

Content

Title :	Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies <b>Ch</b>
Date :	2022.08.17
Legislative :	<p>9. Amended and promulgated in full (24 articles) on 1 February 2002 per Order No. (91)-Taiwan-Finance-Securities-(III)-000947 of the Securities and Futures Commission, Ministry of Finance, for immediate enforcement</p> <p>10. Articles 4 and 7 amended and promulgated 19 March 2003 per Order No. Taiwan-Finance-Securities-III-0920001124 of the Securities and Futures Commission, Ministry of Finance</p> <p>11. Articles 2, 6, 14, 17, and 22 amended and promulgated and Article 14-1 added 15 May 2003 per Order No. Taiwan-Finance-Securities-III-0920002116 of the Securities and Futures Commission, Ministry of Finance</p> <p>12. Articles 5, 6, and 10 amended and promulgated, Article 6-1 added, and Article 17 deleted 20 January 2004 per Order No. Taiwan-Finance-Securities-III-0930000323 of the Securities and Futures Commission, Ministry of Finance</p> <p>13. Articles 2, 6, 7, 12 to 14, 20, and 21 amended and promulgated and Article 23-1 added 30 December 2004 per Order No. Financial-Supervisory-Securities-III-0930006298 of the Financial Supervisory Commission, Executive Yuan</p> <p>14. Articles 6, 6-1, 7, 8, 11, 14, 15, 22, 24 amended and issued, articles 7-1 and 13-1 added, and Articles 4 and 14-1 deleted 15 December 2005 per Order No. Financial-Supervisory-Securities-III-0940005852 of the Financial Supervisory Commission, Executive Yuan; for enforcement from the date of issuance, except Article 7-1, for enforcement from 1 January 2006</p> <p>15. Articles 5, 6, and 24 issued and amended per 20 December 2006 Order No. Financial-Supervisory-Securities-III-0950005742 of the Financial Supervisory Commission, Executive Yuan; for implementation from 1 January 2008</p> <p>16. Articles 2, 6, 8, 11, 13-1, 15, and 24 amended and issued per 26 February 2008 Order No. Financial-Supervisory-Securities-III-0970007362 of the Financial Supervisory Commission, Executive Yuan; for implementation from the date of issuance</p> <p>17. Article 8 amended and issued per 6 June 2009 Order No. Financial-Supervisory-Securities-Investment-0980027137 of the Financial Supervisory Commission, Executive Yuan</p> <p>18. Articles 1, 7, 8, 10, 13-1, and 24 amended and issued and Article 13-2 added per 11 April 2013 Order No. Financial-Supervisory-Securities-Trading-1020012999 of the Financial Supervisory Commission; for enforcement from the date of issuance, except Article 13-1, for enforcement from 1 July 2013.</p> <p>19. Articles 6 and 10 amended and issued and Article 7-2 added per 4 March 2015 Order No. Financial-Supervisory-Securities-Trading-1040004113 of the Financial Supervisory Commission</p> <p>20. Articles 5, 7 and 11 amended and issued and Article 10-1 added per 29 March 2018 Order No. Financial-Supervisory-Securities-Trading-1070307079 of the Financial Supervisory Commission</p> <p>21. Articles 5, 6, 15, and 24 amended and issued per 16 August 2018 Order No. Financial-Supervisory-Securities-Trading-1070328433 of the Financial Supervisory Commission; for enforcement from the date of issuance, except Articles 5 and 6, for enforcement from 1 July 2019</p> <p>22. Attachment 2 "Information Regarding the Solicitation of Proxies for Attendance at the Shareholders Meeting"; and Attachment 3 "Information Regarding the Solicitation of Proxies for Attendance at the Shareholders Meeting"; to Article 7 amended and issued per</p>

1 July 2019 Public Announcement No. Financial-Supervisory-Securities-Trading-1080320765 of the Financial Supervisory Commission; for immediate effect

23. Article 5 amended and issued per 27 February 2020 Order No. Financial-Supervisory-Securities-Trading-1090360712 of the Financial Supervisory Commission

24. Articles 5, 7-1, 7-2, 22, and 24 amended and issued, and Article 7-3 added, per 17 August 2022 Order No. Financial-Supervisory-Securities-Trading-1110383480 of the Financial Supervisory Commission

Content : Article 1

These Regulations are prescribed in accordance with Article 25-1 of the Securities and Exchange Act (hereinafter referred to as the "Act".)

