



(English Translation)

**Winbond Electronics Corporation (hereinafter the "Company")  
"Rules Governing Election of Directors "**

The Eighth amendment was adopted by  
the annual general shareholders meeting of June 14, 2019

**Article 1**

The election of directors of the Company shall be handled in accordance with these Rules.

**Article 2**

The candidate nomination system provided in Article 192-1 of the Company Act and the cumulated voting with single name registered on the ballot will be used for the election of directors. Each share has the number of exercisable votes same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates set forth on the list of candidates of directors. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed an elected director. Independent directors and non-independent directors shall be elected at the same time but the number of the elected independent directors and non-independent directors shall be separately calculated. The attendance card number of the electors may be used on the ballot instead of the name of the electors.

The candidate nomination and election of directors shall be conducted in accordance with the Company Act, Securities and Exchange Act and other relevant laws and rules. The professional qualification, shareholding, restrictions on concurrent serving in other companies and other matters to be complied with by independent directors shall be conducted in accordance with other relevant laws and rules.

**Article 3**

When the election commences, the chairperson of the meeting shall appoint ballot supervisor(s) from among the shareholders present. Other personnel responsible for counting and announcing the ballots and performing relevant duties shall be appointed by the chairperson of the meeting. The ballot box shall be prepared by the board of directors and examined by the ballot supervisor(s) in public before the voting.

**Article 4**

The number of directors will be as specified in the Company's articles of incorporation, with votes separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of votes 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, the persons of the same number of votes shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

**Article 5**

The ballots shall be prepared by the board of directors, numbered according to the attendance card numbers and printed with the number of voting rights of the shareholders.

**Article 6**

If the candidate is a shareholder of the Company, the electors shall fill in the name and the shareholder's number of such candidate in the column of "Candidate" of the ballot. If the candidate is not a shareholder of the Company, the electors shall fill in such candidate's name and the number of its identification certificate in the same column. If the candidate is a government agency or a legal entity, either the full name of the government agency or the legal entity or the full name of the government agency or the legal entity and the name(s) of their representative(s) should

be filled in the column of candidate. If the government-linked shareholder or institutional shareholder has several representatives, the name of each representative shall be filled in.

When a shareholder fill in the name and the shareholder's number of such candidate and the number of his/its identification certificate, he/it may use his/its seal instead.

In case that the electors cast their votes by electronic transmission, the electors shall check the box of the number of the candidates and fill in the number of votes to be allocated to each candidate. The number of candidates that an elector checked on the ballot shall not exceed the number of persons which should be elected and the aggregate number of votes to be allocated to each candidate shall not exceed the total number of voting rights of such elector.

#### **Article 7**

A ballot shall be void and excluded from the votes for any candidate upon any of the following conditions:

1. The ballot was not in the form provided in accordance with Article 5 of these Rules.
2. The ballot was not cast in the ballot box installed by the board of directors.
3. The ballot was blank when cast in the ballot box.
4. The ballot was not cast pursuant to Article 6 of these Rules or the handwriting on the ballot was blurred or illegible or has been altered.
5. The candidate listed on the same ballot does not appear in the list of candidates and there are two or more than two candidates filled in on the same ballot.
6. There are other written characters or symbols in addition to the name, shareholder's number or the number of identification certificate of the candidate on the ballot.
7. The name of a candidate filled in on the ballot is same as another shareholder's name but the respective shareholder's numbers or numbers of identification certificates are not indicated to distinguish them; or
8. Any violation of laws or regulations or these Rules.

For determining invalid ballots in case of voting in writing by shareholders, subparagraphs 1, 3, 4, 5, 6, 7 and 8 of the preceding paragraph shall apply *mutatis mutandis*. If there are any doubts or disputes, the shareholders agree to authorize the Company's verification unit to make a decision. For determining invalid ballots in case of voting by electronic transmission by shareholders, subparagraph 8 of the preceding paragraph shall apply *mutatis mutandis*, in addition to compliance with the relevant regulations of the competent authorities.

