

# ITE Tech. Inc.

## Procedures for Election of Directors

Revised and adopted  
by the General Shareholders' Meeting on June 20, 2016

Article 1 To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to the relevant provisions of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2 Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 3 The overall composition of the board of directors shall be taken into consideration in the election of the Company's directors. Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

Article 4 (Deleted)

Article 5 The qualifications for independent directors of the Company shall comply with relevant provisions of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The election of independent directors of the Company shall comply with relevant provisions of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Independent Directors' Professional knowledge, shareholding, holding concurrent posts, the scope of duties, etc. shall also be subject to relevant provisions of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 6 The nomination of the Company's directors shall be conducted in accordance with the provisions of Article 192 of the Company Act. If the Company's Articles of Incorporation stipulates the adoption of the candidate nomination system, the nomination operation shall be carried out in accordance with the procedures for the candidate nomination system stipulated in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of directors for any reason, the Company shall hold a by-election to fill the vacancy at the next Shareholders' Meeting; however, when the number of directors falls short by one third of the total number prescribed in the Company's Articles of Incorporation, the Company shall call a special Shareholders' Meeting

within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under relevant provisions of Article 14-2 of the Securities and Exchange Act or the Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings, a by-election shall be held at the next Shareholders' Meeting to fill the vacancy. When all the independent directors are dismissed, a special Shareholders' Meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 7 The election of the Company's directors adopts the registered cumulative voting method. Each share shall have the voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 8 The convener of the Shareholders' Meeting shall prepare ballots in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the Shareholders' Meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 9 For the election of the Company's directors, the number of directors shall be as specified in the Company's Articles of Incorporation, with voting rights separately calculated for independent and non-independent directors. Those receiving ballots representing the highest numbers of voting rights shall be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 10 Before the election begins, the chairperson shall designate a number of tellers as well as a number of scrutineers with shareholder status to perform respective duties. Ballot boxes shall be prepared by the convener of the Shareholders' Meeting, and the scrutineers shall open the ballot boxes for public inspection before voting.

Article 11 If the candidate is a shareholder, the elector shall fill in the candidate's account name and shareholder account number in the candidate field of the ballot. If the candidate is not a shareholder, the elector shall fill in the candidate's name and ID card number. However, when a governmental organization or juristic person shareholder is a candidate, the name of the governmental organization or juristic person shareholder shall be entered in the candidate's account name field in the ballot, or the name of the governmental organization or juristic person shareholder together with the name of its representative may also be entered instead thereof; when there are several representatives, the names of the representatives shall be specified separately in order to distinguish the candidates.

Article 12 A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed into the ballot box or a ballot is not placed into the ballot box.
3. The writing is blurred and unrecognizable or has been altered.
4. For the candidate who is a shareholder, his/her account name and shareholder account number entered in the ballot are not consistent with those in the shareholder register; for the candidate who is not a shareholder, his/her name and ID card number are not consistent after verification.
5. Other words or marks are entered in addition to the account name (name) or shareholder

account number (ID card number) of the candidate as well as the number of voting rights allotted.

6. The name of the candidate entered in the ballot is identical to that of another shareholder but without the shareholder account number or ID card number being entered for identification.

| Article 13 The voting rights shall be calculated on site immediately after the end of the poll, and the ballot result of the elected directors list shall be announced on the spot by the chairperson.

Article 14 The directors elect shall be announced by the convener of the Shareholders' Meeting and notifications to the persons elected as directors shall be issued.

Article 15 These Procedures (originally known as the Director and Supervisor Selection Procedures) and any amendments hereto, shall be implemented after approval by the Shareholders' Meeting.  
The formulation of this Procedure was approved by the Board of Directors on April 29, 1999 and submitted to the Regular Shareholders' Meeting 1999.  
The first revision was approved by the Board of Directors on March 1, 2002 and submitted to the General Shareholders' Meeting 2002.  
The second revision was approved by the Board of Directors on November 19, 2007 and submitted to the General Shareholders' Meeting 2008.  
The third revision was approved by the Board of Directors on February 16, 2011 and submitted to the General Shareholders' Meeting 2011.  
The fourth revision was approved by the Board of Directors on February 25, 2016 and submitted to the General Shareholders' Meeting 2016.