Article 2

The format and content of proxies to be used for attendance of a shareholders meeting of a public company shall include instructions for filling out the form, the matters entrusted by the shareholder under the proxy, and the basic information of the shareholder, solicitor, and proxy agent. The form shall be attached to the notice of shareholders meeting mailed or transmitted as an electronic document to the shareholders.

Proxy forms to be used for attendance of a shareholders meeting of a public company shall be limited to those printed and issued by the company; The mailing, or transmission as an electronic document, of proxy forms to all shareholders shall be conducted on the same day.

Article 3

The term "solicitation" referred to in these Regulations shall mean the act to obtain proxies for attending a shareholders meeting by means of public announcement, advertisement, sign, broadcasting, videotex, letter, telephone, announcement forum, informational forum, personal visit, inquiry, etc.

The term "non-solicitation" referred to in these Regulations shall mean the act of attending a shareholders meeting by proxy voluntarily issued by a shareholder rather than acquired through any of the means referred to in the preceding paragraph.

Solicitation and non-solicitation of a proxy shall not be conducted unless in accordance with these Regulations.

Article 4

(deleted)

Article 5

Except as provided in Article 6, a solicitor of proxies shall be a shareholder holding 50,000 or more of the issued shares of the company; provided that if election of directors or supervisors is proposed in the shareholders meeting, the solicitor shall hold the shares issued by such company, as evidenced by the shareholders register, or by the documentation of deposit in the centralized securities depository enterprise, as of the book closure date for the shareholders meeting, under one of the following conditions:

1. Where a financial holding company, a bank regulated under the Banking Act, or an insurance company regulated under the Insurance Act convenes a shareholders meeting, the solicitor shall have continuously held, for a period of at least one year, 2 million of the company's issued shares or 0.5% or more of the total number of its issued shares; or

2. Where a company other than those specified in the preceding subparagraph convenes a shareholders meeting, the solicitor shall have continuously held for a period of at least 6 months 800,000 or more of the issued shares of the company, or 0.2% or more of the total number of issued shares of the company.

A shareholder qualified under the preceding paragraph, or a trust enterprise or shareholder services agent under Article 6, or a responsible person thereof, to which any of the following circumstances applies shall not serve as a solicitor:

1. Has previously been convicted by a conclusive judgment of a crime under

the Organized Crime Prevention Act, where less than five years has elapsed since completion of the term of sentence.

2. Has been convicted by a conclusive judgment of violating, in connection with solicitation of proxies, provisions of the Criminal Code addressing forgery of documents, where less than three years has elapsed since completion of the term of sentence.

3. Has previously been sentenced to imprisonment for six months or more for fraud, breach of trust, or misappropriation, where less than three years has elapsed since completion of the term of imprisonment.

4. Has previously been sentenced to imprisonment for six months or more for violating the Securities and Exchange Act, Futures Trading Act, Banking Act, Trust Enterprise Act, Financial Holding Company Act, or other financial administration act, where less than three years has elapsed since completion of the term of imprisonment.

5. Has previously violated Article 10-1 and less than 3 years has elapsed since the Financial Supervisory Commission (FSC) imposed a sanction for the violation.

6. Has previously violated Article 11, paragraph 1, or violated provisions of this article or of Article 6 relating to qualifications for solicitation, and less than 1 year has elapsed since the FSC imposed a sanction for the violation.

7. Has previously been found by a conclusive judgment to have solicited proxies in violation of these Regulations and the represented votes were not counted, where less than two years have passed since such conclusive judgment.

#### Article 6

A shareholder who for one year or more has continuously held issued shares of a company in conformance with one of the following conditions may mandate a trust enterprise or shareholder services agent to act as the solicitor, and the number of shares to be represented by it shall not be subject to the restriction under Article 20:

1. Where a financial holding company, a bank regulated under the Banking Act, or an insurance company regulated under the Insurance Act convenes a shareholders meeting, the shareholder and its related parties shall hold 10% or more of the total issued shares of the company, and shall meet one of the following conditions;

A. Have reported to or obtained approval from the FSC under Article 16, paragraphs 1 or 3 of the Financial Holding Company Act, Article 25, paragraphs 3 or 5 of the Banking Act, or Article 139-1, paragraphs 2 or 4 of the Insurance Act.