#### **Article 8**

The ballot box shall be opened and the ballots shall be counted on spot under the supervision of the ballot supervisor immediately after the completion of voting, and the result of counting the ballots shall be announced by the chairperson of the meeting.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year; provided, however, that the ballots shall be retained until the conclusion of the litigation if a shareholder files a lawsuit pursuant to Article 189 of the Company Act.

#### **Article 9**

Matters not provided in these Rules shall be handled in accordance with the Company Act and relevant laws and regulations, the Articles of Incorporation of the Company and the relevant provisions of the Rules Governing the Procedure of Shareholders Meeting of the Company.

#### **Article 10**

These Rules shall be effective upon approval of the shareholders' meeting. The same applies to amendments.

**ARTICLES OF INCORPORATION  
WINBOND ELECTRONICS CORPORATION**

The twenty-ninth amendment will be submitted to the annual general shareholders meeting of June 14, 2019 for approval

**Section 1: General Principles**

Article 1: The Company is incorporated as a company limited by shares in accordance with the Company Act (the "Company Act") and its name shall be 華邦電子股份有限公司 in Chinese language and Winbond Electronics Corporation in English language (the "Company").

Article 2: The business scope of the Company is as follows:  
Research and development, ODM, production and manufacture, repair, and sale of the following products:

- (i) Integrated circuits.
- (ii) Semiconductor memory parts and components and their systems products.
- (iii) Semiconductor components and system products for use in computer systems.
- (iv) Semiconductor components and system products for use in digital communications.
- (v) Semiconductor components and system products for use in peripherals.
- (vi) Other semiconductor components.
- (vii) Design of computer software programs and data processing.
- (viii) Import and export trade related to the business of the Company.

Business categories and codes of the aforementioned products are as follows:

- (i) CC01080 Electronic Parts and Components Manufacture
- (ii) CC01110 Computers and Computing Peripherals Manufacture
- (iii) CC01120 Data Storage Media Manufacture and Duplication
- (iv) F401010 International Trade
- (v) I301010 Software Design Services
- (vi) I301020 Data Processing Services
- (vii) I501010 Product Designing

Article 2-1: The Company may act as a guarantor as required by its business operation.

Article 2-2: Total investment by the Company shall not be subject to the ceiling of an amount equivalent to 40 percent of its paid-in capital.

Article 3: The Company has its head-office in Central Taiwan Science-Based Industrial Park. Subject to the approval of the Board of Directors and government authority, the Company may, if necessary, set up branches or business offices within and outside of the Republic of China.

Article 4: Public notices by the Company shall be made in accordance with Article 28 of the Company Act.

**Section 2: Shares**

Article 5: The total capital of the Company is sixty-seven billion New Taiwan Dollars (NT\$67,000,000,000) divided into six billion seven hundred million (6,700,000,000) shares,

at ten New Taiwan Dollars per share and may be issued in a series of issuance. The un-issued shares may be issued by a resolution of the Board of Directors if the Board deems necessary.

A maximum of five billion New Taiwan Dollars may be used to be divided into five hundred million shares at ten New Taiwan Dollars per share may be used for issuance, in installments, of stock/subsorption warrants, preferred shares with subsorption rights, or corporate bonds with subsorption rights. The quota each for the issuance of stock/subsorption warrants, preferred shares with subsorption rights or corporate bonds with subsorption rights may be adjusted by the Board of Directors in consideration of factors concerning capital market and operation needs.

Article 6: (Deleted)

Article 7: Where the shares issued by the Company are in scripless form and without physical certificates, the Company shall register the shares with the central securities depository institution.

Article 8: The transfer, registration, loss or destruction of share certificates shall be handled in accordance with the Company Act and relevant regulations.

