

King Yuan Electronics Co., Ltd.
Rules Governing the Election of Directors

Article 1 Unless elsewhere regulated by law or the articles of incorporation, election of the company's directors shall be governed by these Rules.

Article 2 The candidate nomination system and cumulative voting method shall be adopted for election of the Company's directors. Each share shall 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.

Article 3 The company shall, prior to the share transfer suspension date dedicated before the meeting date of a shareholders' meeting, announce in a public notice, the period for accepting the nomination of director candidates, the quota of directors to be elected, the place designated for accepting the roster of director candidates nominated, and other necessary matters.

The Company's Board of Directors and any shareholder holding 1% or more of the total number of outstanding shares issued by the company may submit a roster of director candidates for the next term of Board of Directors in accordance with the Company Act and other applicable laws and regulations.

The qualification of director candidates of the Company shall follow applicable laws and regulations.

Article 4 The directors of the Company shall be elected during a shareholders' meeting from among the nominees listed in the roster of director candidates. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially as independent or non-independent director according to the number of directors to be elected as specified in the Articles of Incorporation and relevant announcements and the ballot count results. 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 5 When preparing the ballots, the Company shall specify the attendance card numbers and the number of voting rights associated with each ballot.

The directors shall be elected at the same time as the election of independent and non-independent directors, but the ballots shall be counted separately.

Article 6 Before the election begins, the chair shall appoint a number of persons to perform the respective duties of vote monitoring and counting.

Article 7 When a candidate is a shareholder, the name on the account and account number of the candidate must be indicated on the ballot. When the candidate is not a shareholder, the ID

number and name of the candidate shall be indicated on the ballot. Where the candidate is a government agency or a juristic person and there is more than one representative, the name of the government agency or juristic person and name of all the representatives shall be listed separately on the ballot.

The shareholder may replace with a seal the candidate name (account name), account number, and National ID number provided on the ballot as prescribed in paragraph 1.

Article 8 The ballot boxes shall be prepared by the company and shall be publicly checked by the vote monitoring personnel before voting commences.

After voting, the ballot box shall be opened by the vote monitoring personnel, and the vote counting process shall be monitored by the vote monitoring personnel.

Article 9 A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared as stipulated in Article 5.
2. The number of candidates filled in the ballot exceeds the number of seats to be elected as stipulated in Article 4.
3. The total votes cast by the voter exceeds the total voting rights of that voter.
4. 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; the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. The writing is unclear and indecipherable or has been altered.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.
7. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
8. A blank ballot is placed in the ballot box.

Article 10 The vote monitoring personnel shall verify the validity of any ballot in question. Invalid ballots shall be indicated as invalid and affixed with a signature or seal at the end of the vote counting.

Article 11 Vote monitoring personnel shall check the sum of valid and invalid ballots upon completion of voting and then document the valid votes and number of voting rights. The results of the calculation shall be announced on site.

The election of the director shall be deemed invalid if it does not conform to Article 26-3, paragraph 3 of the Securities and Exchange Act.

Article 12 The persons elected as directors shall personally sign the form “Consent to Act as Director” to facilitate company registration with the competent authority.

Article 13 All matters not covered by these Rules shall be subject to applicable laws and regulations.

Article 14 These Rules, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Article 15 These Rules were established on August 20, 1997.

First amendment was made on April 20, 1999.

Second amendment was made on May 7, 2002.

Third amendment was made on June 13, 2007.

Fourth amendment was made on June 12, 2014.