B. Comply with the provisions of Article 10 of the Regulations Governing Approvals of the Same Person's or Same Related Parties' Application to Own More Than a Certain Percentage of the Issued Voting Shares of a Financial Holding Company, or of Article 10 of the Regulations Governing Approvals of the Same Person's or Same Related Parties' Applications to Own More Than a Certain Percentage of the Issued Voting Shares of a Bank, or of Article 11 of the Regulations Governing the Same Person or Same Related Parties Holding the Issued Shares with Voting Rights over a Particular Ratio of an Insurance Enterprise.

2. Where a company other than those specified in the preceding subparagraph convenes a shareholders meeting, the shareholder shall hold issued shares of the company in conformance with one of the following conditions:

A. Has held 10 percent or more of the total number of issued shares of the company.

B. Has held 8 percent or more of the total number of issued shares of the company and, when election of directors or supervisors is on the shareholders meeting agenda, one of the candidates it intends to support meets the qualifications for independent director.

3. Where the consolidated number of shares of the shareholders sharing the same opinion on a proposal in a shareholders meeting meets the requirements of the preceding subparagraph, such shareholders may jointly make a mandate.

When assigning election votes under proxies obtained through solicitation by a trust enterprise or shareholder services agent mandated by a shareholder to act as a solicitor in accordance with the preceding

paragraph, the number of votes assigned to any independent director candidate the shareholder intends to support shall be greater than those assigned to any non-independent director candidate.

A trust enterprise or shareholder services agent, under any of the following circumstances, when election of directors or supervisors is on the shareholders meeting agenda, shall not act as a solicitor for a shareholder under paragraph 1 or handle proxy solicitation matters for a solicitor:

1. where it is itself a shareholder services agent of the public company calling the shareholders meeting.
2. where it is itself a subsidiary of the financial holding company calling the shareholders meeting.

A shareholder under paragraph 1 or the responsible person thereof to which any of the circumstances specified in paragraph 2 of the preceding article applies shall not mandate a trust enterprise or shareholder services agent to act as the solicitor.

After a shareholder mandates a trust enterprise or shareholder services agent to act as the solicitor, such shareholder at the current shareholders meeting shall not make any further solicitation, or handle proxy solicitation matters mandated by any solicitor.

If the shareholder of the preceding paragraph is a financial holding company, then no subsidiary of the financial holding company at the current shareholders meeting may make any further solicitation or handle proxy solicitation matters mandated by any solicitor.

"Subsidiary" in paragraph 3, subparagraph 2 and in the preceding paragraph means a subsidiary as defined in Article 4 of the Financial Holding Company Act.

Where there is a proposal for election of directors or supervisors in a shareholders meeting, at least one of the shareholders mandating solicitation referred to in paragraph 1 above shall be the candidate for the directorship or supervisorship; provided this restriction shall not apply if the candidate supported meets the qualifications for independent director.

The scope of "related parties" in paragraph 1, subparagraph 1 shall be as defined in in Article 4 and Article 16, paragraph 4 of the Financial Holding Company Act, Article 25, paragraph 4 and Article 25-1, paragraph 2 of the Banking Act, and Article 139-1, paragraph 3 and Article 139-2, paragraph 2 of the Insurance Act.

#### Article 6-1

The following companies may not act as a solicitor under Article 5, paragraph 1, or mandate a trust enterprise or shareholder services agent to act as a solicitor under paragraph 1 of the preceding article.

1. For a shareholders meeting called by a financial holding company, a subsidiary, as defined under Article 4 of the Financial Holding Company Act, of the financial holding company.
2. For a shareholders meeting called by a company, a company that under Article 179, paragraph 2, of the Company Act has no voting power.

