



# HD Renewable Energy Co., Ltd.

## Procedures for Election of Directors

### 1. General

#### 1.1. Purpose

To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

#### 1.2. Scope

Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

### 2. operational procedures:

2.1. The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

2.1.1. The ability to make judgments about operations.

2.1.2. Accounting and financial analysis ability.

2.1.3. Business management ability.

2.1.4. Crisis management ability.

2.1.5. Knowledge of the industry.

2.1.6. An international market perspective.

2.1.7. Leadership ability.

2.1.8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

#### 2.2. (Delette)

2.3. The qualifications for the independent directors of this Corporation 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. An independent director of a public company shall meet one of the following professional qualification requirements, together with at least five years work experience:

2.3.1.1. An instructor or higher in a department of commerce, law,

finance, accounting, or other academic department related to the business needs of the company in a public or private junior college, college, or university.

- 2.3.1.2. A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company.
- 2.3.1.3. Have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company.
- 2.3.2. A person to whom any of the following circumstances applies may not serve as an independent director, or if already serving in such capacity, shall ipso facto be dismissed:
  - 2.3.2.1. Any of the circumstances in the subparagraphs of Article 30 of the Company Act.
  - 2.3.2.2. Elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act.
  - 2.3.2.3. Any violation of the independent director qualification requirements set out in these Regulations.
- 2.3.3. Within the scope of execution of business, an independent director of a public company shall maintain independence, and may not have any direct or indirect interest relationship with the company. During the two years before being elected or during the term of office, an independent director of a public company may not have been or be any of the following:
  - 2.3.3.1. An employee of the company or any of its affiliates. Or A director or supervisor of the company or any of its affiliates.
  - 2.3.3.2. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
  - 2.3.3.3. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.

- 2.3.3.4. A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its serve as a director or supervisor of the company.
- 2.3.3.5. A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
- 2.3.3.6. A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company or a spouse.
- 2.3.3.7. No independent director of a public company may concurrently serve as an independent director of more than three other public companies.

The election of independent directors of this Corporation shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies. A company that has issued stock in accordance with this Act may appoint independent directors in accordance with its articles of incorporation. The Competent Authority, however, shall as necessary in view of the company's scale, shareholder structure, type of operations, and other essential factors, require it to appoint independent directors, not less than two in number and not less than one-fifth of the total number of directors.

- 2.4. Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's

articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

- 2.5. The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- 2.6. The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- 2.7. The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- 2.8. Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- 2.9. In case a candidate is a shareholder, a voter shall fill in the candidate's account name and shareholder account number in the "candidate" column of the ballot. For a non-shareholder candidate, a voter shall fill in the candidate's name and ID card number. Save that a candidate is a governmental organization or a juristic-person shareholder, the name of the governmental organization or the juristic person, together with its

representative shall be entered in the column for the candidate's account name of the ballot. When there multiple representatives, the names of each individual representative shall be entered. Besides, the shareholder account number or the Unified Business Number of such juristic-person shareholder shall be provided as well.

- 2.10. A ballot is invalid under any of the following circumstances:
  - 2.10.1. The ballot was not prepared by the board of directors.
  - 2.10.2. A blank ballot is cast in the ballot box.
  - 2.10.3. The handwriting on a ballot is unclear and indecipherable or has been altered.
  - 2.10.4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and ID number do not match.
  - 2.10.5. Except for the name of candidate (including the name of juristic-person and its representative), shareholder account number, Unified Business Number / ID Card Number, other words and marks are also written on a ballot.
  - 2.10.6. The name of a candidate filled in on a ballot is identical to that of another shareholder, but not shareholder account number, Unified Business Number / ID Card Number or attendance card number is provided in the ballot to identify such candidate.
- 2.11. The ballots shall be counted right after the casting of ballots is completed. The chairman shall announce, or authorize the emcee to announce, the results on the spot, including list of persons elected as directors and the number of votes with which they were elected.
- 2.12. The board of directors shall issue a notification to each director elected.
- 2.13. The Rules shall be supplemented by the Company Act, Articles of Incorporation and other related regulations and customs.
- 2.14. The Rules and any amendments hereto shall be implemented after being approved by shareholders' meeting.