specimen chop under paragraph 1. Where a chop is replaced by a signature under paragraph 1, the company or the shareholder services agent may adopt the procedures set forth in Article 11, paragraph 2.

#### Article 22-1

A shareholder carrying out amendment of the specimen chop or signature because of a change of account name shall complete an application for change of the account name, specifying the full serial numbers of the stock certificates and number of shares held, affixing the new specimen chop or specimen signature, together with the new specimen chop card and the stock certificates, documentation of the change of account name, identification papers and photocopy thereof, and deliver them in person to the company for processing of registration; upon completion of the registration procedures, the amendment shall become effective on the next following day, unless it is declared that it is effective from the registration date.

Article 21, paragraphs 2 to 4 and Article 22, paragraph 2 apply *mutatis mutandis* to a change of account name under the preceding paragraph.

### Section III Transfer, Registration of Changes, Pledges, and Lost Reporting Procedures of Stock Certificates

#### Article 23

When a shareholder processes the transfer of stock certificates on his own behalf due to a direct private transfer of securities, the procedures shall be as follows:

1. Transfer application completed by both parties and signature or chops affixed on the backside of the stock certificate.
2. Proof that the securities transaction tax has been paid.

#### Article 24

Where a shareholder processes the transfer of stock certificates on his own behalf in accordance with provisions of law, the procedures shall be as follows:

1. Court auction or compulsory execution:
  - A. The stock certificate to be transferred, transfer application, court auction records and proof of transfer, and proof that the securities transaction tax has been paid shall be submitted.
  - B. The space allotted on the transfer application and on the stock certificate for the chop of the transferor may be replaced with the proof of transfer issued by the court.
2. Transfer via inheritance: The inheriting party shall complete the transfer application and affix his signature or chop on the backside of the stock certificate in space allotted for the transferee, and shall further attach the following documents:
  - A. Line of inheritance chart (to be completed by the applicant inheriting party in accordance with Articles 1138 through 1140 of the Civil Code; if there are any errors, the applicant shall be responsible therefore).
  - B. Photocopy of the Household Registry with detailed notes, or other documentary proof with equivalent legal effect, of the inheriting party.

C. For a domestic inheriting party, the National Identity Card or the chop certificate issued by the household registration office (if the inheriting party is a minor, the statutory agent's National Identity Card or chop certificate issued by the household registration office shall also be attached); for a foreign inheriting party, the residence certificate, passport, certificate legalized by an ROC representative body or issued by local court or government agency in the shareholder's home country or identity document notarized by a statutory notary institution in the inheriting party's home country. Where the inheriting party consigns a third party to process the transfer on his behalf, the consignee shall be a citizen of the Republic of China, and the consignee's National Identity Card and the power of attorney shall be presented. An inheriting party who is a person of the mainland China area shall submit inheritance relationship documents that have been certified by the Straits Exchange Foundation and the inheritance relationship certificate or similar documents issued by a notary authority within the mainland China area. If due to his special status or other reasons such an inheriting party cannot personally enter Taiwan to process such matters, such person shall execute a legally recognized power of attorney and appoint a third person located within the Taiwan area to process such matters.

D. Where there are several inheriting parties, an agreement signed by all eligible inheriting parties under the Book of Inheritance of the Civil Code stating that they agree with the distribution shall be supplied; where a judgment is rendered by a court, the judgment shall be supplied.

E. Certification of payment of taxes or tax exemption issued under Article 41 of the Estate and Gift Tax Act.

3. Transfer via gift: Complete the transfer application and affix the signature or chops of the transferor and transferee to the backside of the stock certificate, and attach certification of payment of taxes or tax exemption issued under Article 41 of the Estate and Gift Tax Act.

#### Article 25

Where a shareholder processes the transfer of stock certificates on his own behalf in accordance with applicable provisions of the Act, the procedures shall be as follows:

1. Purchase from the director, supervisor, manager, or shareholder holding more than 10% of outstanding shares of the company in accordance with Article 22-2, paragraph 1, subparagraph 3 of the Act:

A. Both parties shall sign or chop the transfer application and the backside of the stock certificate.

B. Attach the daily statement for the transfer filing date downloaded from the Taiwan Stock Exchange Corporation Market Observation Post System and certification of payment of the securities transaction tax.