#### Article 7

Thirty-eight days prior to a regular shareholders meeting or 23 days prior to a special shareholders meeting, a solicitor shall deliver to the company, with a copy to the Securities and Futures Institute (SFI), the Information Regarding the Solicitation of Proxies for Attendance at the Shareholders Meeting, certificate of shareholding, the documents submitted to and recorded by the FSC containing the qualifications of the company mandated to handle solicitation matters, and the final draft of the Literature and Advertisements to Be Published. Thirty days before the convening of the regular shareholders meeting or 15 days before the convening of a special shareholders meeting, the company shall compile a summary statement of the Solicitor Solicitation Information and transmit it in an electronic file for disclosure by the SFI or publicly announce it in a daily newspaper(s) for two consecutive days.

If any change in the agenda of the shareholders meeting occurs from the date of expiry of the period for submission by the solicitor of the solicitation information pursuant to the preceding paragraph to the date of

mailing of the shareholders meeting notice, the company shall immediately notify the solicitor with a copy to the SFI, and shall prepare an electronic file of the solicitation information as revised by the solicitor on the basis of the changed agenda and transmit it to the SFI for disclosure.

If any election of directors or supervisors is on the agenda of the shareholders meeting, the company, in addition to complying with the two preceding paragraphs, it shall compile a list of the solicitors and the management philosophies of the candidate(s) supported in the literature and advertisements for solicitation of proxies, and send it to the shareholders along with the notice of the shareholders meeting at the time that the notice is mailed or transmitted electronically to them.

Where the company transmits the Solicitor Solicitation Information in paragraph 1 and paragraph 2 to the SFI in electronic file format, it shall specify in the shareholders meeting notice the date of transmission, the uniform resource locator (URL) of the SFI's website, and basic instructions for accessing the information on-line. Where the company publicly announces the information in a daily newspaper, it shall specify in the shareholders meeting notice the dates of publication and the name of the newspaper.

A solicitor or the company mandated by it to handle solicitation matters shall not mandate the company whose proxies are being solicited to mail the solicitation letter or solicitation information to shareholders.

No solicitation shall be allowed unless a solicitor has submitted to the company whose proxies are being solicited the written proxy solicitation documentation within the time limit provided in paragraph 1 above.

#### Article 7-1

Unless it is a securities firm or a company meeting the requirements of Article 3, paragraph 2, of the Regulations Governing the Administration of Shareholder Services of Public Companies, a company mandated to handle solicitation matters shall meet the following qualification requirements:

1. A company limited by shares with paid-in capital of not less than NT\$10 million;
2. Have at least one officer in charge of handling solicitation matters, who must have at least 5 years of practical experience in shareholder services operations or the handling of solicitation matters; the personnel handling solicitation matters shall number at least five persons, including the officer and the deputy thereof, and shall meet at least one of the following qualifications:
  - A. have at least three years of practical experience in shareholder services.
  - B. be a senior agent or agent of a securities firm.
  - C. have successfully passed the shareholder services examination held by the institution designated by the FSC.
3. The company's internal control system shall include solicitation procedures, and shall prescribe audit items.

If a company mandated to handle solicitation matters has violated Article 11, paragraph 1, or violated provisions of Article 5 or Article 6 relating to qualifications for solicitation, and less than 1 year has elapsed since the FSC imposed a sanction for the violation, the company may not handle the solicitation matters.

A company mandated to handle solicitation matters shall submit the documents evidencing qualifications under paragraph 2 to the institution designated by the FSC, which shall review them and then forward them to the FSC for recordation, before the mandated company may begin to handle the solicitation matters.

The FSC or the institution designated by the FSC may from time to time inspect the qualifications of a company mandated to handle solicitation matters, and the company mandated to handle solicitation matters may not refuse such inspection; a company that refuses inspection shall be deemed disqualified, and shall be prohibited from handling solicitation matters for a period of three years. When inspection reveals any deficiency in qualification, and the company fails to make supplementation or correction within a deadline upon being notified by the FSC or the institution designated by the FSC to do so, it may not handle solicitation matters until such time as it has made supplementation or correction.

In the event of any change in paid-in capital amount or personnel or amendment to the solicitation procedures in the internal control system set out among the qualification requirements in paragraph 1, a company mandated to handle solicitation matters shall report to the institution designated by the FSC within five days after the change or amendment.

