

# **Taiwan Fructose Co., Ltd.**

## **Rules for Election of Directors**

### **Article 1**

The rules are adopted pursuant to Article 21 and 41 of the Corporate Governance Best-Practice Principles of the Company.

### **Article 2**

The elections of the Company's Directors shall be conducted in accordance with these Rules. Any matters not provided in these Rules shall be handled in accordance with relevant Laws.

### **Article 3**

The cumulative voting method shall be used for election of the Company's Directors. Each will have voting rights in number equal to the Directors to be elected, and may be cast for a single candidate or split among multiple candidates. Shareholder numbers or attendance and numbers printed on the ballots may be used instead of recording the names of voting shareholders.

### **Article 4**

At the beginning of the election, the Chairman shall appoint several scrutineers each to check and record the ballots. The scrutineers to check the ballots may be appointed from among the shareholders present.

The ballot box used for voting shall be prepared by the Board of Directors and checked in public by the scrutineers before voting.

### **Article 5**

Ballots, numbered in light of the shareholder account number or attendance card number, shall be prepared and issued by the Board of Directors with the number of voting rights specified thereon.

### **Article 6**

In case a candidate is a shareholder, a voter shall fill in the candidate's account name and shareholder account number in the "candidate" column of the ballot. For a non-shareholder candidate, a voter shall fill in the candidate's name and ID card number. If the candidate is a government agency or a legal entity, the full name of the government agency or the legal entity or the name of their representative should be filled in the column.

When there are multiple representatives, the names of each individual representative shall be entered.

#### **Article 7**

In the election of Directors of the Company, candidates who acquire more votes should win seats of Directors. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is not present.

#### **Article 8**

A ballot under any of the following circumstances shall be null and void:

- (1) The ballot was not prepared by the Board of Directors.
- (2) A blank ballot is placed in the ballot box.
- (3) Other words or marks are entered in addition to the candidate's account name (title or name) or shareholder account number (ID number/UBN) and the number of voting rights allotted.
- (4) The writing is unclear and indecipherable or has been altered.
- (5) The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and ID number/UBN do not match.
- (6) The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or ID number/UBN is provided in the ballot to identify such individual.

#### **Article 9**

The ballots shall be counted immediately after the poll. The result, including the list of elected Directors and the total number of voting rights, shall be announced immediately in the meeting by the Chairman, or by the master of ceremonies, as instructed by the Chairman.

The election ballots, as described in the preceding paragraph, shall be sealed and signed by the scrutineers for safekeeping and shall be kept for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the ballots shall be held until the conclusion of the lawsuit.

**Article 10**

The Board of Directors shall issue notifications to the persons elected as Directors, and have Director elects sign their consent to appointment.

**Article 11**

The overall composition of the Board of Directors shall be taken into consideration in the selection of the Company's Directors. The composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on operations, operating dynamics and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

- (1) Basic requirements and values: Gender, age, nationally, and culture.
- (2) Professional knowledge and skills: A professional back background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

All members of the Board shall have the necessary knowledge, skills, and experience to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

- (1) Ability to make operational judgments.
- (2) Ability to perform accounting and financial analysis.
- (3) Ability to conduct management administration.
- (4) Ability to conduct crisis management.
- (5) Industrial Knowledge.
- (6) An international market perspective.
- (7) Leadership ability.
- (8) Decision-making ability.

Unless otherwise permitted by competent authorities, more than half of the total seats of Directors of the Company must not have a spousal relationship nor a relationship within the second degree of kinship with any other Director.

**Article 12**

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**Article 13**

The qualifications for Independent Directors shall comply with Article 2, 3 and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election for Independent Directors shall comply with Article 5, 6, 7, 8 and 9 of the Regulations Governing Appointment of Independent Directors and Compliance

Matters for Public Companies and shall be conducted in accordance with Article 24 of the Corporation Governance Best-Practice Principles of the Company.

#### **Article 14**

Election of Directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. The candidate nomination system shall be expressly stated in the Article of Incorporation of the Company, and the shareholders shall elect Directors from among those listed in the slate of Director candidates. Regarding review of Director candidate qualifications, education, experience, circumstances in Article 30 of the Company Act exists, documentary proof of other qualifications cannot be additionally listed without completing the appropriate procedures. Review results shall be presented to the shareholders as a basis for the consideration and election of suitable Directors.

Where the number of Board of Directors falls below 5 persons due to the release or resignation of Directors for any reason, a by-election shall be held at the next shareholders' meeting.

Where the number of Directors falls short by one-third of the total number prescribed by the articles of incorporation, the Company shall convene a special shareholders' meeting to hold a by-election within sixty days from the date of such occurrence.

Where the number of Independent Directors falls below the minimum specified in the proviso under Article 14-2, Paragraph 1 of the Securities and Exchange Act and fails to satisfy the provisions in the Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings, a by-election shall be held at the next shareholders' meeting. In the event that all the Independent Directors have been released or resigned, the Company shall convene a special shareholders' meeting to hold a by-election within sixty days from the date of such occurrence.

Where the number of Audit Committee members falls below the minimum specified in the Company's Article of Incorporation, a by-election shall be held at the next shareholders' meeting. In the event that all the Audit committee members have been released or resigned, the Company shall convene a special shareholders' meeting to hold a by-election within sixty days from the date of such occurrence.

#### **Article 15**

The rules and any amendments hereto shall be implemented after being approved

by shareholders' meeting.

The rules were enacted on June 29, 1991.

The 1<sup>st</sup> amendment was made on May 30, 2002.

The 2<sup>nd</sup> amendment was made on June 25, 2015.

The 3<sup>rd</sup> amendment was made on June 23, 2020.