2. Public tender offer in accordance with Article 43-1, paragraph 2 of the Act:

A. Both parties shall sign or chop the transfer application and the backside of the stock certificate.

B. The stock transfer application shall be stamped by the consigned securities firm showing that the securities transfer tax has been paid.

3. Purchases of privately placed shares pursuant to Article 43-8 of the Act and purchases made in accordance with the circumstances prescribed by this

Commission in accordance with paragraph 4 of Article 150 of the Act:

- A. Both parties shall sign or chop the transfer application and the backside of the stock certificate.
- B. Attach documents evidencing conformity with the requirements set forth by this Commission and certification of payment of the securities transaction tax.

#### Article 26

Where a shareholder processes the transfer of stock certificates on his own behalf upon the withdrawal of the shares from centralized custody, the procedures shall be as follows:

1. Complete the transfer application.
2. Submit the transfer application stamped with the "date of withdrawal" stamp (where the stock certificate is under the custody of a securities finance enterprise, then chopped by it; where the stock certificate is under the custody of centralized securities depository enterprise, then chopped by it) and the original purchase report or other documents, and upon confirmation, complete the transfer.

#### Article 27

Where a shareholder processes the transfer of stock certificates on his own behalf when for some reason the transfer of stocks cannot be completed on time and request is made to the previous owner for return of stocks and stock dividends have been received, the procedures shall be as follows:

1. The original purchase report and the stock delivery voucher issued by the securities firm, or other documentary proof.
2. Final judgment of a court, court settlement records, confirmed order for payment, or consent of the previous owner to return stocks.
3. Stock certificate obtained from the previous owner.
4. Transfer application signed or chopped by both parties (the space allotted on the transfer application for the chop of the transferor may be replaced with the final judgment issued by the court, court settlement records, or confirmed order for payment); upon confirmation, complete the transfer. The backside of the stock certificate shall be stamped with the "change of name" stamp to distinguish it.

#### Article 28

Where a shareholder processes the transfer of stock certificates on his own behalf for a trust in respect of stock pursuant to Article 4, paragraph 2 of the Trust Act, the procedures shall be as follows:

1. The settlor and the trustee shall complete the transfer application and sign or chop the backside of the certificate; where the trustee withdraws the stock from a centralized securities depository enterprise, documents showing that the withdrawal has been made from such enterprise shall be attached, and the trustee shall further place its signature or chop on the space allotted on the transfer application and on the stock certificate for the chop of the transferee.
2. Attach the trust deed, and related documents of the tax authority, and upon confirmation by the company, the stamp "trust property" and a date stamp shall be stamped on the roster of shareholders and on the backside of the stock certificate.
3. Where the trustee has been changed, an application for change shall be

made by attaching the reason for the change.

4. Where the trust deed specifies that the beneficiary of the whole or any part of the trust interest is the settlor and, during the term of the trust relationship, such beneficiary is changed to a person other than the settlor, relevant supporting documents from the tax authorities shall be attached.

5. When the trust relationship has been terminated, and by law the trust property belongs to the settlor, documents showing that the trust relationship has terminated shall be attached, and upon confirmation by the company, the application to cancel the trust registration shall be made; where by law the trust property belongs to a person other than the settlor, related documents issued by the tax authority shall be attached, and upon confirmation by the company, the application to cancel the trust registration shall be made, and the stamp "registration of termination of trust" and a date stamp shall be stamped on the shareholders register and on the backside of the stock certificate.

6. Where the stock certificate is under the custody of a centralized securities depository enterprise, the indication of the trust relationship and matters to be recorded shall be governed by the Regulations Governing Book-Entry Operations for Centrally Deposited Securities.

