

# **Chailease Holding Company Limited**

## **Regulations of Nominations of Director Candidates**

2017.03.16 Approved by board of directors  
2019.03.22 Amended by board of directors

### **Article 1 Purpose**

To definite the Company's procedures of nominating director candidates, the regulations are adopted pursuant to the Company Act and relevant laws.

### **Article 2 Definition of the term "shareholders holding more than one percent of the total issued share"**

The term "shareholders holding more than one percent of the total issued share" as used in the regulations does not limit to single shareholders but applies as well to shareholders with their summed shares exceeding one percent.

### **Article 3 Organizer**

The Human Resource Department is the organizer of the Company's announcement and notification of nominating director candidates. The Legal Division is responsible for receiving the proposals of director candidates' nomination from shareholders and then handing over to the Organizer for further process.

### **Article 4 Announcements of the board resolution**

The period and location for accepting the nomination of director candidates, the quota of directors to be elected and other necessary matters should be resolved by the board of directors of the Company. The Company shall abide by the resolutions and announce to the Market Observation Post System prior to the share transfer suspension date dedicated before the meeting date of a shareholders' meeting including:

1. The period for accepting the nomination (shall not be shorter than 10 days).
2. The location for accepting the nomination (the address and the organizer).
3. The quota of directors to be elected.

The contents of announcement could include the followings:

1. The review qualifications specified in Item 5, Article 192-1.
2. The operation procedures.
3. Other necessary matters.

### **Article 5 Nomination in writing and doctrine of arrival**

Nomination shall be proposed in writing and delivered within the announced period and location.

### **Article 6 Rightful nominators and the quota of nominees**

Nominees by below rightful nominators shall be reviewed by the Legal Division in accordance with Item 5, Article 192-1 of the Company Act and qualified nominees shall join the election in a shareholders' meeting:

1. The shareholders holding more than one percent of the total issued share shall propose nominees to the Company.
2. The board of the directors.
3. Otherwise as designated by the competent authority.

The number of nominees of the above nominators respectively shall not exceed the quota of directors to be elected. Should the situation take place, each of its proposed nominees is invalid.

### **Article 7 Relevant nominating documents**

When providing a recommended slate of director candidates, each nominee's name, educational background, and work experience shall be described.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, shall also be set forth if a nominee is in the slate of independent director candidates.

### **Article 8 Reviewing standards**

When calling a shareholders' meeting for the purpose of director elections, all qualified nominees shall be included in the slate of director candidates except under any of the following circumstances:

1. Where the nominating shareholder submits the nomination at a time not within the published period for receiving nominations.
2. Where the shareholding of the nominating shareholder is less than one percent at the time of book closure by the company under Article 165, paragraph 3 of the Company Act.
3. Where the number of nominees exceeds the number of directors to be elected.
4. Where the nominee's name, educational background, and/or work experience are not described.

The above 1 and 2 circumstances are not applicable to candidates nominated by the board of directors. When and if there is no candidates nominated by the shareholders holding 1% or more of the total number of outstanding shares issued by the company, a

meeting of the board of the directors should still be called and the list of candidates shall be submitted by the board of the directors.

**Article 9 Necessary procedures of operation**

The company shall, no later than 40 days prior to the scheduled meeting date of a regular shareholders' meeting or no later than 25 days prior to the scheduled meeting date of a special shareholders' meeting, have the roster of director candidates and their education background and past work experience published in the Market Observation Post System.

The Company shall no later than 2 days after the meeting of shareholders announce the resolution or the election result.

**Article 10 Set and amendment**

This regulation and amendment of it is effective upon the approval of the board of the directors.