The internal control system of a company mandated to handle solicitation matters shall undergo regular or occasional internal auditing by personnel specifically responsible for the task, who shall prepare a written record of the auditing, and make it available to the FSC or the institution designated by the FSC for auditing.

A company that fails to perform the measures set out in the preceding two paragraphs and fails to make supplementation or correction within a deadline upon being notified by the FSC or the institution designated by the FSC to do so may not handle solicitation matters until such time as it has made supplementation or correction.

The personnel handling solicitation under paragraph 1, subparagraph 2 shall participate in education and training courses related to shareholder services that are held by the institution designated by the FSC, in accordance with the number of such course hours as required by that institution.

#### Article 7-2

Before personnel at the place of solicitation handle proxy solicitation matters, the proxy solicitor and the company mandated to handle solicitation matters shall report information on those personnel to the institution designated by the FSC. No person at the place of solicitation may handle solicitation matters until the report has been filed.

Any change in the personnel at the place of solicitation shall be handled as follows:

1. For any change in personnel that occurs during the period from March to June of any year, the solicitor and the company mandated to handle solicitation matters shall report the change to the institution designated by the FSC within 5 days after the change occurs.

2. For any changes in personnel that occur outside of the aforesaid period, the solicitor and the company mandated to handle solicitation matters shall compile and report all such changes to the institution designated by the FSC before the next time solicitation matters are conducted.

A solicitor or a company mandated to handle solicitation matters may not obtain proxies by means of proxy solicitations conducted by personnel who have not been reported pursuant to the preceding two paragraphs.

Before they may handle solicitation matters, the personnel at the place of solicitation under paragraph 1 shall comply with the provisions regarding professional competence testing as set out in the rules establishing standards for the internal control systems of shareholder services units prescribed by the institution designated by the FSC.

#### Article 7-3

A person mandated by a shareholder to serve as a solicitor, or mandated by a solicitor to handle solicitation matters on the solicitor's behalf, shall sign a written contract with respect to the mandated matters and specify the remuneration, and shall examine the reasonableness of the contract content, and faithfully implement know-your-customer procedures.

A person mandated by a shareholder to serve as a solicitor, or mandated by a solicitor to handle solicitation matters on the solicitor's behalf, shall sign a new contract with the mandating shareholder or solicitor each year.

If a contract mentioned in paragraph 1 is signed before the amendment introducing this article takes force on 1 January 2023, then if the remaining period of the contract, counting from the enforcement date, does not exceed 1 year, that period shall be followed; if it exceeds 1 year, it shall be shortened to 1 year.

#### Article 8

The literature and advertisement for solicitation of proxies shall contain the following particulars:

1. Express indication item by item as to whether the proposals to be decided in the shareholders meeting are concurred or not; where a proposal

concerns the interest of the soliciting shareholder, an explanation shall be given.

2. If there is a disagreement to any of the proposals to be decided in the shareholders meeting, the reasons for the disagreement in connection with the contents of relevant information shall be provided.

3. In connection with statements of proposals for election of directors or supervisors:

A. purpose for soliciting proxies.

B. name of the candidate(s) to be supported, shareholders account number, type and number of shares of the company held, current position, academic qualifications, principal experience in last 3 years, management philosophy of the director candidate(s) to be supported, and business transactions with the company; in the case of a juristic person, the information of the responsible person and the resume of the representative to be appointed shall be filled in.

C. The solicitor shall state whether the situation of holding shares in the name of another person under Article 2 of the Enforcement Rules of the Act exists between the solicitor and the candidate to be supported.

D. Whether the proprietary shareholding of a solicitor under Article 5 and a mandating shareholder under Article 6, paragraph 1 support the candidate specified in the literature and advertisement for solicitation of proxies.

4. Solicitor's name, shareholder's account number, types and number of shares of the company held, status of any shares it holds in the company that are under pledge or were purchased on margin, place of solicitation, telephone number, and method for delivery of proxies. In the case of a juristic person, the uniform invoice number of the company or business, its responsible person's name, types and number of shares of the company held, and status of any shares it holds in the company that are under pledge or were purchased on margin shall also be stated.