#### Article 29

When a shareholder whose shares are already in the custody of or registered with the centralized securities depository enterprise transfers shares other than on the centralized securities exchange market or an OTC market, the company shall handle the transfer in accordance with the Regulations Governing Book-Entry Operations for Centrally Deposited Securities and regulations applicable to centralized securities depository enterprises. When a shareholder carries out a direct private transfer of shares listed on the stock exchange in accordance with the preceding paragraph, the shares so transferred must not be in excess of one trading unit of the given security, and there may not be less than three months between any two such transfers of securities.

#### Article 30

A centralized securities depository enterprise, when handling the transfer of stocks that are in its custody or are registered with it, shall deliver the stock owners list prepared by its participants to the company, which shall record them in its shareholders register, after which the transfer procedure will be deemed completed, and the provisions of Article 165, paragraph 1 and Article 176 of the Company Act will not apply. The company shall use the contact address in the list of stock owners provided by the centralized securities depository enterprise to directly notify those owners that have not commenced account opening procedures, and commence account opening procedures.

The content of the stock owners list of the preceding paragraph and the date on which it is delivered to the company shall be determined in accordance with the Regulations Governing Book-Entry Operations for Centrally Deposited Securities.

#### Article 31

(deleted)

#### Article 32

A company shall process the application made by a centralized securities depository enterprise for issuance of replacement stocks due to splits; where a company processes a shareholder's application to issue replacement stocks due to splits and such split stocks do not exceed 1,000 shares, the company may charge a handling fee, except where the stocks were obtained through inheritance.

#### Article 33

Where a shareholder has opened an account for centralized custody, unless the shareholder expresses contrary opinion, the company may consign a centralized securities depository enterprise to effect delivery of physical shares by the book-entry method, and prepare a "List of Stocks using Consigned Delivery" based on such information.

#### Article 34

(deleted)

#### Article 34-1

When a company is required by an act or regulation or the bylaws of the stock exchange or the OTC securities exchange to disclose any information related to its shareholders or shareholding, it may provide the relevant information to the centralized securities depository enterprise and engage it to compile the information required to be disclosed.

#### Article 35

Where a shareholder processes matters in accordance with Articles 23 to 28, and such shareholder is a minor or a person under guardianship or assistance, for the shares being transferred, the statutory agent, guardian, or assistant shall affix his or her signature or chop on the stock certificate and the transfer application.

#### Article 36

Where a minor reaches adult legal status, or a person who has been declared under guardianship or assistance resumes his legal capacity, such shareholder shall submit a copy of his National Identity Card or documentary proof of a final and conclusive court judgment voiding the declaration of guardianship or assistance, and stock certificates held by such shareholder that bear the old chop, to the company to carry out specimen chop card replacement and registration procedures.

#### Article 37

The contact address of a shareholder shall be based on the address indicated on the specimen chop card. However, where a centralized securities depository enterprise processes transfer matters, and the specimen chop card has not been completed, the address notified by the centralized securities depository enterprise shall govern. If the information has been indicated on the specimen card, but the address so indicated is different from the contact address of which notice has been given by the centralized securities depository enterprise, the latest address for which the shareholder has carried out amendment procedures shall govern.

Where the contact address or the registered address shown on the specimen chop card referred to in the preceding paragraph has been changed, the shareholder shall notify the company in writing.

#### Article 38

Where a pledge is made on a stock, and the pledgor and pledgee complete the



"Pledge Notification," and endorse the stock certificate and send it to the company for registration, upon registration, such pledge shall be effective against the company, and the company is not required to issue a pledge certificate; upon release of a pledge, a "Notice of Release of Pledge" shall be completed and submitted to the company for processing.

Where a pledge is made on a stock under the custody of or registered with a centralized securities depository enterprise, the depository enterprise shall notify the company of the names of the pledgor and pledgee, the number of shares under pledge, and matters relating to dividends for processing by the company, and the preceding paragraph shall not be applicable.

#### Article 39

While the pledge is effective, the withdrawal of dividends arising from the stock shall be made by either the pledgor or pledgee as agreed under the pledge agreement. During the book closure period, the company shall continue to accept application for pledge registrations.

