

# **CENTRAL REINSURANCE CORPORATION**

## **THE DIRECTORS ELECTION RULES**

### **Article 1**

Unless otherwise provided in the laws and the Articles of Incorporation of Central Reinsurance Corporation (hereinafter referred to as “the Company”), the directors of the Company shall be elected in accordance with the Rules specified herein.

### **Article 2**

The directors of the Company shall be elected at the shareholders' meeting from competent persons.

Where a government agency or a juristic person acts as a shareholder of the Company, it may be elected as a director of the Company provided that it shall designate a natural person as its proxy to exercise, on its behalf, the duties of a shareholder.

### **Article 3**

The term and required number of the directors shall be subject to the Articles of Incorporation of the Company.

The election of the directors shall adopt the candidate nomination system provided in the Article 192-1 of the Company Law. The shareholders shall elect the directors from the list of candidates announced by the Company. The related matters shall be processed according to the relevant regulations.

Independent and non-independent directors shall be elected at the same time and the votes shall be calculated separately with respective eligible numbers.

### **Article 4**

The election of the directors shall be executed by adopting a disclosed cumulative voting method, and the candidates who obtain more votes than others from the election will be deemed elected in turn.

When the number of votes obtained by two or more candidates is the same causing an excess of the required number of the directors to be elected, the case shall be determined by drawing lots, and the Chairman of the shareholders' meeting shall draw the lots for any candidate who is involved in the case but fails to attend the meeting.

## **Article 5**

A shareholder may appoint a proxy to attend a shareholders' meeting on his behalf for the election of directors. When a person who acts as the proxy for two or more shareholders, the number of voting power represented by him shall not exceed 3% of the total number of issued shares of the Company, otherwise, the portion of excessive voting power shall not be counted.

## **Article 6**

In the process of electing directors at a shareholders' meeting, each share represents a weighted number of voting rights equivalent to the number of directors to be elected; such voting rights may be exercised to collectively elect a single candidate or may be distributed among several candidates.

## **Article 7**

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors 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.

## **Article 8**

If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a government agency or a juristic person, the name of the government agency or the juristic person shall be entered in the column for the candidate's account name in the ballot paper; if a candidate is a proxy of a government agency or a juristic person, the name of the government agency or the juristic person and the proxy's name shall be entered in the column for the candidate's account name in the ballot paper.

## **Article 9**

Before the election begins, the Chairman shall appoint two (2) ballot supervising personnel and several ballot counting personnel to perform the relevant duties.

The ballot supervising personnel must be a shareholder of the Company.

## **Article 10**

The duties of ballot supervising personnel are as follows:

1. Maintenance of order and prevention of interference in the voting.

2. Monitoring and auditing the ballot counting.
3. Confirmation of the invalid ballot.
4. Signature on ballot counting related documents.

### **Article 11**

A ballot shall be deemed invalid when all ballot supervising personnel concur that one of the following situations applies:

1. The ballot was not prepared by the board of directors of the Company;
2. Blurred writing that cannot be identified of the candidate's name;
3. The number of candidates filled in the ballot exceeding two (2) or more;
4. The ballot was erased or changed;
5. Other wordings or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number);
6. If the candidate whose name is entered in the ballot is a shareholder, and the candidate's account name and shareholder account number do not conform with those given in the shareholder register;
7. The candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match;
8. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual;
9. The ballot was not dropped into the ballot box designated by the Chairman.

### **Article 12**

The ballots shall be calculated on site immediately after the end of the voting, and the results of the calculation shall be announced by the Chairman at the meeting.

### **Article 13**

The Company shall issue notifications to the directors elected.

### **Article 14**

Any matter not provided for by the Rules shall be subject to the Company Law, the Articles of Incorporation of the Company and related regulations.

## **Article 15**

The Rules and any revision thereof shall become effective after approval at the shareholders' meeting.

The Rules were duly established on February 20, 1998;

The 1st amendment was made on September 29, 1998;

The 2nd amendment was made on October 24, 2000;

The 3rd amendment was made on June 25, 2002;

The 4th amendment was made on June 15, 2007;

The 5th amendment was made on June 13, 2013;

The 6th amendment was made on June 11, 2014.

(the previous title: The Directors and Supervisors Election Rules of Central Reinsurance Corporation