5. Name, address, and telephone number of the company mandated by the solicitor to handle solicitation matters.

6. After obtaining proxies by solicitation, the solicitor shall attend the shareholders meeting as mandated by the shareholders; a solicitor who violates this provision with resulting harm to a mandating shareholder shall be liable for damages under the provisions of the Civil Code regarding mandate.

7. Other matters to be disclosed according to relevant requirements.

A solicitor or the company mandated to handle matters regarding solicitation shall not solicit proxies outside the place of solicitation, and the contents of the literature and advertisement referred to in the preceding paragraph shall be expressly disclosed in the place of solicitation.

The management philosophy of the director candidate(s) to be supported referred to in paragraph 1, subparagraph 3, item 2 shall be limited to 200 words; if it exceeds 200 words or the solicitor fails to specify the particulars required to be specified in the literature and advertisements for solicitation of proxies under paragraph 1, the company shall refuse to process the solicitation materials of the solicitor.

Where there is a proposal for election of directors or supervisors on the agenda of the shareholders meeting, the director or supervisor candidate(s) to be supported by the solicitor may not exceed the number of directors or supervisors to be elected according to that shareholders meeting proposal or the articles of incorporation of the company.

#### Article 9

The literature and advertisement mailed or published by a solicitor shall have identical content as those delivered to the company under Paragraphs 1 and 2 of Article 7.

#### Article 10

The mandating party shall personally sign or seal the proxies, and the mandating party shall personally fill in the name of the solicitor or the proxy agent in the proxies; provided that in the case of a trust enterprise or shareholder services agent acting as the solicitor and a shareholder services agent mandated to act as the proxy agent of the proxies, seals may be affixed on the proxies instead.

A solicitor shall sign or seal the solicited proxies and additionally affix the seal of the place of solicitation. The signature or seal of the personnel handling proxy solicitation matters at the place of solicitation shall be affixed on the proxies. The proxies may not be transferred to another person for use.

#### Article 10-1

After the company has transmitted the solicitation information to the SFI or publicly announced it in a daily newspaper(s) in accordance with Article 7, paragraph 1, the solicitor shall attend the shareholders meeting as mandated by the shareholders.

The solicitor may not include in the literature and advertisement for solicitation of proxies any words that would indicate the solicitor is not required to attend the shareholder meeting.

#### Article 11

Unless otherwise provided in these Regulations, acquisition of proxies shall be restricted as follows:

1. A proxy shall not be obtained in exchange for money or other interest; provided that this rule shall not apply to souvenirs for a shareholders meeting distributed on behalf of the company or reasonable fees paid by a solicitor to a company mandated to handle solicitation matters;

2. A proxy shall not be obtained in the name of another person; and

3. A solicited proxy shall not be used as a non-solicited proxy for attendance of a shareholders meeting.

Souvenirs, if any, distributed in each shareholders meeting shall be limited to one type. If the quantity of souvenirs is not sufficient for distribution, substitutes with equivalent value may be distributed instead. After the solicitor or the proxy agent has delivered an itemized statement to the company in accordance with Articles 12 and 13 or paid a guarantee deposit of a certain amount, the solicitor or proxy agent may request the company to deliver the souvenirs of the current shareholders meeting, and forward such souvenirs to the shareholder; the company may not refuse such request.

The delivery to the solicitor of the shareholders meeting souvenirs, and the determination of the amount and collection method for the guarantee deposit, as referred to in the preceding paragraph, shall be handled by the company based on the principle of fairness.

#### Article 12

A solicitor shall compile an itemized statement of the solicited proxies and deliver the same to the company or its shareholder services agent five days before the date of the shareholders meeting. On the day of the shareholders meeting, the company or its shareholder services agent shall compile a statistical statement of the number of shares obtained by the solicitor through solicitation and transmit it to the SFI in electronic file format, and shall make an express disclosure of the same at the site of the shareholders meeting.

#### Article 13

Except under the circumstances set forth in Article 14, a proxy agent of non-solicited proxies shall not accept the mandate of more than 30 persons. A proxy agent who accepts the mandate of three or more shareholders shall submit an itemized statement of the declarations and proxies together with the signed or sealed proxies to the company or its shareholder services agent five days before the date of a shareholders meeting.