#### Article 40

Where a stock certificate is lost and replacement procedures are commenced, it shall be commenced as follows:

1. The shareholder or the legal owner shall report the event to the police authorities for handling or recordation, complete the loss of stock application, and send such to the company for its examination and recordation; where the transfer has not been previously registered, the securities firm or the transferor shall supply documentary proof.
2. The applicant shall, within five days, apply to the courts under the Code of Civil Procedure for public announcement of the event, and a copy of the court application and the court acceptance voucher shall be sent to the company; where such procedure is not commenced upon the expiration of the time period, the company may cancel the application for lost stock certificates.
3. Upon issuance of the public announcement ruling by the courts, the applicant shall send a copy of the announcement made in the newspaper to the company, and upon the expiration of the period of public announcement, the applicant may apply to the company for issuance of replacement stocks by attaching the court judgment declaring the lost stock certificates void.
4. To cancel a report of loss of stock certificates, an applicant shall complete an application for cancellation of a report of loss of stock certificates and send it to the company for examination and recordation; where the applicant has already applied to a court for public announcement of the event or for a judgment voiding the stock certificates pursuant to the Code of Civil Procedure, the applicant shall submit photocopies of the application to the court for cancellation of the public announcement or for withdrawal of the judgment voiding the stock certificates, and of the receipt issued by the court for the documents.

When processing matters in accordance with Subparagraph 1 of the preceding paragraph, and the lost stock certificates have been registered in the dedicated account of the centralized securities depository enterprise, the applicant shall attach documents showing that such stocks have been withdrawn from the centralized securities depository enterprise.

While the stock is still in the process of public announcement, the

dividends (capital interest), bonuses, distributed stock dividends and other ancillary rights accumulated during the period shall be held and not distributed by the company until the court judgment has been issued.

Where a third person is consigned to apply for the lost of stock certificates, a natural person shall provide a power of attorney, and a juristic person shall provide an application letter, and the power of attorney and the application letter shall be signed or chopped with the original specimen chop.

Upon the company completing the application for the lost of stock certificates, if the lost certificates are discovered, a notation stating "Registered Lost Stock Certificates" shall be affixed on such stock certificates and on its transfer application.

#### Section IV Book Closure, Distribution of Dividends, and Issuance of New Capital Stocks

##### Article 41

A company shall not handle any requests for transfers of shares within 60 days prior to the shareholders meeting, 30 days prior to the special shareholders meeting, or 5 days prior to the record date for the distribution of dividends, bonuses or other interests.

Where a stock is listed on the stock exchange or traded on the OTC market, the company shall within the required time period notify the stock exchange or the OTC securities exchange and the centralized securities depository enterprise of the reason for the book closure and the book closure period. It shall also give such a notice of the reasons and the applicable period for any amendment to or cancellation of the book closure.

The provisions of the preceding paragraph concerning notification to the centralized securities depository enterprise shall apply mutatis mutandis to companies that are not listed on the stock exchange or traded in the OTC market and whose stocks are in the custody of a centralized securities depository enterprise, or that have not printed stock certificates and whose stocks are registered with a centralized securities depository enterprise.

##### Article 42

Where a company distributes dividends, it shall notify each registered shareholder of the date and location as well as transmit such information via the information reporting website designated by this Commission; after transmission has been completed, public notice shall be deemed to have been duly given.

##### Article 43

Where a company distributes cash dividends or issues new capitalization stocks, and the stock holder has failed to complete registration of transfer before book closure, the transfer of stock dividends or new capitalization stocks through a letter of consent, or a declaration that it is the owner of such stock or new capitalization stock must be made within five days from the book closure; if that deadline has passed, the stock holder shall contact the previous owner for private resolution of the matter.

When a stock owner makes a withdrawal from the centralized securities depository enterprise of shares held in custody in a dedicated account at the centralized securities depository enterprise, but registration of the

transfer is not made before book closure, upon completing the transfer procedure, the company may withdraw and complete delivery of the stock dividends and new capitalization stock from the dedicated account of the centralized securities depository enterprise.

#### Article 44

When a company distributes cash dividends, handles rights issue subscription, or issues new capitalization stocks, shareholders who have opened a discretionary investment account shall handle the portion involving discretionary investment in accordance with the relevant regulations prescribed by the securities centralized depository enterprise.

