

HERMES MICROVISION, INC.

Rules and Procedures Governing Shareholders'

Meetings

1. Purpose

In order to establish a good shareholders' meeting governance system, strengthen the supervision function and reinforce management efficiency, the Company specifically set up the Rules and Procedures for the personnel across the board to comply with.

2. Applicable scope

Unless otherwise stated by law or the Articles of Incorporation of the Company, the Rules and Procedures shall be followed as the rules and procedures of the Company's shareholders' meetings.

3. Legal basis

The Rules and Procedures are set up in accordance with the "Rules Governing the Conduct of Shareholders Meetings by Public Companies"

4. Holding of shareholders' meetings

4.1 Convening of shareholders' meetings and meeting notification

4.1.1 If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board of directors. If the chairperson is on leave or cannot exercise his or her power and authority for any reason, the appointment of an acting chairperson shall be processed in accordance with the Company Act.

4.1.2 When a shareholders' meeting is convened by the convener not from the board of directors, the convener in question shall chair the meeting. If there are two or more conveners for the same meeting, the chairperson of the meeting shall be elected from among the conveners.

4.1.3 The Company may invite its appointed attorneys and certified public accountants and other related personnel to attend a shareholders' meeting as the case may be.

4.1.4 Director election or dismissal, change of the Articles of

Incorporation of the Company, corporate dissolution, merger, split or the matters prescribed by Paragraph 1 of Article 185 of the Company Act and Article 26-1 and Article 43-6 of the Securities and Exchange Act shall be covered in the causes for convening a meeting. Those matters shall not be put forth as extemporary motions.

4.1.5 Shareholders who hold more than 1% of the issued shares are entitled to submit a limit of one motion to a regular shareholders' meeting in writ. Those with more than one motion shall not be listed in the agenda.

4.1.6 For any motions proposed by shareholders which are in any of the circumstances listed in Paragraph 4 of Article 172-1 of the Company Act, the board of directors may exclude them in the agenda.

4.1.7 The Company shall announce receipt of shareholders' proposals, receipt place and receipt period before suspension of the stock ownership transfer which is prior to holding of a regular shareholders' meeting. The receipt period shall be at least 10 days.

4.1.8 Any motion proposed by shareholders shall be limited to 300 words. Those with more than 300 words shall not be listed in the agenda. Proposing shareholders shall attend the regular shareholders' meeting in person, or appoint others to attend on their behalf, and participate in discussion of the proposed motion.

4.1.9 The Company shall notify the proposing shareholders of handling results before the shareholders' meeting notification day, and list the motions meeting the regulations of this article in the meeting notification. For shareholders' motions not listed in the agenda, the board of directors shall elaborate on the reason for not listing them in the agenda at the shareholders' meeting.

4.2 Meeting notification and meeting materials

4.2.1 The Company shall prepare the shareholders' meeting notification letter, letter of proxy, and the subjects of various motions, such as adoption cases, discussion cases and director election or dismissal as well as the explanation data and produce them into an electronic file, followed by transmitting the file to the Market Observation Post System at least 30 days before a regular shareholders' meeting or 15 days before a provisional

shareholders' meeting. At the same time, the shareholders' meeting agenda manual and meeting supplementary materials shall be produced into an electronic file and transmitted to the Market Observation Post System at least 21 days prior to a regular shareholders' meeting or at least 15 days prior to a provisional shareholders' meeting. In addition, the agenda manual and the supplementary materials for the shareholders' meeting in question shall be prepared at least 15 days prior to the shareholders' meeting for the asking from shareholders, and displayed at the Company and its stock affairs service agency, and also be distributed at the shareholders' meeting.

- 4.2.2 The reason for convening a meeting shall be specified in the notification and announcement: If it is agreed by the counterparty, the notification can be made via e-mail.

