

HERMES MICROVISION, INC.

Rules Governing Director Elections

1. Purpose

In order to elect its directors with the principles of fairness, justice and transparency, the Company specifically sets up the rules governing director elections.

2. Applicable scope

Unless otherwise stated by law or the Article of Incorporation, the Company's director elections shall be subject to the Rules.

3. Legal basis

The Rules are set up in accordance with Article 21 and Article 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

4. Operation procedure

- 4.1 The overall deployment of the Company's board of Directors shall be taken into account in any election of the Company's directors. The members of the board of directors shall be generally equipped with the knowledge, skills and quality required in execution of their duties, such as business operating judgment ability, accounting and financial analysis ability, operating management ability, crisis handling ability, industry knowledge, supranational horizons, leadership, and decision making ability, etc.
- 4.2 The qualifications of the independent directors of the Company shall comply with Article 2, Article 3 and Article 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".
- 4.3 The Company's independent directors shall be elected in accordance with Article 5, Article 6, Article 7, Article 8 and Article 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and elections shall be processed in accordance with Article 24 of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies".

- 4.4 For elections of the Company's directors (including independent directors), the candidates shall be nominated in accordance with the candidate nomination system and procedure prescribed by Article 192-1 of the Company Act.
- 4.5 The Company shall use accumulated voting to elect its directors, with which the number of votes exercisable in respect of each share shall be same as the number of the directors to be elected, and the total number of votes per share can be consolidated for election of one candidate or split for election of more candidates. Election of independent directors and non-independent directors shall be held together, in which the numbers of independent and non-independent directors elect shall be separately calculated.
- 4.6 The board of directors shall prepare the same number of ballots as the number of the seats available for directors to be elected, put the number of voting shares on each ballot, and distribute the ballot to each shareholder attending the shareholders' meeting. The voter's name may be replaced by the attendance card number printed on his or her ballot.
- 4.7 According to the number of the seats for directors stipulated in the Company's Article of Incorporation, the Company shall calculate the voting shares acquired by the candidates of independent directors and non-independent directors respectively. Those who acquire the cast ballots standing for more voting shares shall win the seat available. In case of two or more than two candidates acquire the same voting shares resulting in exceeding the specified number of the seats available, such candidates shall draw lots to decide who win/wins the seat(s). For those candidates who are not present at the meeting, the chairperson shall draw lots on behalf of them.
- 4.8 Prior to an election being held, the chairperson shall designate several ballot examiners and ballot counters from shareholders to perform election related duties. The board of directors shall prepare ballot boxes which shall be publicly examined on the site by ballot examiners.
- 4.9 If the election candidate is a shareholder, the voter shall fill the candidate's shareholder account name and shareholder account number in the candidate column on the ballot. If, on the other hand, the candidate is not a shareholder, the voter shall fill in the candidate's name and ID No. instead. However, if the candidate is a government or institutional shareholder, the name of the government shareholder or

institutional shareholder shall be filled in the candidate account name column on the ballot, or the government or institutional shareholder's name and its representative's name can also be put in the column. If a government or institutional shareholder has several representatives, all of the representatives' names shall be filled in the column respectively.

4.10 In case of any of the following circumstances, the ballot shall become invalid:

4.10.1 The ballot is not the one prepared by the board of directors.

4.10.2 The ballot put into the ballot box is left blank.

4.10.3 What is put on the ballot is illegible or altered.

4.10.4 For the candidate who is a shareholder, his or her shareholder account name and number are not consistent with what are shown in the shareholders list. For the candidate who is not a shareholder, his or her name, ID No. are found not consistent after checking.

4.10.5 There are other characters mingled with the candidate's shareholder account name (name) or shareholder account number (ID No.) and the number of the distributed voting shares.

4.10.6 The filled candidate's name is same as another shareholder's name, and neither shareholder account No. nor ID No. is put in for discrimination.

4.11 The ballots shall be calculated on the spot after the voting is finished. According to the voting result, the chairperson shall announce the names of the directors elected at the meeting.

4.12 The Company's board of directors shall send an "election winning notification" to each elected director.

5. Implementation and revision

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