

Coretronic Corporation

Rules Governing Election of Directors

Article 1

The election of the Company's directors shall be handled in accordance with these Rules. Matters not stipulated in these Rules shall be handled in accordance with relevant laws and regulations.

Article 2

The election of the Company's directors shall adopt cumulative voting system. The number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for electing a single candidate or may be split for electing multiple candidates.

Article 3

The board of directors shall prepare separate ballots for directors in number identical to that of the directors to be elected, and the number of voting rights associated with each ballot shall be specified on the ballots. The ballots shall be distributed to the shareholders present at the meeting of shareholders. The recording of the name of a voter may be replaced by the attendance card number printed on the ballots.

Article 4

The voting rights of independent directors and non-independent directors shall be separately calculated in accordance with number of directors stated in the Company's Articles of Incorporation. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect. If two or more candidates obtain the same number of votes, but the number of positions exceeds the required number, they shall draw lots to decide the winner. The chair shall conduct the drawing for the candidates who are absent.

Article 5

Before the election begins, the chair shall appoint a number of monitors and ballot counters with shareholder status to perform various related duties. The ballot box shall be prepared by the Company and publicly opened and exhibited by the monitor before voting begins.

Article 6

Ballots shall be invalid under any of the following circumstances:

1. The ballot used is not that prepared by the person having the convening right.
2. A blank ballot is placed in the ballot box.
3. The writing on the ballot is illegible and unrecognizable or is altered.
4. The verification indicates that the name of the candidate entered on the ballot is inconsistent with that appeared on the list of director candidates.
5. Other words are entered on the ballot in addition to entering the number of voting rights allotted.

Article 7

Ballots shall be calculated on the spot after the voting, and the results of the balloting, the list of elected directors, shall be announced on the spot by the chair.

The ballots for the election matters stated in the preceding Paragraph shall be properly kept in custody and for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Act, it shall be kept until the conclusion of the lawsuit.

Article 8

These Rules shall be implemented after a resolution is adopted at the meeting of shareholders, and the same shall apply when any amendment is made thereto.