The declaration referred to in the preceding paragraph shall state that the proxies designating the proxy agent were not solicited on the behalf of itself or another person.

On the day of a shareholders meeting, the public company or its shareholder services agent shall compile a statistical statement of the number of shares represented by the proxy agent pursuant to paragraph 1 and transmit it to the SFI in electronic file format, and shall make an express disclosure of the same at the site of the shareholders meeting.

#### Article 13-1



When a company shareholders meeting is called, the proxies shall be tallied and verified by the company's shareholder services agent or another shareholder services agent before the shareholders meeting is convened. However, if the company handles its own shareholder services, the company may carry out the tallying and verification itself. The company shall state the tallying and verification institution in the shareholders meeting notice. When the institution is changed, the company shall immediately publicize the new institution on the Market Observation Post System (MOPS). The content of the verification referred to in the preceding paragraph shall be as follows:

1. Whether the proxy is printed by the company.
2. Whether the shareholder has signed or sealed it.
3. Whether the name of the solicitor or proxy agent is provided, and whether it is correct.

The tallying and verification referred to in paragraph 1 shall be carried out in accordance with laws and regulations and the provisions related to proxy tallying and verification procedures in its internal control system; the aforementioned procedures shall be prescribed in accordance with the provisions related to proxy tallying and verification procedures in the Rules Establishing Standards for the Internal Control Systems of Shareholder Service Units prescribed by the FSC or an FSC-designated institution.

The FSC or an FSC-designated institution may at any time inspect the tallying and verification of proxies. The company or the entity carrying out the tallying and verification may not refuse.

If a company that handles its own shareholder services, or a shareholder services agent, violates paragraph 3 and has been issued an official reprimand or penalized by the FSC, it may not continue to handle its own shareholder services or to handle the shareholder services for the company with which the violation was connected.

#### Article 14

A shareholder services agent may, by mandate of the public company, act as the proxy agent of the shareholders of the public company. The shares represented by the agent shall not be subject to the limitation of 3% of the total number of issued shares.

A public company may mandate a shareholder services agent to act as the proxy agent of shareholders only when the election of directors and supervisors has not been proposed in the relevant shareholders meeting. Matters regarding the mandate shall be stated in the instructions in the proxies of the shareholders meeting concerned.

A shareholder services agent mandated to act as the proxy agent of proxies shall not accept the full authorization of shareholders, and shall, within five days of the close of each shareholders meeting of the public company, prepare a Compilation Report of Shareholders Meeting Attendance by a Proxy Agent comprising the details of proxy attendance at the shareholders meeting, the status of exercise of voting rights under the proxy, copy of the contract, and other matters as required by the FSC, and keep the Compilation Report available at the shareholders services agent.

A shareholders services agent shall handle the business referred to in paragraph 1 above impartially and independently.

#### Article 14-1

(deleted)

#### Article 15

The FSC or the institution designated by the FSC may at any time request a solicitor, a company mandated to handle solicitation matters, a proxy agent, or its related person to provide the shareholders meeting attendance proxies obtained or other relevant documents and/or information, or send personnel to inspect the obtainment of proxies; a solicitor, a company mandated to handle solicitation matters, proxy agent, or related person may not refuse or evade such a request.

#### Article 16

No false statement or omission shall be allowed in the material contents of

the statements in the proxy forms printed by a public company, the meeting handbook or other supplemental information for the meeting, the literature and advertisement for solicitation of proxies by a solicitor, the itemized statements of the proxies referred to in Articles 12 and 13, and/or shareholders meeting attendance proxies and documents/information referred to in the preceding Article.

No release of liabilities shall be asserted on the ground that the documents referred to in the preceding paragraph have been submitted to and made available at the SFI.

Article 17  
(Deleted)

Article 18

Within 7 days after the end of the shareholders meeting, the mandating party of a proxy may examine the manner in which the proxy has been used with the public company or its shareholder services agent.

Article 19

A public company shall conspicuously distinguish the attendance card, sign-in card, or other certificate of attendance issued by a solicitor of solicited proxies.