### **Section 3: Shareholders Meetings**

Article 9: Shareholders meetings shall be of two types, general meetings and special meetings. General meetings shall be convened by the Board of Directors once a year, within six months from the end of each fiscal year in accordance with law. Special meetings shall be convened in accordance with the law, whenever necessary.

Article 10: Shareholders may designate a proxy to attend a shareholders meeting with a power of attorney stating the scope of authority in accordance with the Company Act and the "Regulations for the Use of Proxies for the Attendance at Stockholders Meetings of Public Companies," promulgated by the competent governmental authority.

Article 11: Unless otherwise provided by the laws and regulations, each share has one voting right.

Article 12: Except otherwise provided by the laws and regulations, a resolution of the shareholders meeting shall be adopted by the majority of the votes represented by the attending shareholders who hold the majority of the Company's issued shares.

### **Section 4: Directors and Audit Committee**

Article 13: The Company shall have nine to eleven directors, among whom there should be not less than three independent directors making up not less than one-fifth of the total number of directors whose term of office is three years. Election of directors shall adopt the candidate nomination system prescribed in Article 192-1 of the Company Act. All of the directors are elected by the shareholders' meeting from the candidate list of directors, and are eligible for re-election. Independent and non-independent directors shall be elected at the same time, but the quota shall be calculated separately.

The method of candidate nomination and election of directors shall conform to the Company Act, the Securities and Exchange Act, and other relevant rules and regulations. The professional qualifications for, requirements relating to shareholdings of, restrictions on concurrent positions held by, and other compliance matters with respect to independent directors shall conform to relevant rules and regulations.

The aggregate number of shares of nominal stock held by all the directors shall not be less than the percentage stipulated by the competent authority in accordance with law.

The Company shall establish an audit committee and the audit committee or its members shall be responsible for performing the functions and duties of supervisors provided under the Company Act, Securities and Exchange Act and other laws and regulations. The composition, convention, duties and meeting rules of the audit committee shall comply with relevant laws and regulations and the Company's rules.

The Board of Directors may additionally establish a compensation committee. The professional qualifications of the members, exercise of their duties, organizational rules and relevant matters of the compensation committee shall comply with relevant laws and regulations and the Company's rules. The Board of Directors may also establish other committees with different functions. The organizational rules of those committees shall be stipulated by the Board of Directors.

Article 13-1: The Company may, after the approval of the Board of Directors, in view of the international and local industry standards, purchase liability insurance for directors with respect to the indemnification liabilities that the directors shall be liable resulting from exercising their duties during their terms of office according to law.

Article 14: The Board of Directors shall be formed by directors. The directors shall elect a Chairman of the Board of Directors from among themselves by a majority vote at a meeting attended by two-thirds or more of the directors. The Chairman of the Board of Directors represents the Company. A Vice Chairman may also be elected to assist the Chairman.

Article 14-1: Unless otherwise provided for by law, meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors. When convening a meeting of the Board of Directors, a meeting notice specifying the reasons for convening such meeting shall be sent to each director within the period prescribed by the competent authority in charge of securities law; provided that a meeting may be convened at any time in case of emergency.

The meeting notice set forth in the preceding paragraph may be in writing or by fax or e-mail.

Unless otherwise provided by law, resolutions adopted at a meeting of the Board of Directors must be approved by a majority vote of the directors being present, who shall represent no less than half of the total number of directors.

Directors may designate other directors as their proxies to attend the meetings of the Boards of Directors; provided that each director may act as proxy for one other director only. The Board of Directors shall meet at least once every three months.

Article 15: In the case where the Chairman of the Board is on leave or otherwise unable to perform his/her duties, matters conducted on behalf of the Chairman shall be handled in accordance with Article 208 of the Company Act.

Article 16: Remuneration of directors shall be decided by the Board of Directors based on their contribution and involvement in the operations of the Company and by reference to remuneration for similar roles at comparable companies domestically and internationally.

