

# ITE Tech. Inc.

## Rules of Procedure for Shareholder Meetings

Revised and adopted  
by the 2014 General Shareholders' Meeting, June 11, 2014

- Article 1 The rules for compliance are stipulated in accordance with the relevant regulations of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" for establishing the Company's excellent shareholder meeting governance system, substantiating supervisory function, and enhancing management functions.
- Article 2 The Rules of Procedure for Shareholder Meetings are processed in accordance with the Rules, unless otherwise provided by law or Company Corporate Charter (Articles of Incorporation).
- Article 3 The Company's shareholder meeting shall be convened by the Board, unless otherwise provided by law.

The Company shall have the General Shareholders Meeting notice, proxy and the proposal and information on admission, discussions and directors election and dismissal compiled into electronic files and uploaded to the MOPS 30 days prior to the General Shareholders Meeting or fifteen days prior to the extraordinary shareholder meeting. Also, the Meeting Handbook and the supplementary information are compiled into electronic files and uploaded to the MOPS 21 days prior to the General Shareholders Meeting or 15 days prior to the extraordinary shareholder meeting. The Meeting Handbooks and the supplementary information are made available to shareholders 15 days prior to the General Shareholders Meeting; also, on display at the Company's and its Stock Agent's and distributed to shareholders at the meeting place.

The reasons for convening the meeting shall be stated in the notice and announcement. The notice with the consent of the counterparty can be issued electronically.

Election or dismissal of directors; amendments to the articles of incorporation; the dissolution, merger, or demerger of the corporation; or any matter under Article 185, paragraph 1 of the Company Act, or Articles 26-1 and 43-6 of the Securities and Exchange Act shall be itemized in the causes or subjects to be described in the notice to convene a shareholder meeting, and shall not be brought up as extemporary motions.

Shareholders holding one percent (1%) or more of the Company's total number of outstanding shares may put forward a proposal in writing to the Company for discussion at the General Shareholders Meeting. However, only one proposal may be put forward per such shareholder per meeting. In the event that more than one proposal is put forward per shareholder, none of such proposals shall be included in the agenda. In addition, if a proposal put forward by shareholders falls within one of the circumstances prescribed in Article 172-1 of the Company Act, the proposal shall not be included in the agenda, and the shareholder meeting the convener is allowed not to include the proposal in the agenda.

Prior to the date on which share transfer registration is suspended before the convening of a general shareholder meeting, the company shall give public notice

announcing acceptance of shareholder proposals; the place and period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals, which shall not be less than ten (10) days.

Motion proposed by shareholders is limited to three hundred words. A proposed motion of more than three hundred words will not be included in the proposal. The proposing shareholders must attend the General Shareholders Meeting in person or by proxy and must participate in the proposal discussion.

The Company shall have the proposing shareholder notified about the proposal results before the date of the meeting notice and must have the proposals in compliance with this provision included in the meeting notice. The Board shall state the reasons for not including the proposal of shareholders in the meeting agenda.

Article 4      Shareholders may attend the shareholder meeting by producing a printed proxy letter issued by the Company with proxy designated and scope of authorization detailed.

Each shareholder shall issue a maximum of one proxy letter, and to one person only; the proxy letter shall be served to the Company five days prior to the shareholder meeting. When there are multiple proxy letters, whichever is served first shall prevail. However, when prior announcement is given to revoke the proxy letters, such a situation shall not be subject to this restriction.

Once a proxy letter has been served to the Company, where the shareholder then wishes to attend the shareholder meeting in person, they shall notify the Company in writing to revoke the proxy letter two days prior to the shareholder meeting. If the proxy letter is not revoked before the deadline, the proxy's vote shall prevail.

Article 5      (Principles for deciding venue and time to convene shareholder meeting)

The shareholder meeting venue shall be at the Company's or any suitable location or for shareholders to attend the meeting conveniently; also, the shareholder meeting shall not be started before 9:00 or after 15:00. Independent director opinions shall be fully taken into consideration when deciding the venue and time for convening.