The attendance card, sign-in card, or other certificate of attendance referred to in the preceding paragraph shall not be transferred to another person for use. The holder thereof shall bring identification documents for verification when attending the shareholders meeting.

Article 20

Unless otherwise provided in these Regulations, the shares represented by a solicitor shall not exceed 3 percent of the total number of issued shares of the company.

Article 21

The shares represented by a proxy agent accepting the mandate of more than 3 shareholders referred to in Paragraph 1 of Article 13 shall, in addition to not being more than 4 times the number of shares held by it, also not exceed 3 percent of the total number of issued shares of the company. If the proxy agent referred to in the preceding paragraph also solicits proxies, the aggregate number of shares represented by it shall not be more than that provided in Article 20.

Article 22

If the use of proxies has any of the following conditions, the represented votes shall not be counted:

1. Where the proxy form is not printed by the company;
  2. Where the solicited proxies delivered to the company are obtained through transfer;
  3. Where Article 5, Article 6, or Article 7-1, paragraph 1 or paragraph 2 are violated;
  4. Where proxies are solicited outside the place of solicitation in violation of Article 8, paragraph 2, or there is a violation of paragraph 4 of the same Article.
  5. Where proxies are obtained in violation of Article 11, paragraph 1;
  6. Where there is false statement in the declaration issued in accordance with Article 13;
  7. Where paragraph 1 of Article 10, paragraph 1 of Article 13, Article 14, paragraph 1 of Article 16, or paragraph 2 of Article 19 is violated;
  8. Where the shares represented by a solicitor or proxy agent exceed the limit provided in Article 20 or Article 21, the portion in excess shall not be counted; or
  9. Where the solicitor's voting is inconsistent with the contents stated in the literature and advertisement or the contents of the proxy of the mandating party.
  10. Any other solicitation of proxies in violation of these Regulations
- In case of any of the events referred to in the preceding paragraph, the public company may refuse to distribute the voting slips of each motion in

the shareholders meeting concerned.

If any vote is not counted pursuant to paragraph 1 above, the public company shall conduct a re-count.

Proxies and documents and forms/statements and information in electronic media prepared in accordance with these Regulations shall be kept for at least one year. However, if a shareholder institutes a suit under Article 189 of the Company Act, they shall be kept until the conclusion of the litigation.

#### Article 23

The attendance card, sign-in card, or other certificate of attendance shall not be solicited.

#### Article 23-1

The format of forms referred to in these Regulations shall be publicly announced by the FSC.

#### Article 23-2

These Regulations shall 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.

If no book closure period is provided for the stock of a primary exchange-listed (or OTC-listed) company or emerging stock company under the laws and regulations of its country of registration, when the company calls a shareholders meeting, for the calculation of the number of shares held by a proxy solicitor or by a shareholder mandating proxy solicitation pursuant to Article 5 or 6, the calculation may be based on the number of shares recorded in the shareholders register, or in the documentation of deposit in the centralized securities depository enterprise, on the record date of that shareholders meeting.

If a primary exchange-listed (or OTC-listed) company or emerging stock company, under the laws and regulations of its country of registration, is unable to deliver the shareholders meeting notice by 30 days before the holding of the shareholders meeting, the proxy solicitor shall, by 8 days before the latest day for delivery of the shareholders meeting notice under the rules of the Taiwan Stock Exchange or Taipei Exchange, deliver to the company, with a copy to the SFI, the Solicitor Solicitation Information specified in Article 7, paragraph 1. Before the latest day for delivery of the shareholders meeting notice, the company shall compile a summary statement of the Solicitor Solicitation Information and transmit it to the SFI.

#### Article 24

These Regulations shall take force as of the date of issuance, except, Article 7-1 amended and issued on 15 December 2005 shall take force from 1 January 2006; Articles 5 and 6 amended and issued on 20 December 2006 shall take force from 1 January 2008; Article 13-1 amended and issued on 11 April 2013 shall take force from 1 July 2013; Articles 5 and 6 amended and issued on 16 August 2018 shall take force from 1 July 2019; subparagraph 2 of paragraph 1, and paragraph 8, of Article 7-1, Article 7-2, and Article 7-3 amended and issued on 17 August 2022 shall take force from 1 January 2023.