Article 17: The functions and responsibilities of the Board of Directors shall be as follows:

1. Review operating policies and short- and long- term development plans;
2. Review annual business plans and supervise its implementation;
3. Approve budget and review the results at year-end;
4. Propose capital increase or decrease;

5. Propose profit distribution or loss make-up plans;
6. Review, approve, amend and terminate material contracts and contracts relating to procurement, transfer, licensing of important technology and patents and of important technical cooperation;
7. Propose and review plans in connection with using transfer as security, sale, lease, pledge, mortgage, or other disposal of all or a substantial portion of assets of the Company;
8. Propose and review amendments to the Articles of Incorporation;
9. Approve organizational by-laws and important operation rules;
10. Decide the establishment, reorganization, or removal of branches or business offices;
11. Approve major capital expenditures of NT\$500 Million or more (capital expenditures not exceeding the above amount shall be approved by the Chairman of the Board of Directors);
12. Appoint or remove corporate officials at the level of vice presidents and higher;
13. Convene shareholders meetings and make business reports;
14. Examine and approve investment in other enterprises and purchase/sale of stocks of NT\$ 500 Million or more (The Chairman is authorized to approve the investment or purchase/sale if the transaction amount is less than NT\$500 Million);
15. Appoint or dismiss auditing certified public accountant of the Company;
16. Examine and approve the application to financial institutions or third parties for financing, guarantees, providing acceptance of commercial paper, any other extension of credit, and credit lines for derivatives products in an amount of NT\$500 Million or more. The Chairman of the Board of Directors is authorized to approve any of the above applications that is in an amount no more than NT\$500 Million.
17. Examine and approve the amount of endorsements, guarantees, and acceptance of commercial paper to be made in the name of the Company;
18. Examine and approve major business transactions between related parties (including affiliated enterprises);
19. Perform such other duties and responsibilities prescribed by law or authorized by shareholders meetings.

Where it is necessary and legally permissible, actions listed above may first be approved or conducted by the Chairman of the Board of Directors and later reported to the Board of Directors for recognition. Actions covered by items 11, 14 and 16 above intending for the same purpose shall not be separately contracted, applied for or spent without prior approval.

Article 18: (Deleted)

### **Section 5: Management**

Article 19: The Company may have chief executive officer, vice executive officer, president and several vice presidents according to the resolution of the Board of Directors. Appointment, removal, and remuneration of the chief executive officer, vice executive officer, president and vice presidents shall be handled in accordance with Article 29 of the Company Act. The Board of Directors is authorized to determine the duties and function of the said managers or the Board of Directors may authorize the Chairman of the Board of Directors to determine the duties and functions of the said managers.

### **Section 6: Accounting**

Article 20: The Company's fiscal year shall be from January 1 to December 31 of each calendar year. Final accounting shall be prepared after the end of each fiscal year.

Article 20-1: (Deleted)

Article 21: After the end of each fiscal year, the Board of Directors shall have the following documents prepared: (1) the business report; (2) the financial statements; and (3) the proposal for distribution of earnings or making up loss, and submit the same for recognition at the annual general shareholders' meeting in accordance with statutory procedures.

Article 22: From the pre-tax net profit of the current year, before deducting remuneration of employees and remuneration of directors, no more than 1% shall be allocated as remuneration of directors and no less than 1% as remuneration of employees. The remuneration of employees may be distributed in stock or cash upon resolution of the Board of Directors. The distribution of employee and director remuneration shall be reported to the shareholders' meeting.

However, if the Company has accumulated losses, the Company shall first set aside an amount for making up losses, and then allocate remuneration of employees and remuneration of directors according to the percentage set forth in the preceding paragraph.

The Company purchases its stock for transferring such treasury shares, issues employee options, provides pre-emptive right for employees' subscription upon issuing new shares, issues new restricted employee shares, and distributes employee remuneration, to employees of the Company's controlling or subordinated companies who meet certain criteria, which shall be determined and resolved by the Board of Directors.

