

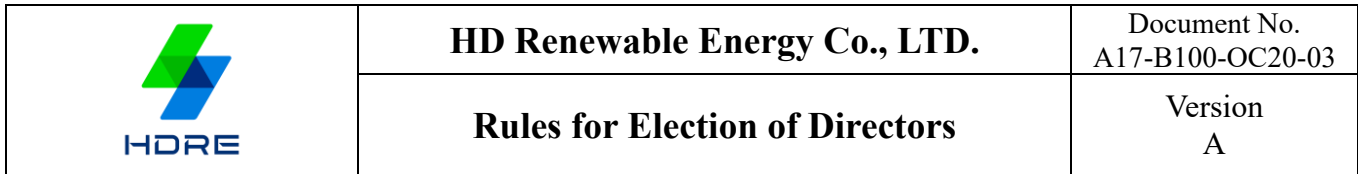
	HD Renewable Energy Co., LTD.	Document No. A17-B100-OC20-03
		Version A

Rules for Election of Directors

Version Date: June 30, 2022

Establishment / Revision

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Revision History

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1. General Provisions

1.1. Purpose

These Rules are established in accordance with Articles 21 and 41 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies to ensure a fair, impartial, and transparent director election process.

1.2. Scope

The election of directors of the Company shall be conducted in accordance with these Rules, unless otherwise provided by applicable laws, regulations, or the Company's Articles of Incorporation.

2. Operational Description :

2.1. The election of directors shall take into consideration the overall composition of the Board of Directors. Board members shall generally possess the knowledge, skills, and qualities necessary for the performance of their duties.

The Board as a whole shall have the following capabilities:

- 2.1.1. Business judgment.
- 2.1.2. Accounting and financial analysis.
- 2.1.3. Business management.
- 2.1.4. Crisis management.
- 2.1.5. Industry knowledge.
- 2.1.6. International market perspective.
- 2.1.7. Leadership.
- 2.1.8. Decision-making ability.

More than one-half of the seats on the Board shall not be occupied by persons who are spouses or relatives within the second degree of kinship.

2.2. (Deleted)

2.3. The qualifications of the Company's independent directors shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

2.3.1. Independent directors shall possess one of the following qualifications and have at least five years of work experience:

- 2.3.1.1. An instructor or higher position at a public or private college/university in the fields of business, law, finance, accounting, or other disciplines related to the Company's business.

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- 2.3.1.2. A judge, prosecutor, attorney, certified public accountant, or other professional and technical specialist who has passed related national examinations and obtained required professional licenses.
- 2.3.1.3. Work experience in business, law, finance, accounting, or fields related to the Company's business.
- 2.3.2. A person shall not serve as an independent director if any of the following circumstances apply. If already serving, he or she shall be dismissed automatically:
 - 2.3.2.1. Any circumstance specified in Article 30 of the Company Act.
 - 2.3.2.2. Elected pursuant to Article 27 of the Company Act as a representative of the government, a juristic person, or such representative.
 - 2.3.2.3. Failure to meet the qualifications required for independent directors under applicable regulations.
- 2.3.3. Any of the following circumstances shall be deemed inconsistent with independence:
 - 2.3.3.1. An employee of the Company or its affiliated enterprises, or a director, supervisor, or employee thereof. This restriction does not apply to an independent director serving concurrently as an independent director of the Company, its parent company, or a subsidiary in which the Company directly or indirectly holds more than 50% of the voting shares.
 - 2.3.3.2. The individual, his or her spouse, minor children, or nominees holding 1% or more of the Company's issued shares or ranking among the top ten individual shareholders.
 - 2.3.3.3. The spouse, relatives within the second degree of kinship, or lineal relatives within the fifth degree of kinship of the persons specified above.
 - 2.3.3.4. A director, supervisor, or employee of a corporate shareholder holding more than 5% of the Company's issued shares, or of any corporate shareholder ranking among the Company's top five shareholders.
 - 2.3.3.5. A director, supervisor, managerial officer, or shareholder holding more than 5% of a company or institution that has financial or business dealings with the Company.