Article 6      (Preparation of signing books and other documents)

The Company shall specify in the meeting notice the time and location when and where shareholder sign-ins will be accepted, as well as other matters to be paid attention to.

Acceptance of shareholder sign-ins in the preceding paragraph shall begin at least 30 minutes prior to the start of the meeting; the reception desk shall be clearly marked, and sufficient qualified personnel shall be dispatched to handle such matters.

Shareholders or the shareholder's representative (hereinafter referred to as the Shareholders) shall attend the shareholder meeting with the presentation of the attendance pass, attendance card or other attendance documents. Proxy solicitors shall have identity documents with them for examination.

The Company shall have the attendance registry ready for the signature of the attending shareholders, or the attending shareholders may have the signature card submitted as an alternative to the signature.

The Company shall have the meeting handbook, annual reports, attendance pass,

speech slip, voting ballots, and other meeting materials delivered to the attending shareholders; also, the electoral ballots shall be distributed for the election of directors, if applicable.

When the government or juridical person is a shareholder, the shareholder attending the meeting by proxy is not limited to one representative. The juridical person that has attended the meeting of shareholder by proxy can authorize only one representative to attend the meeting.

Article 7 (Shareholder meeting chair; attendees)

If the shareholder meeting is convened by the Board, the chairperson of the Board is to chair the meeting. If the chairperson is on leave or is unable to exercise his powers for certain reasons, the vice chairperson is to chair the meeting. If a vice chairperson is not appointed or the vice chairperson is also on leave or is unable to perform his duties for certain reasons, the chairperson is to appoint one of the managing directors to chair the meeting. If a managing director is not appointed, one of the directors is appointed to chair the meeting. If a representative is not appointed by the chairperson, one of the managing directors or directors shall be elected among the board members to chair the meeting.

Where the position of chair in the preceding paragraph is taken by a managing director or a director on behalf of the chairperson, such managing director or director shall be one who has served for six or more months and who understands the Company's financial and business conditions. The same shall apply in the event that the chair is the representative of a corporate director.

It is preferable that shareholder meetings convened by the Board of Directors be attended by more than half the directors on the Board of Directors.

Where a shareholder meeting is convened by a person having convening right but who is not on the Board of the Directors, such person having convening right shall act as chair; in the event that there are two or more persons having convening right, they shall elect from among themselves an acting chair.

The Company may assign the appointed attorney, CPA, or responsible personnel to attend the shareholder meeting.

Article 8 (Audio or video recording of the shareholder meeting proceedings retained as evidence)

The Company shall have the entire shareholder meeting recorded via audio or video and such recording stored for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it shall be reserved until the end of the proceedings.

Article 9 Attendance of the shareholder meeting shall be calculated in accordance with the shareholdings. The shareholding attendance is based on the attendance registry or the signature cards submitted, plus the votes exercised in writing or by electronic means.

The chairperson shall call the meeting to order at the meeting time. If the shareholding of the attending shareholders is not more than half of the total number of shares issued, the chairperson may announce the meeting postponed, which is limited to two postponements and for less than one-hour in total. If the shareholding of the attending

shareholders remaining do not constitute more than one third of the total number of shares issued after the two postponements, the chairperson may announce to have the meeting aborted.

If the shareholdings of the attending shareholders are not more than half of the total number of shares issued after two postponements but more than one third of the total number of shares issued, a pseudo-resolution can be resolved in accordance with Paragraph 1, Article 175 of the Company Act; also, shareholders shall be informed regarding the pseudo-resolution with another shareholder meeting to be convened within one month.

If the shareholdings of the attending shareholders are more than one half of the total number of shares issued before the end of the meeting, the chairperson may have the pseudo-resolution presented again in the next shareholder meeting for resolution in accordance with Article 174 of the Company Act.

#### Article 10 (Discussion of motions)

If the shareholder meeting is convened by the Board, the agenda is scheduled by the Board; and the meeting shall be conducted in accordance with the agenda scheduled and it may not be amended without the resolution reached in the shareholder meeting.

