

Independent Director’s Method of Nomination and Election, Nomination Process

Company, through the 2006 annual shareholders’ meeting, and in accordance with Article 14-2 of the Taiwanese Securities and Exchange Act and Security and Exchange Bureau’s relevant provisions, amended the Articles of Incorporation and added Article 13-1. The contents thereof are as follows:

To harmonize with Article 183 of the Taiwanese Securities and Exchange Act, there shall be at least two independent directors among the Company's directors, and the independent directors shall represent at least one-fifth of the director seats. A candidate nomination system shall be adopted, and the shareholders meeting shall elect independent directors from among those listed on the slate of independent director candidates. The relevant regulations of the competent securities authority shall be followed regarding the professional qualifications, shareholding, moonlighting restrictions, nomination and election, and other compliance requirements regarding independent directors.

In accordance with Article 13-1 of the Articles of Incorporation, and decisions of the board of directors meetings on January 26, 2010 and on April 28, 2010, it was determined in the 2010 annual shareholders’ meeting that two independent directors shall be elected, and that the period for shareholders to nominate the two independent directors would be from April 9, 2010 to April 20, 2010, and that said nominations were to take place at the Company premises (Address: No. 23 Xinghua Road, Taoyuan City, 330).

In accordance with Article 192-1 of the Taiwanese Company Act, the two nominated independent director candidates’ personal information: name, educational background, work experience, a written undertaking indicating the nominees’ consent to serve as independent directors if elected as such, a written statement that none of the circumstances in Article 30 of the Taiwanese Company Act exists, and other relevant documentary proof to be provided to the board of directors for review and resolution at the 2010 April 28 board of directors meeting. The independent directors’ nomination procedure was completed during the shareholder nomination period.

Company, in accordance with Article 192-1 of the Taiwanese Company Act, publicly disclosed the independent director candidates list and related information for the 2010 annual shareholders meeting on the Market Observation Post System after it was confirmed that none of the shareholders holding one percent or more of the total number of issued shares presented a roster of independent director candidates in writing to the company during the nomination period for consideration.

Candidates' information (Qualifications which match legal eligibility requirements)

Company's independent director candidate list for the 2010 annual shareholders' meeting and related information are as follows:

Name	Chen-Kuo Lin	Josef Felder
Academic qualifications	Advanced study at the Department of Economics in Harvard University, U.S.A. Advanced study at the Department of Economics in Oklahoma State University, U.S.A. Bachelor degree in Economics from National Taiwan University.	Graduate of Advanced Management Program (AMP), Harvard Business School, Boston
Principal work experience	Chairman, Taiwan Asset Management Corporation Chairman, Taiwan External Trade Development Council. (TAITRA) Government Official, Executive Yuan Minister, Ministry of Finance, Executive Yuan. Professor, Department of Economics in National Taiwan University.	1980–1983 Commercial clerk 1984–1988 Accountant with various companies 1989–1993 Accounting manager at Crossair 1993–1998 Marketing manager at Crossair Product management at Crossair Deputy Director at Crossair 1998–2000 Director of FIG (Flughafen Immobilien Gesellschaft) 2000–2008 Chief Executive Officer of Unique (Flughafen Zurich AG)
Positions held concurrently in the company and/or in any other company	Chairman, Board of TUNGHAI UNIVERSITY. Independent director of the Board, Taiwan High Speed Rail Corporation. Independent director of the Board, HTC Corporation.	Careal Holding AG AMAG Zingg-Lamprecht AG Edelweiss Air AG Schulthess Group AG, Wolfhausen Gutsbetrieb Oetlishausen AG, Hohentannen Pro Juventute Luzerner Kantonalbank AG, Lucerne Victoria Jungfrau Collection, Interlaken HTC Corporation
Shareholding When Elected	0	0



The qualification criteria of independent director candidates are as follows:

Name	Conditions	Meet one of the following professional qualification requirements, together with at least five years work experience			Conforms to the independent situation (note 1)										Selected current positions/number of other public companies concurrently serving as an independent director	
		An instructor or higher position 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	A judge, public prosecutor, attorney, certified public accountant or other professional or technical specialists who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company	Have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company	1	2	3	4	5	6	7	8	9	10		
Independent Director Chen-Kuo Lin	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Independent Director Josef Felder			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0

Note 1: Independence of the directors and supervisors with a "v" sign as shown as follows:

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director of the Company, its parent Company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, children of minor age, or held by the person under others



names, in an aggregate amount of 10% or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.

- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the fifth degree of kinship, of any of the persons in the preceding three subparagraphs.
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company or that holds shares ranking in the top five in holdings.
- (6) Not a director, supervisor, officer, or shareholder holding 5% or more of the shares, of a specified Company or institution that has a financial or business relationship with the Company.
- (7) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, Company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof.
- (8) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
- (9) Not been a person of any conditions defined in Article 30 of the Company Law.
- (10) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.



Election process and election result

Company, through the 2010 shareholders' meeting, implemented the candidate nomination procedure and completed the election for the 2 seats of the independent directors. Their terms of service shall be three years, from June 18, 2010 to June 17, 2013. The list of the newly elected independent directors is attached herewith :

Title	Name	Votes Received
Independent Director	Chen-Kuo Lin	428,667,011
Independent Director	Josef Felder	355,019,904