#### Chapter II-1 Exercising Shareholders' Meeting Voting Rights in Writing or by Means of Electronic Transmission

##### Article 44-1

Where voting rights at a company shareholders' meeting are exercised by means of electronic transmission, matters related to electronic voting shall be outsourced for handling by an outside entity.

The entity under the preceding paragraph entrusted with the handling of matters relating to electronic voting shall be restricted to a shareholders services agent or a company as specified under Article 3, paragraphs 1 or 2 or a centralized securities depository enterprise, and shall conform with the following requirements:

1. The entity must have three or more full-time employees who are information technology professionals.
2. The electronic voting platform must include mechanisms for checking the identity of shareholders exercising voting rights and security mechanisms, and must have obtained ISO accreditation documents for information systems security management.
3. The electronic voting platform must be equipped with on-site and off-site backup and recovery systems.

The entity entrusted with the handling of electronic voting matters must first submit the documents demonstrating its qualifications referred to in the preceding paragraph to this Commission for recordation before it may undertake matters relating to electronic voting.

An entity already entrusted with the handling of electronic voting matters prior to the 11 April 2013 amendment and issuance of these Regulations shall submit the documents required under the preceding paragraph to this Commission for recordation within 6 months following the amendment and issuance of these Regulations. If the recordation has not been accomplished by the end of that period, the entity may not be entrusted to undertake the electronic voting matters.

Each year, an entity entrusted with the handling of electronic voting matters must submit for recordation by this Commission audit results for ISO information systems security management accreditation in conformance with paragraph 2, subparagraph 2.

An entity entrusted with the handling of electronic voting matters may not concurrently be entrusted with shareholder services matters and may not serve as a proxy solicitor, proxy agent, or handle proxy solicitation matters on behalf of another.

##### Article 44-2

Where voting rights at a company shareholders' meeting are exercised in

writing or by means of electronic transmission, the content of the written or electronic means prepared by the company for the exercise of voting rights shall state the following particulars:

1. Company name.
2. Shareholder account number.
3. Shareholder name.
4. Number of shares held by the shareholder.
5. Content of all motions on the agenda.
6. Where there is an election for director(s) or supervisor(s), matters related to such election.
7. Other particulars required by the competent authority.

#### Article 44-3

If a shareholder elects to exercise his/her/its voting rights in writing or by means of electronic transmission, his/her/its declaration of intention shall be served to the company 2 days prior to the scheduled meeting date of the shareholders' meeting; if two or more declarations of intention on the same matter are served to the company, the declaration of intention first served shall prevail, unless an explicit statement to revoke the previous declaration is made in the subsequent declaration.

If a shareholder who has exercised his/her/its voting rights in writing or by means of electronic transmission intends to attend the shareholders' meeting in person, he/she/it shall, 2 days prior to the scheduled meeting date of the shareholders' meeting and in the same manner previously used in exercising his/her/its voting rights, serve a separate declaration of intention to revoke his/her/its previous declaration of intention made in exercising the voting rights under the preceding paragraph. In the absence of a timely revocation of the previous declaration of intention, the voting rights exercised in writing or by means of electronic transmission shall prevail.

If a shareholder has exercised his/her/its voting rights in writing or by means of electronic transmission, and has also authorized an agent to attend the shareholders' meeting on his/her/its behalf, then the voting rights exercised by the authorized agent for the shareholder shall prevail.

#### Article 44-4

A shareholder who exercises his/her/its voting rights in writing or by means of electronic transmission shall make a declaration of intention with respect to each motion on the written or electronic form prepared by the company; where no declaration of intention is made, the shareholder shall be deemed to have waived his/her/its voting right with respect to that motion.

#### Article 44-5

The company or its shareholder services agent shall, on the day of the shareholders' meeting, compile and prepare a statistical table of the number of shares of shareholders attending the shareholders' meeting in writing or by means of electronic transmission, and clearly disclose it at the place where the shareholders' meeting is held.