Article 23: If the Company has pre-tax profits at the end of the current fiscal year, after paying all taxes and covering all accumulated losses, the Company shall set aside 10% of said earnings as legal reserve. However, legal reserve need not be made when the accumulated legal reserve equals the paid-in capital of the Company. After setting aside or reversing special reserve pursuant to applicable laws and regulations and orders of competent authorities or based on the business needs of the Company, if there is any balance, the Board of Directors may submit a proposal for allocation of the remaining balance and the accumulated undistributed earnings to the shareholders meeting for resolution of distributing bonus and dividends to shareholders.

The Board of Directors shall be authorized to distribute the profit, the legal reserve and the capital reserve mentioned in the preceding paragraph in cash upon resolution by a majority vote at a board meeting attended by two-thirds or more of the directors, and shall report the same to the shareholders' meeting.

The Company's dividend distribution policy is made in accordance with the Company Act and the Articles of Incorporation in consideration of factors including capital and financial structure, operating status, retained earnings, industry characteristics and economic cycle. The dividends shall be distributed in a steady manner. With respect to distribution of dividends, in consideration of future operation scale and cash flow needs, no less than 30% of the remaining amount of the net profit after tax of the current year, after covering the accumulative losses and setting aside the legal reserve and the special reserve, shall be distributed to shareholders as dividends, which may be distributed in stock dividend or cash dividend, and the distribution of cash dividend shall not be less than 50% of total dividends, so as to maintain continuous growth.

Article 24: The Company may distribute its profit or make up its losses at the end of each half of a fiscal year. The statements and proposals set forth in Article 21 hereof shall be prepared by and then resolved by the Board of Directors.

The Company, in distributing its profit according to the preceding paragraph, shall estimate and reserve employee and director remuneration and any taxes payable as well as cover any losses and set aside the legal reserve in accordance with to law; provided, however, that where the legal reserve amounts to the total paid-in capital, the

legal reserve needs not setting aside. Where the Company distributes the profit in cash, such distribution shall be resolved by the Board of Directors, but where the profit is distributed in the form of newly issued share, such distribution shall be resolved by the shareholders' meeting.

### **Section 7: Supplementary Regulations**

Article 25: In case of any matters not covered herein, the Company Act shall govern.

Article 26: The organizational rules of the Company shall be separately stipulated.

Article 27: These Articles of Incorporation were enacted on September 1, 1987, and were first amended on November 20, 1987. The second amendment was made on May 23, 1988; the third amendment was made on August 23, 1988; the fourth amendment was made on May 5, 1989; the fifth amendment was made on October 21, 1989; the sixth amendment was made on March 30, 1990; the seventh amendment was made on April 30, 1991; the eighth amendment was made on March 26, 1992; the ninth amendment was made on March 25, 1993; the tenth amendment was made on March 30, 1994; the eleventh amendment was made on March 17, 1995; the twelfth amendment was made on April 9; the thirteenth amendment was made on April 22, 1997; the fourteenth amendment was made on 17 April, 1998; the fifteenth amendment was made on April 23, 1999; the sixteenth amendment was made on April 27, 2000; the seventeenth amendment was made on April 16, 2001; the eighteenth amendment was made on May 17, 2002; the nineteenth amendment was made on May 6, 2003; the twentieth amendment was made on June 10, 2005; the twenty-first amendment on June 9, 2006; the twenty-second amendment was made on April 30, 2008; the twenty-third amendment was made on June 18, 2010. The twenty-fourth amendment was made on June 22, 2011; and the twenty-fifth amendment was made on June 19, 2013; and the twenty-sixth amendment was made on June 16, 2016; the twenty-seventh amendment was made on June 13 2017 ; the twenty-eighth amendment was made on June 11, 2018 and the twenty-ninth amendment was made on June 14, 2019 and shall become effective after approval by a resolution of the shareholders meeting. Any subsequent amendments to these Articles of Incorporation shall follow the same procedure.