

Advanced Power Electronics Co., Ltd.
Regulations of Directors Election

- Article 1 To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2 Except where prescribed by laws and regulations or the Articles of Incorporation of Advanced Power Electronics Co., Ltd. (herein referred to as "the Company"), the election of directors shall in all cases be conducted in accordance with these Regulations.
- Article 3 The election of this Company's directors shall take into consideration the overall composition of the board of directors. Board members shall possess the knowledge, skills, and qualifications required to perform their duties. The board as a whole shall possess the following abilities:
1. Ability to judge business operations;
 2. Accounting and financial analysis capability;
 3. Administrative and management ability;
 4. Crisis management ability;
 5. Industry knowledge;
 6. International market outlook;
 7. Leadership skills; and
 8. Decision-making ability.
- Article 4 Directors (including independent directors) shall be elected in accordance with the Articles of Incorporation of the Company and the resolution of the Board on the number of directors. 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 5 The qualifications and selection of the Company's independent directors shall comply with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".
- Article 6 Directors (including independent directors) shall be elected employing the candidate nomination system and procedures prescribed in Article 192-1 of the Company Law.
- Article 7 The election of directors shall adopt a disclosed cumulative voting method. Each share represents a weighted number of voting rights equivalent to the number of directors to be elected; such voting rights may be exercised to collectively elect a single candidate or may be distributed among several candidates.
- Article 8 The board of directors shall prepare separate ballots for directors 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 Independent directors and non-independent directors of the Company shall be elected at the same time and the votes shall be calculated separately. Candidates who get more votes representing corresponding voting rights shall be elected directors in the order

of number of ballots received. If two or more persons have received the same number of voting rights, and the number of persons would exceed the prescribed number of available seats, the persons with the same number of voting rights shall draw lots to decide election; the chairman shall draw lots on behalf of any selected persons who are not present.

Article 10 The Company shall prepare a ballot box for on-site voting in the shareholders' meeting. The chairman of the meeting shall appoint a number of watchers for monitoring the voting and a number of counting officers to read and count the votes. The watchers shall open the ballot box publicly to make sure it is empty. The watchers shall be shareholders of the Company.

Article 11 When the persons to be elected are shareholder, the voters shall fill in the name and shareholder account number in the ballot; when the persons to be elected are natural persons, the voters shall fill in the name and ID card number of the person in the ballot. When the persons to be elected are juristic persons or government agency, the voters shall fill in the full name of the juristic person or government agency, or the full name of the juristic person or government agency and its representative in the ballot. Where there are multiple representatives, the names of each respective representative shall be filled in.

Article 12 If any of the followings applies to on-site voting in shareholders' meeting, the ballot shall be counted as invalid:

1. The ballot was not placed into the ballot box.
2. The ballot was not prepared as prescribed in these regulations.
3. The ballot was blank when placed into the ballot box.
4. Handwriting is illegible or has been altered.
5. The account name or personal name of the candidate entered in the ballot is inconsistent with the information recorded in the shareholder register or does not match the information on the candidate's identity card.
6. Other text was entered aside from the candidate's account name, personal name, shareholder account number, business tax identification number, national identification number, and the number of voting rights allotted.
7. The name of the candidate entered in the ballot coincides with that of another person, but a shareholder number, business tax identification number, or national identification number was not entered for identification purposes.
8. Fail to fill in the requirements in the remarks column of the ballot.
9. The total number of voting rights exercised by the voters exceeds the total number of voting rights the voters entitled to.
10. The number of candidates nominated exceeds the mandatory number of seats for election.

Article 13 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, shall be announced by the chair on the site. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 14 These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision. These Regulations adopted by the shareholders' meeting on May 19, 2016, and the first Amendment on May 16, 2019.