#### Article 44-6

Where voting rights at a company shareholders' meeting are exercised in writing or by means of electronic transmission, before the shareholders' meeting is convened, the company's shareholder services agent, another

shareholder services agent, or a company specified in Article 3, paragraph 2, shall tally and verify such votes. However, if the company handles its own shareholder services, the company may carry out the tallying and verification itself.

The internal control system of the entity carrying out the tallying and verification referred to in the preceding paragraph shall include tallying and verification procedures for voting rights exercised in writing and by means of electronic transmission; where a shareholder exercises voting rights in writing, verification shall be made of whether the written form is the form printed by the company and whether the shareholder has signed or chopped the form.

A written record shall be made of the procedures and results of the tallying and verification referred to in paragraph 1, and shall be signed/sealed by the person handling it and the supervisor and kept on record for review

#### Article 44-7

A shareholder who exercises his/her/its voting rights in writing or by electronic means may, within a seven-day period after the shareholders' meeting, query the company or its shareholder services agent as to the status of the exercise of his/her/its voting rights.

#### Article 44-8

Written and electronic media information relating to the exercise by shareholders of voting rights in writing or by electronic means shall be preserved by the company for at least one year. However, where a shareholder brings any litigation under the Company Act, it shall be preserved until the litigation is concluded.

### Chapter III Management of the Shareholder services of Directors, Supervisors, Managers and Shareholders Holding More than 10 Percent of Outstanding Shares

#### Article 45

Upon the registration of its publicly issued stocks, a company shall announce the type of shares owned and the total number of shares owned by its directors, supervisors, and shareholders holding more than 10% of outstanding shares by transmitting such information via the information reporting website designated by this Commission; after transmission has been completed, public notice shall be deemed to have been duly given

The total number of shares owned by the persons referred to in the preceding paragraph shall include the shares owned by spouses, minor children and those beneficially held using the name of others.

#### Article 46

The shareholders referred to in paragraph 1 of the preceding Article shall report to the company any changes in their shareholding during the previous month by the fifth day of each month. By the 15th day of each month, the company shall compile such information and transmit it via the information reporting website designated by this Commission; after transmission has been completed, public notice shall be deemed to have been duly given.

The provisions of paragraph 2 of the preceding Article shall apply mutatis mutandis to paragraph 1.

#### Article 47

Where the stocks of persons referred to in Article 45, paragraph 1 are

pledged, the pledgor shall immediately notify the company; within five days, the company shall transmit such information via the information reporting website designated by this Commission; after transmission has been completed, public notice shall be deemed to have been duly completed.

#### Article 48

During his term in office, if a director or supervisor of a company transfers more than half of the total shares owned by such person at the beginning of his term of office, such person shall be automatically removed from his position; the company shall immediately proceed with the registration of the removal from office with the relevant authorities.

After re-election of directors or supervisors effected prior to the expiration date of the term of office of existing directors, if any new director or supervisor elect has, before his or her inauguration of the office of director, assigned more than one-half of the total number of shares of the company he or she holds at the time of his or her election, or had transferred more than one-half of the total number of shares he or she held during the book closure period fixed prior to the convening of a shareholders' meeting, then his or her election as a director shall become invalid.

#### Chapter IV Supplementary Provisions

#### Article 49

(Deleted.)

#### Article 49-1

(deleted)

#### Article 49-2

These Regulations apply mutatis mutandis to any primary exchange-listed (or OTC-listed) company or emerging stock company as defined in Article 3 of the Regulations Governing the Offering and Issuance of Securities by Foreign Issuers.

The par value per share of a primary exchange-listed (or OTC-listed) or an emerging stock company may be determined in accordance with the laws and regulations of the country of its registration.

When the laws and regulations of the country of registration of a primary exchange-listed (or OTC-listed) company or an emerging stock company contain no provisions for a book closure period, then the convening of a regular shareholders meeting or a special shareholders meeting or a decision to distribute dividends, bonus or other benefits may be carried out in accordance with the laws and regulations of the country of its registration, and are not subject to the restrictions of Article 41.

#### Article 50

These Regulations shall enter into force from the date of issuance.

Article 19, paragraph 2, and Articles 35 and 36 of these Regulations amended on 20 November 2009 shall enter into force from 23 November 2009.