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# Procedures for Election of Directors

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## 1. Objectives:

These Procedures are duly enacted to assure that the Company's directors should be elected through fair, just and open procedures.

## 2. Scope:

These Regulations are applicable to elect the Company's directors.

## 3. Powers and responsibilities:

The election affairs of the Company's directors shall be duly convened by the Financial & Accounting Department.

## 4. Definitions:

Nil.

## 5. Contents of operation:

- 5.1 These Procedures are duly enacted in accordance with the Company's Articles of Incorporation and laws and ordinances concerned to assure that the Company's directors should be elected through fair, just and open procedures.
- 5.2 Unless otherwise prescribed in law or Articles of Incorporation, the Company's directors shall be duly elected in accordance with these Procedures.
- 5.3 The Company shall elect directors with due consideration of the overall layout and deployment of the Board of Directors. The members of the Board of Directors should possess the expertise, skills and elegance required to perform the duties. The overall capabilities are enumerated below:
- 5.3.1 Capability in due judgement for business operation.
  - 5.3.2 Capability in accounting and financial analyses.
  - 5.3.3 Capability in business management.
  - 5.3.4 Capability in dealing with crisis.

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- 5.3.5 Expertise in industries.
- 5.3.6 Outlook in international markets.
- 5.3.7 Leadership.
- 5.3.8 Capability in policymaking process.
- 5.4 The qualification requirements and election process of the Company's independent directors shall be pursuant to the requirements set forth in the Company's Articles of Incorporation and laws and ordinances concerned.
- 5.5 The Company's directors shall be duly elected through named, accumulated balloting system. Each share of the Company is entitled to the electing powers equivalent to the number of directors to be elected which may be used to elect one candidate or to elect several candidates separately.
- 5.6 The Board of Directors shall prepare election ballots in the number equivalent to the number of directors to be elected, with entry of the weight numbers. The election ballots shall be distributed to shareholders in the shareholders' meeting. The names of the voters may be entered with the present certificate codes printed on the ballots instead.
- 5.7 Where the Company has set up independent directors in accordance with the Articles of Incorporation, both independent directors and non-independent directors shall be elected in one package. The numbers of independent directors and non-independent directors should be calculated separately based on the quota fixed in the Company's Articles of Incorporation. The candidates who win more ballots of the election powers shall be elected by order. In the event that two or more candidates win the same election powers and go beyond the specified quota, those candidates winning the same election powers shall be determined through lot-drawing process. In the event that a candidate is absent, the chairperson shall draw lot on his or her behalf.
- 5.8 Before starting of the election process, the chairperson shall designate certain numbers of monitors and tally staff out of shareholders to implement the respective duties. The ballot box shall

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be produced by the Board of Directors and shall be opened by the monitor to be inspected to public before the balloting process.

- 5.9 Where the candidates come out shareholders, the voters shall enter onto the boxes of candidates on the ballots the names of the candidates' accounts and their account codes. If a candidate comes beyond shareholders, the voters shall enter the names and identity certificate codes of the candidates. In the event that the government or juristic (corporate) person shareholder is a candidate, the box of the account name of the candidate on the ballot may enter the name of the government or juristic (corporate) person or may enter the name of the government or juristic (corporate) person and names of representatives thereof. In case of several representatives, the names of those representatives should be respectively entered.
- 5.10 An election ballot becomes null and void if meeting any of the situations below:
- 5.10.1 Not using the election ballot produced by the Board of Directors.
- 5.10.2 Where a blank election ballot is cast into the ballot box.
- 5.10.3 Where the election ballot bears illegible wording or has been tampered with.
- 5.10.4 Where the name of the candidate's account and his or her account code are found inconsistent with the Register (Roster) of Shareholders in case of a candidate as a shareholder; or where the name, identity certificate code proves inconsistent in case of a candidate not as a shareholder.
- 5.10.5 Where an election ballot bears other unnecessary wording in addition to the account name (name) of the candidate or the shareholder account code (identity certificate code) and the assigned number of election weights.
- 5.10.6 Where the name of candidate entered is found same as another shareholder's and there is no shareholder code or identity certificate code provided for identification.
- 5.10.7 Where the election ballot is not cast into the ballot box.
- 5.10.8 Where the total number of the cast election powers exceeds the total number of the election



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powers specified and held.

- 5.11 The ballots shall be opened on-the-spot after completion of the balloting process. Based on the outcome of the election, the list of elected directors shall be announced by the chairperson on-the-spot.
- 5.12 For the directors successfully elected, the Board of Directors will issue Notice of Successful Election.
- 5.13 These Procedures, and amendment hereof, shall come into enforcement after being resolved in the shareholders' meeting on June 27, 2011.

## 6. References:

Nil.

## 7. Forms concerned:

Nil.

## 8. Appendices:

### 8.1 Contents of inspection

#### Operating vouchers

1. Election Ballot
2. The list of elected directors