

# Shinkong Textile Co., Ltd.

## Rules for Election of Directors

Amendment Date: Jun. 13, 2016

- Article 1: The Company' s Directors shall be duly elected in accordance with the provisions specified herein.
- Article 2: The Company's Directors shall be duly elected by means of registered cumulative voting. Each share is entitled to the election right equivalent to the numbers of Directors to be elected. One Director may be elected, or the number of Directors to be elected may be designated.
- The names of the voters may be replaced with their attendance certificate numbers printed in the voting notes.
- Article 3: When the election starts, the chairperson shall appoint several persons supervising the voting and counting the votes. The person(s) supervising the voting shall be a shareholder.
- For the election of Directors, the Company shall set up a voting box, which shall be examined in public by the persons supervising the voting, before voting.
- Article 4: For election of the Company' s Directors, the Shareholders' Meeting shall select and elect Directors from the list of Directors candidates, and those who have won the votes representing more voting rights shall be elected sequentially based on the number specified in the Company' s Articles of Incorporation. If two or more persons won the same number of votes, thus exceeding the specified number, they shall draw lots to determine the

winner, with the chairperson drawing lots on behalf of any person not attend the meeting.

Article 5: Votes shall be numbered based on attendance certificate numbers. The Company shall prepare the votes in a number equaling to the Directors to be elected, and fill in their weights, and then distributed to the shareholders present at the Shareholders' Meeting.

Article 6: If a candidate is a shareholder, the voters must fill in the "elected person" column on the vote the elected person' s account name and shareholder account number. If the candidate is not a shareholder, the elected person' s name and ID number shall be filled in. Only a corporate shareholder is elected, the corporate name shall be filled in the "elected person' s account name" column on the vote, and the corporate name and its representative' s name also shall be filled in. If there are multiple representatives, the names of the representatives shall be filled in respectively.

Article 7: A note will be deemed as void if any of the following circumstances occurs:

- (I) The votes specified in Article 5 are not used.
- (II) There are two or more elected persons filled in each vote.
- (III) There is no other context, except for the elected person' s name and his/her shareholder account number or ID number.
- (IV) The writing on any vote is illegible or altered.
- (V) Where the elected person entered in the vote is a shareholder, such elected person's account name and shareholder account number filled in the vote is

inconsistent with that specified in the shareholders register. Where the elected person entered in the vote is not a shareholder, such elected person's name or ID number is incorrect as verified.

(VI) The elected person's name entered in the vote is as the same as other shareholder's name, without filling in the shareholder account number or ID number for identification.

Article 8: Votes shall be counted on site upon completion of voting, and the elected candidates shall be announced by the chairperson based on the voting result.

Article 9: The Company shall issue a "notice of election" to the elected Directors respectively.

Article 10: The matters not specified in these Rules shall be governed by the Company Act and relevant laws and regulations.

Article 11: These Rules and any amendments thereto shall be implemented after they are approved at the Shareholders' Meeting.