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2.3.3.6. A professional individual or the owner, partner, director, supervisor, managerial officer, or spouse thereof who provides financial, business, legal, accounting, or consulting services to the Company or its affiliated enterprises.

2.3.3.7. Serving concurrently as an independent director of more than three other public companies.

The election of independent directors shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 24 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. Pursuant to Article 14-2 of the Securities and Exchange Act, the Company shall appoint no fewer than two independent directors, and the number of independent directors shall not be less than one-fifth of the total Board seats.

2.4. The election of directors shall be conducted under the candidate nomination system prescribed in Article 192-1 of the Company Act. If the number of directors falls below five due to dismissal or resignation, the Company shall hold a by-election at the next shareholders' meeting. If vacancies reach one-third of the Board seats specified in the Articles of Incorporation, the Company shall convene a special shareholders' meeting within 60 days from the occurrence of such event to conduct a by-election. If the number of independent directors falls below the minimum required by applicable laws and regulations, the vacancy shall be filled at the next shareholders' meeting. If all independent directors are dismissed, a special shareholders' meeting shall be convened within 60 days to elect replacements.

2.5. Election Rules. The election of directors shall adopt the cumulative voting system. Each share shall carry voting rights equal to the number of directors to be elected. Shareholders may cast all votes for a single candidate or allocate them among multiple candidates.

2.6. Preparation of Ballots. The Board of Directors shall prepare ballots corresponding to the number of directors to be elected and indicate the voting rights represented. Attendance certificate numbers may be used in lieu of shareholders' names on ballots.

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- 2.7. Rules for Election of Directors. Directors shall be elected according to the number of seats specified in the Articles of Incorporation. Independent directors and non-independent directors shall be elected separately. Candidates receiving the highest numbers of voting rights shall be elected in sequence. Where two or more candidates receive the same number of votes exceeding the number of positions available, selection shall be determined by lot. If a tied candidate is absent, the chairperson shall draw the lot on such candidate's behalf.
- 2.8. Election Procedures. Before voting begins, the chairperson shall appoint several shareholders to serve as vote supervisors and vote counters. A ballot box shall be prepared for the election and publicly inspected by the vote supervisors before voting commences. After voting concludes, the ballot box shall be opened by the vote supervisors.
- 2.9. If the candidate is a shareholder, the voter shall enter the candidate's name and shareholder account number on the ballot. If the candidate is not a shareholder, the voter shall enter the candidate's name and identification document number. Where a government entity or corporate shareholder is nominated, the name of the entity shall be entered and may additionally include the name of its representative. Director candidates must possess legal capacity.
- 2.10. A ballot shall be deemed invalid under any of the following circumstances:
- 2.10.1. Failure to use the prescribed ballot format.
 - 2.10.2. Casting a blank ballot.
 - 2.10.3. Illegible writing or alterations.
 - 2.10.4. Where the candidate entered is a shareholder and the shareholder name or shareholder account number does not conform to the shareholders' register; or where the candidate entered is not a shareholder and the name or identification document number does not match upon verification.
 - 2.10.5. Words or marks other than the candidate's shareholder name (or name), shareholder account number or identification document number, and allocated voting rights are entered on the ballot.
 - 2.10.6. Where the name of the candidate entered is identical to that of another shareholder and no shareholder account number or identification document number is provided for identification.

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- 2.11. Vote Counting and Announcement of Results. Upon completion of voting, ballot counting shall be conducted immediately at the polling place. The vote monitors shall supervise the counting process, and the chairperson shall announce the list of elected directors on the spot.
- 2.12. The Board of Directors of the Company shall issue notices of election to the elected directors.
- 2.13. Any matters not provided for in these Rules shall be governed by the Company Act, the Articles of Incorporation, and relevant laws and regulations.
- 2.14. These Rules shall be implemented after approval by the shareholders' meeting. The same shall apply to any amendments hereto.

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