

CHC Resources Corporation

Procedures for Election of Directors

Established on June 20, 1997
The 6th amendment was made on August 25, 2021

Article 1 Except as otherwise provided by law and regulation or the Articles, elections of the Company's Directors shall be conducted in accordance with these Procedures.

Article 2 The overall composition of the Board of Directors shall be taken into consideration in the selection of the Company's Directors. The composition of the Board of Directors shall be determined by considering diversity and formulating an appropriate policy on diversity based on its operations, operating dynamics, and development requirements, which shall include but not limited to standards regarding the following two aspects:

- I. General conditions and values: Gender, age, nationality, and culture.
- II. Professional knowledge and skills: Professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experiences.

Each member of the Board of Directors member shall have the necessary knowledge, skill, and literacy to perform their duties; the abilities that to be presented as a whole are as follows:

- I. Ability to make operational judgments.
- II. Ability to perform accounting and financial analysis.
- III. Ability to conduct management administration.
- IV. Ability to conduct crisis management.
- V. Knowledge of the industry.
- VI. An international market perspective.
- VII. Ability to lead.
- VIII. Ability to make policy decisions.

Spousal relationships or familial relationships within the second degree of kinship may not exist among more than half of the Directors.

The Board of Directors of the Company shall consider adjusting its composition based on the results of the performance evaluation.

Article 3 In accordance with Article 192-1 of the Company Act, the Company adopts the candidate nomination system for elections of Directors. When nominating candidates for Director, the name, educational background, and experiences of the nominated shall be stated. Independent Directors and Non-independent Directors shall be nominated separately; Shareholders shall elect the Directors among the lists of candidates, respectively.

The nomination of the Company's Independent Directors shall comply with the

requirements under Article 5 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

Where an Independent Director candidate of the Company under the provisions of the preceding paragraph has already served as an Independent Director of the Company for three consecutive terms, the Company shall publicly disclose, together with the review results under the preceding paragraph, the reasons why the candidate is nominated again for the Independent Directorship, and present the reasons to Shareholders at the time of the election at the Shareholders' Meeting.

The qualifications of the Company's Independent Director shall comply with the requirements under Article 2, Article 3, and Article 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

The election for Independent Directors and Non-independent Directors shall be held at the same time, with nomination made separately, and the number of elected seats shall be calculated individually.

Where a Director is discharged for any reason, causing the number of Directors to be lower than that required in the Articles, a by-election for Director shall be held at the next Shareholders' Meeting. However, where the Director vacancies reach one-third of seats stipulated by the Articles, the Company shall hold an Extraordinary Shareholders' Meeting for the by-election within 60 days of the actual vacancy date.

When the number of the Company's Independent Directors falls below that required under Paragraph 1, Article 14-2 of the Securities and Exchange Act and relevant requirements under the "Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings," a by-election for Director shall be held at the next Shareholders' Meeting. When all Independent Directors are discharged, the Company shall hold an Extraordinary Shareholders' Meeting for the by-election within 60 days of the actual vacancy date.

Article 4 The registered single cumulative election method is adopted for the election of the Company's Directors. The number of Directors to be elected shall be the election rights for each ordinary share with voting rights. The election rights may be used together to elect one person or separately to elect multiple persons.

Article 5 The Board of Directors shall prepare voting tickets in numbers corresponding to the Directors to be elected with attendance permit numbers printed on them. The number of voting rights associated with each voting ticket shall be specified on the tickets, which shall then be distributed to the ordinary Shareholders in attendance at the Shareholders' Meeting. Attendance permit numbers printed on the voting tickets are used for the registration of voters.

Voting tickets will not be given to ordinary Shareholders who exercised their voting rights via electronic manners.

Article 6 Regarding the number of the Company's Independent Directors and Non-independent Directors to be elected, candidates who won the most voting rights represented by the votes shall be elected as Independent Directors and Non-independent Directors. When two or more candidates receive the same number of votes, thus exceeding the number of Directors to be elected, they shall draw lots to determine the winner, with the Chairperson drawing lots on behalf of any candidate absent.

Article 7 Before the election, the Chairperson shall designate three scrutineers and several counting agents to execute their relevant duties. The scrutineers shall be Shareholders.

Article 8 Missions of a scrutineer is as follow:

- I. To publicly check the voting box before commencing the vote.
- II. To seal the voting box after the vote, and to open the seal for retrieving the votes immediately before the vote counting and deliver to the counting agents for vote counting.
- III. To inspect or determine invalid votes.
- IV. To verify the votes counted by the counting agents with the election rights
- V. To assist the Chairperson in maintaining orders during the vote and vote counting.

The Board of Directors shall prepare the voting box in Subparagraph 1 of the preceding paragraph.

Article 9 Voters shall fill in the following information on the lists of Independent Director and Non-independent Director candidates, respectively, in the "candidate" columns on their voting tickets.

- I. Where a candidate is a natural person who is a Shareholder or not a Shareholder, fill in the name and the code of the candidate.
- II. Where a candidate is a juridical person or a government Shareholder, fill in the name of the juridical person or the government Shareholder and the code of the candidate.
- III. Where a candidate is the representative assigned by a juridical person or a government Shareholder, fill in the name of the juridical person or the government Shareholder, the name of the representative, and the code of the candidate.

Article 10 A voting ticket is invalid under any of the following circumstances:

- I. When a voter failed to hand in the attendance card to complete the registration procedures.
- II. When a voter failed to use the voting ticket prepared by the parties with the convening power.

- III. When a voter cast a blank ticket into the voting box.
- IV. When the handwriting is unable to be recognized or is altered, excluding correction or addition/deletion due to writing mistakes.
- V. A vote with other words or marks entered in addition to the name and the candidate code.
- VI. The name of the candidate filled in or the candidate code is incomplete or inconsistent with that on the list of candidates.
- VII. When more two or more candidates are entered on the vote.
- VIII. When the voting ticket is torn and become incomplete.
- IX. When the voting ticket is contaminated, and the candidate entered on the vote may not be identified.
- X. When the Independent Director or Non-independent Director candidate entered on the vote are not on the list of Independent Director and Non-independent Director Candidates.

Article 11 The vote counting shall be conducted after the completion of voting. For any doubt regarding the voting ticket, a scrutineer shall determine whether the ticket is invalid. When there is any dispute arising from such determination, all scrutineers shall conduct a vote. When the result shows an equal number of positive and negative votes, the voting ticket shall be invalid.

Article 12 Upon the completion of vote counting, the scrutineers shall verify and confirm the total number of valid votes and invalid votes, and record the number of valid votes, the number of invalid votes, and the voting rights among the two on the record sheet, and hand in the record sheet to the Chairperson to immediately announce the list of elected Directors.

Article 13 The scrutineers shall pack and seal the valid votes and invalid votes separately and co-sign on the seal. Meanwhile, mark "Invalid" on the invalid vote's package, and submit them to the Company for safekeeping. The period of safekeeping shall be at least one year. However, where a Shareholder files a lawsuit related to the election of Director based on Article 189 of the Company Act, the votes shall be retained until the conclusion of the litigation.

Article 14 These Procedures, and any amendments hereto, shall be implemented after being approved at the Shareholders' Meeting.