

Rules for Director Elections

Chang Hwa Commercial Bank, Ltd.

Established on November 25th 2005 by 2nd ISM
Revised on June 15th 2007 by AGM
Revised on December 8th 2014 by 1st ISM
Revised on June 12th 2015 by AGM
Revised on June 14th 2019 by AGM
Revised on June 17th 2022 by AGM

Article 1

These Rules are established by Chang Hwa Commercial Bank (hereafter as “CHB”) for the purpose of fair, just and open election of directors.

Article 2

Except as otherwise provided by the relevant laws and regulations and the Articles of Incorporation of CHB, the election of directors of CHB shall be in accordance with these Rules.

Article 3

Except as otherwise provided by the Articles of Incorporation of CHB, each share will have voting rights for director elections of CHB in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

An independent director and non-independent director candidates nomination system is adopted by CHB, and it shall be processed under the procedures of candidates nomination system pursuant to the provisions of Article 192-1 of the Company Act and Article 18 of the Articles of Incorporation of CHB. The shareholders shall elect the independent directors and non-independent directors from among the nominees listed in the rosters of independent director and non-independent director candidates.

An independent director and non-independent director candidates nomination system is adopted by CHB, and it shall be processed under the procedures of candidates nomination system pursuant to the provisions of Article 192-1 of the Company Act and Article 18 of the Articles of Incorporation of CHB.

Independent and non-independent directors shall be elected at the same time, but in separately calculated numbers. An independent director candidate or a non-independent director candidate to whom the ballots cast represent a prevailing number of votes shall be deemed an independent director or a non-dependent director elect.

The provision of Article 178 of the Company Act shall not apply to the voting power referred to these Rules.

Article 4

Except as otherwise provided by the Articles of Incorporation of CHB, any shareholder of CHB shall have the right to elect directors.

Except as otherwise provided by relevant laws and regulations, any person who has the capacity to make juridical acts (employee of CHB included), but not in the limit of being a shareholder of CHB, may be elected as a director of CHB under these Rules. However, a certain proportion of directors shall meet relevant qualifications under “Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Banks”.

A government agency or a juristic person acts as a shareholder of CHB, may authorize one or more representatives to be elected as a director.

People who violate relevant provisions about the qualification of a director of the Company Act, the Securities and Exchange Act, the Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Banks, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies or other laws and regulations, may not serve as a directors of CHB. An elect under such circumstances shall be removed from such positions upon discovery.

Article 5

The number of directors will be as specified in the Articles of Incorporation of CHB, and those independent director candidates and non-independent director candidates who receive ballots representing the highest numbers of voting rights will 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 at the time when the election ends. The chair will draw lots on behalf of any person not in attendance.

Article 6

Except as otherwise provided by the Company Act or other relevant regulations, in the event that a candidate is elected both a director and an independent director at the same time, the candidate shall have the choice to decide whether to serve as a director or an independent director, but not both, and the vacancy will be filled by the next candidate who has less number of votes than the aforesaid candidate.

Article 7

The board of directors shall prepare ballots for directors election with seals stamped. The number of voting rights and attendance number for shareholders associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders or their proxies at the shareholders meeting. However, shareholders who exercise voting rights by correspondence or electronic means shall follow the instructions specified in the shareholders meeting notice.

Article 8

At the beginning of the election, the chair will ask for 5 shareholders volunteer to perform the respective duties of vote monitoring personnel. If there are no volunteers and less than 5 volunteers available, the vacancy will be appointed by the chair. In the case of more than 5 volunteers available for voting monitoring personnel, the positions shall be decided by drawing lots.

At the beginning of the election, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote counting personnel.

The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 9

The number of voting rights for each candidate of directors shall be entered by voters in the column of “number of voting rights allotted” on the ballots.

Article 10

In the case that the sum in “number of voting rights allotted” column of the ballots is less than the number of the voting rights specified in the ballots, the shortage of voting rights shall be deemed waived.

Article 11

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the person with the right to convene..
2. A blank ballot is placed into the ballot box.
3. The sum entered by a voter in “number of voting rights allotted” column exceeds the number of the voting rights specified in the ballot.
4. Any ballot placed into the ballot box after the polling hours.
5. Words or marks other than the number of voting rights allotted are entered.
6. Except otherwise provided by laws and regulations, the number of voting rights distributed by the elector to non-independent directors or independent directors exceeds the number of non-independent directors or independent directors to be elected.

Article 12

The number entered by a voter in the “number of voting rights allotted” column of a ballot is invalid under any of the following circumstances:

1. The writing is unrecognized because of defacing.
2. The writing has been altered.

Article 13

The identification of Article 11 and Article 12 of these Rules are executed by vote monitoring personnel; if vote monitoring personnel hold differing views, they shall go for a vote. When the numbers of positive and negative sides are the same, the ballot shall be deemed to be valid.

Article 14

Once voting is finished, the chair shall announce to have votes counted on the spot. The vote counting personnel will record the number of votes each candidate receives, under the supervision of the vote monitoring personnel.

Based on the outcome of the ballot counting on the spot plus the number of rights whose voting rights are exercised by correspondence or electronically, the chair shall announce the list of directors elected and not elected, and the number of votes each receives.

Article 15

A letter of understanding shall be issued by each elected director, within the specified period of time set by CHB, to consent to act as director. Any elected director does not issued such letter of understanding within the specified period of time, shall be deemed as a renunciation.

Article 16

All other matters not specified herein shall be regulated under the Company Act, the Securities and Exchange Act, the Civil Code, relevant regulations and the Articles of Incorporation of CHB.

Article 17

The Rules and all subsequent amendments each shall be implemented after being approved by the Shareholders' Meeting.