4.3 Proxy of shareholders

- 4.3.1 In the case that a shareholder of the Company cannot attend a shareholders' meeting in person, he or she may appoint a representative with a letter of proxy printed by the Company to attend the meeting on his or her behalf. The letter of proxy shall state the scope of authorization for the meeting.
- 4.3.2 A shareholder can issue a letter of attorney and appoint one representative only. The letter of proxy shall arrive at the Company at least 5 days before the shareholders' meeting. In case that there is any repetition of the letter of proxy, the first one arriving at the Company shall prevail. However, it is not limited to the situation where revocation of the prior letter of proxy is declared.
- 4.3.3 After the letter of proxy arrives at the Company, if the shareholder wishes to attend the shareholders' meeting in person, he or she shall notify the Company of the proxy revocation in writing at least 2 days prior to the shareholders' meeting. In case of any overdue revocation, the voting right exercised by the attending proxy shall prevail.

4.4. Location and time of a shareholders' meeting

The place for holding a shareholders' meeting shall be at the Company or a place convenient for shareholders to attend and suitable for holding a shareholders' meeting. The meeting time shall not be earlier than 9:00 AM or later than 3:00 PM. For the meeting place and time,

independent directors' opinions shall be taken into account.

4.5 Preparation and placement of required documents, such as the attendance book

4.5.1 The Company shall prepare an attendance book for the shareholders or the proxies appointed by other shareholders (hereafter referred to as the shareholders) attending the meeting to sign in, or have the attending shareholders turn in the attendance card to replace the signature.

4.5.2 The Company shall hand the agenda manual, annual report, attendance certificate, speech note, voting ticket and other meeting materials to the attending shareholders. In case that the meeting involves director election, an election ballot shall be additionally attached.

4.5.3 Shareholders shall attend a shareholders' meeting by presenting their attendance identification, attendance card or other attendance documents. The shareholders who solicit letters of proxy shall bring their ID certificate documents with them for reconciliation

4.5.4 For government or institutional shareholders, their meeting attending representatives are not limited to one person only. However, when an institutional shareholder is entrusted to attend a shareholders' meeting, only one representative can be appointed for attendance.

4.6 Calculation of the number of shares held by shareholders present at a shareholders' meeting

The attendance of a shareholders' meeting shall be calculated according to the number of shares held by shareholders present at the meeting, in which the calculation shall be made from the attendance book and the returned attendance cards plus the shares used to exercise the voting right in writing via the electronic method.

4.7 Holding of a shareholders' meeting

4.7.1 When it is time for a meeting and the shareholders representing a majority of the total issued shares are present, the chairperson shall call the meeting to order. However, if the number of shares held by the shareholders present at the meeting has yet to constitute the quorum, the chairperson may announce postponement of the meeting, but the postponement of the said meeting is limited to two times only, whereas the total

postponement time shall not exceed one hour. If a meeting has been postponed for two times and the shares held by the shareholders present at the meeting are still less than one-third of the total issued shares, the chairperson may abort the meeting.

4.7.2 If a meeting has been postponed for two times and has yet to constitute the quorum but the shareholders representing one-third of the total issued shares are present, the resolution adopted by a majority of votes given by the shareholders present can be used for the provisional resolution. Each shareholder shall be notified of the provisional resolution, and the shareholders' meeting shall be convened again within one month.

4.7.3 Before the end of the meeting in question, if the number of the shares held by the shareholders present represents a majority of the total issued shares, the chairperson may put forward the adopted provisional resolution and request adoption of the resolution at the meeting in accordance with Article 174 of the Company Act.

4.8 Evidence produced by the audio or video recording of the proceedings of a shareholders' meeting

The Company shall record the entire proceedings of a shareholders' meeting in an audio or video format, and keep such recording for at least one year. However, in case of any litigation filed by a shareholder in accordance with Article 189 of the Company Act, the audio or video evidence shall be kept until closure of such litigation.

4.9 Motion discussion

4.9.1 If a shareholders' meeting is called by the board of directors, the meeting proceedings shall be set up by the board of directors, and the meeting shall be conducted according to the scheduled proceedings, which shall not be changed unless resolved by the shareholders' meeting.

4.9.2 If a shareholders' meeting is called by any other person outside the board of directors who has the convening right, the preceding provision shall apply.