If the shareholder meeting is convened by an authorized person other than the Board, the provision referred to above is applicable.

The chairperson may not have the meeting adjourned at his discretion before the proposals (including questions and motions) resolved in the two agendas referred to above. If the chairperson has the meeting adjourned in violation of the Rules of Procedure for Shareholder Meetings, the other Board members shall promptly assist the attending shareholders in accordance with the legal procedures to have one shareholder elected as the chairperson with the majority votes of the attending shareholders to continuously chair the meeting.

The chair shall allow ample opportunity during the meeting for explanations for and discussions on proposals, as well as amendments or questions and motions put forward by shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to be put to a vote, the chair may declare discussion closed and call for a vote.

#### Article 11 (Shareholder speeches)

Attending shareholders before speaking on the subject must fill out the speech slip, shareholder account number (or attendance pass number), account name and number of shareholding in detail, and then the chairperson is to determine the order of speakers.

A shareholder in attendance who has submitted a speaker slip but who does not actually speak shall be deemed not to have spoken and not processed. When the content of the speech does not correspond to the record given on the speaker slip, the spoken content shall prevail.

Each shareholder may not speak more than twice on the same motion for 3 minutes each time without the consent of the chairperson. However, the chairperson may have the speaking shareholders who violate the rules or speak beyond the scope of those

issues silenced.

Attending shareholders may not interfere with the speaking shareholders without the consent of the chairperson and the speaking shareholders. The chairperson will have the violating shareholders stopped.

If the juridical person shareholder has more than two representatives assigned to attend the shareholder meeting, only one of the two representatives may speak on the same proposal. The chairperson may reply to the speaking shareholders personally or by the designated personnel.

**Article 12 (Calculation of voting shares and recusal system)**

Resolutions of the shareholder meeting shall be based on their shareholdings.

For the resolutions in the shareholder meeting, the shares of the shareholders without votes are not included in the calculation of outstanding shares.

Shareholders who have a conflict of interest with the proposals that are detrimental to the Company's interests shall not vote, and cannot vote by proxy on behalf of the other shareholders.

The shares without votes referred to above are not included in the calculation of the attending shareholders' votes.

Except for Trust agencies or stock agencies approved by the securities regulatory authorities, the votes of the representative delegated by two or more shareholders shall not exceed 3% of the total votes representing the total number of shares issued; also, the votes exceeding the threshold shall not be counted.

**Article 13 Shareholders are entitled to one vote per share; except for those subject to restrictions or the non-voting matters illustrated in Paragraph 2, Article 179 of the Company Act.**

When the Company convenes a shareholders' Meeting, it may be adopted in writing or electronic means for the exercise of the voting rights; when the vote is cast in writing or by electronic means, the election method shall be stated in the notice of shareholder meeting. Shareholders who have their votes cast in writing or by electronic means are deemed as attending the meeting in person. However, with respect to questions and motions and original proposal amendments of the shareholder meeting, it is deemed as a waiver.

For the votes exercised in writing or by electronic means referred to above, the intention shall be delivered to the Company two days prior to the shareholder meeting. For the intention expressed in duplicate, whichever is delivered first shall prevail. The intention referred to above that was announced to be revoked is not subject to this restriction.

Shareholders after exercising their votes in writing or by electronic means wish to attend the shareholder meeting in person shall have the intension of exercising votes in writing or by electronic means revoked the same way of exercising their votes two days prior to the meeting commencement date. For overdue revocations, the votes exercised in writing or by electronic means shall prevail. If the vote is exercised in writing or by electronic means and a representative is to attend the shareholder meeting by proxy, the votes exercised by the representative in person shall prevail.

For the resolution of proposals, unless otherwise provided in the Company Act and the Company Corporate Charter (Articles of Incorporation), the consent of a majority vote of the attending shareholders shall prevail. When in a vote, the chair or his/her designated person may declare the total number of voting rights of the shareholders in attendance, after which, it is best that shareholders vote on a case-by-case basis on the proposals.