4.9.3 Without resolution, the chairperson shall not adjourn a meeting before closure of the motions (including extemporary motions) in the agenda arranged according to the preceding two paragraphs. If the chairperson violates the meeting rules and procedures by

adjourning a meeting, other members of the board of directors may follow the legal procedure and quickly come forward to help the attending shareholders elect another chairperson by the resolution adopted by a majority of the shareholders present, and continue the meeting.

- 4.9.4 For any motions and revision cases proposed by shareholders or extemporary motions, the chairperson shall allow sufficient explanation and discussion, close the discussion when he or she believes that it's time for resolution, and put them to the vote.

4.10 Speeches from shareholders

- 4.10.1 Shareholders who wish to speak in a shareholders' meeting shall first fill out a speech note stating their speech subject, their shareholder number (or attendance card number) and their account name. The chairperson shall decide their speech order.
- 4.10.2 Shareholders who submit a speech note but do not actually give any speech shall be deemed not to give any speech. In the case that the speech content is not consistent with what is stated in the speech note, the speech content shall prevail.
- 4.10.3 Unless otherwise permitted by the chairperson, a shareholder shall not speak more than two times for a same motion and each time of speech shall not exceed 5 minutes. If the speech given by any shareholder violates the aforesaid stipulation or is beyond the agenda scope, the chairperson may stop the speech.
- 4.10.4 When a shareholder is giving a speech, other shareholders shall not interrupt the speech unless otherwise obtaining the consent from the chairperson. The chairperson shall stop any violation.
- 4.10.5 If an institutional shareholder designates two or more representatives to attend a shareholders' meeting. Only one representative is allowed to speak for the same motion.
- 4.10.6 After the speech of a shareholder, the chairperson may respond to it on his or her own, or designate an appropriate person to respond.

4.11 Meeting recess and continuation

- 4.11.1 During a meeting, the chairperson may announce recess at the time he or she considers appropriate. In case of force majeure, the chairperson may decide to temporarily suspend the meeting, and announce the time of meeting resumption depending on the situation.

4.11.2 Before closure of the motions (including extemporary motions) set in the agenda of a shareholders' meeting, if the meeting place cannot be continuously used, the board of shareholders shall resolve to find another place for continuation of the meeting.

4.11.3 According to Article 182 of the Company Act, the board of shareholders may resolve to postpone a meeting and have it held within five days or continue the meeting.

5. Calculation of voting shares and the recusal system

5.1 The resolution of a shareholders' meeting shall be calculated according to the voting shares.

5.2 For the resolution of a shareholders' meeting, the shares held by the shareholders without voting rights shall not be included in the total number of the issued shares.

5.3 Shareholders who have conflict of interests with the meeting agenda which may adversely affect the Company's interests are not allowed to participate in any resolution. In addition, they are also not allowed to represent any shareholders to exercise their voting rights.

5.4 The number of the aforesaid shares not allowed to be used to exercise the voting right shall not be included in the votes given by the attending shareholders.

5.5 Except the trust business or the stock affairs agency approved by the securities competent authorities, if a person is simultaneously entrusted by two or more shareholders, the votes represented by him or her shall not exceed 3% of the total issued shares, and the excess votes shall not be calculated.

6. Resolution

6.1 Each share held by a shareholder is entitled to one vote, but it is not limited to those shareholders who have no voting right or the ones stated in Paragraph 2 of Article 179 of the Company Act for no voting right.

6.2 When holding a shareholders' meeting, the Company may exercise the voting right with written or electronic methods. When using the written or electronic method for exercise of the voting right, the method shall be put on the notification of the shareholders' meeting. Those shareholders who exercise their voting right with the written or electronic method shall be deemed to attend the shareholders' meeting

in person. However, for extemporary motions and revision of the original motions of the shareholders' meeting in question, those shareholders shall be deemed abstention in participation.

- 6.3 For those that exercise their voting right with the preceding written or electronic method in a meeting, their intent expression shall arrive at the Company at least 2 days prior to the shareholders' meeting. When there is any repetition of the intent expression, the first one arriving at the Company shall prevail. However, it is not limited to the situation where the revocation of the prior intent expression is declared. For those shareholders who wish to attend a shareholders' meeting in person after their intent expression has arrived at the Company, they shall revoke the aforesaid intent expression by using the same method as they use for exercising the voting right at least 2 days prior to the shareholders' meeting. In case of overdue revocation, the written or electronic method shall prevail for exercising the voting right. In the case that the written or electronic method is used to exercise the voting right while the shareholder also entrusts a representative with the letter of proxy to attend the shareholders' meeting, the voting right exercised by the attending representative shall prevail.
- 6.4 Except otherwise stated in the Company Act or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the meeting. The chairperson or his or her designated personnel shall announce the total votes cast by the shareholders present case by case.
- 6.5 If no objection from the shareholders present after enquired by the chairperson, the resolution shall be deemed to be adopted, and shall have the same effect as the voting made by casting ballots. However, if there is any objection, the resolution shall be made with the ballot casting method. For revision or replacement of a same motion, the chairperson shall decide the sequence of the resolutions by including the original motion. If any of the resolutions is adopted, the others shall be deemed to be vetoed and no future voting shall be required.
- 6.6. Ballot examiners and ballot counters shall be designated by the chairperson, in which the ballot examiners shall be the shareholders.
- 6.7 Ballot calculation shall be publicly conducted on the site where the shareholders' meeting is held, and the voting results shall be announced on the spot and recorded in the meeting minutes accordingly.

7. Election matters

- 7.1 Any director election at a shareholders' meeting shall be processed in accordance with the "Regulations Governing Director Election" instituted by the Company, and the election results shall be announced on the spot.
- 7.2 The ballots cast for the preceding election matters shall be sealed and signed by the ballot examiner and properly retained for at least one year. However, those that are involved in the litigation filed by a shareholder in accordance with Article 189 of the Company Act shall be retained until closure of such litigation.

8. Meeting minutes and signatory matters

- 8.1 All the matters resolved in a shareholders' meeting shall be recorded in the meeting minutes book which shall be signed or sealed by the chairperson and distributed to respective shareholders within 20 days after the shareholders' meeting. The production and distribution of the meeting minutes book shall be processed in accordance with Company Act related laws and regulations.
- 8.2 For distribution of the preceding meeting minutes book, the Company may transmit the meeting minutes book to the Market Observation Post System as the announcement method.
- 8.3 The items including the meeting date and place, chairperson's name, resolution method, main points of the meeting proceedings and the results shall be literally recorded in the meeting minutes book, which shall be retained during the existence of the Company.
- 8.4 For the preceding resolution method, if there is no objection from the shareholders present after enquired by the chairperson, the statement of "the resolution is unanimously adopted by the entire body of the shareholders present after enquired by the chairperson" shall be made in the meeting minutes book. However, if there is any objection from any shareholders, the voting method and the ratio of affirmative votes to the total votes shall be stated in the meeting minutes book.

9. Public announcement

- 9.1 The Company shall prepare a statistical list for the shares solicited by solicitors and the ones represented by the entrusted proxies, and disclose it at the meeting site on the shareholders' meeting day.
- 9.2 If the resolution adopted at a shareholders' meeting is regulated by law or stipulated by Taiwan Stock Exchange Corporation (Gre Tai Securities

Market) as material information, the Company shall transmit the content to Market Observation Post System within the regulated time limit.

10. Maintenance of meeting order

- 10.1 Those who work on the shareholders' meeting site for handling meeting related affairs shall wear an ID card or arm badge.
- 10.2 The chairperson may direct disciplinary personnel or security personnel to maintain order of a meeting. When maintaining order of the meeting, those disciplinary personnel and security personnel shall wear the badge or ID card bearing the words of "disciplinary personnel".
- 10.3 At a meeting site equipped with a public address system, the chairperson may stop any speech made by the shareholder who does not use the public address system provided by the Company.
- 10.4 For those shareholders who violate the meeting rules and procedures, disobey the correction from the chairperson, obstruct the meeting proceedings and ignore the prohibition, the chairperson may have the disciplinary personnel or security personnel ask them to leave the premises.

11. Implementation and revision

The Rules and procedures shall come into effect after approved by the general manager, agreed by the board of directors and passed by the board of shareholders. The same shall also apply in case of any revision.