Except for the proposals set out on the agenda, other proposals proposed by shareholders or amendments to or alternatives of original proposals or changes to the agenda shall be seconded by other shareholders. The shareholding represented by the proposer, together with the seconder shall reach one percent (1%) of the total voting rights on the outstanding shares, otherwise such proposals shall not be up for discussion or put in a vote.

When there is an amendment or alternative for the same motion, the chairperson shall have the order of vote, including the original proposal, determined accordingly. If one of the motions has been passed, the other motions shall be deemed as rejected without the need for further resolution.

Chairperson is to appoint the scrutineers and counting officers who must be shareholders.

Ballot counting shall be held at the meeting place with the ballot counting result, including the statistical weight, announced immediately and records kept.

Article 14 (Election matters)

Shareholder meeting election of directors shall proceed in accordance with the relevant election rules formulated by the Company. The election results, including the list of directors-elect and the number of voting rights received by such, shall be declared.

Electoral ballots referred to above shall be sealed and signed by the scrutineers and reserved for at least one year.

However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it shall be reserved until the end of the proceedings.

Article 15 Resolutions adopted by the shareholder meeting shall be recorded in the minutes, which shall be signed by or sealed by the chair and shall be distributed to all shareholders within 20 days after the meeting. The production and distribution of the meeting minutes may be proceeded with by means of announcements.

The meeting minutes shall be prepared in accordance with the year, month, date, place, name of the chairperson, the resolution method, and a summary of the deliberations and the results of the voting to be stated therein, which shall be permanently reserved throughout the duration of the Company.

For the resolution method in the preceding paragraph, if no attending shareholder voices an objection following an inquiry by the chair, it shall be recorded as “adopted without objection voiced by any attending shareholders following solicitation of questions by the chair”; however, when a shareholder voices an objection to the proposal, the voting method as well as the number of voting rights adopted shall be

stated therein.

Article 16 (External announcements)

The Company shall have the statistical report for the number of shares solicited by the solicitor and the number of shares by proxy prepared in the specific format during the shareholder meeting commencement date and disclosed in the meeting.

For the resolutions reached in the shareholder meeting that involved laws and regulations or the material information defined by the Taiwan Stock Exchange Corporation, the Company shall, within the specified time, have the information uploaded to MOPS.

Article 17 (Keeping the meeting place in order)

The staff responsible for organizing the shareholder meeting shall wear identification badges or armbands.

The chairperson may direct disciplinary personnel or security personnel to help keep the meeting place in order. The disciplinary personnel or security personnel that help keep the meeting place in order shall wear an armband with “Marshal” affixed or an identification card.

When the meeting place is equipped with amplifying equipment, the chairperson may stop shareholders who do not use the speaking device provided by the Company from speaking.

The chairperson may instruct the disciplinary personnel or security personnel to have shareholders who violate the Rules of Procedure for Shareholder Meetings, disobey the instructions of the chairperson, intervene in the meeting proceedings and fail to comply with the disciplinary act escrowed to leave the meeting place.

Article 18 (Recess, meeting resume)

The chairperson may announce the meeting in recess. The chairperson may rule to have the meeting suspended temporarily under unruly circumstance and have the meeting resume depending on the situation.

If the meeting place cannot be used continuously before the proposals (including questions and motions) resolved in the agendas scheduled, it can be resolved to be continued in the shareholder meeting to find another venue for the meeting.

The shareholder meeting may, in accordance with Article 182 of the Company Act, resolve to have the meeting postponed or resumed in five days.

Article 19 The Rules of Procedure for Shareholder Meetings is implemented after the resolution reached in the shareholder meeting, so is the amendment.

These Rules were adopted by the General Shareholders' Meeting on June 10, 1999.

The first revision was adopted by the General Shareholders' Meeting on June 11, 2007.

The second revision was adopted by the General Shareholders' Meeting on June 15, 2011.

The third revision was adopted by the General Shareholders' Meeting on June 15, 2012.

The fourth revision was adopted by the General Shareholders' Meeting on June 11, 2014.

