

Any stockholder who has a personal interest in the matter under discussion at a stockholders' meeting, the outcome of which may impair our interests, shall not vote or exercise voting rights on behalf of another stockholder.

Holders of our ADSs generally will not be able to exercise voting rights on the common shares underlying ADSs on an individual basis.

Other Rights of Stockholders

Under the Republic of China Company Law, dissenting stockholders are entitled to appraisal rights in certain major corporate actions, such as a planned transfer of the whole or part of the business or a proposed merger by us. A dissenting stockholder may request us to purchase back all of the shares owned by the stockholder at a fair price determined by mutual agreement or determined by the court if a mutual agreement cannot be reached. Stockholders may exercise their appraisal rights by serving notice in writing to us prior to the related stockholders' meeting and/or by raising his objection at the stockholders' meeting. Moreover, a stockholder has the right to file a petition in the court for annulment of any resolution adopted at a stockholders' meeting where the procedures for convening the stockholders' meeting or the method of adopting the resolutions at the meeting is contrary to law or our Articles of Incorporation. One or more stockholders who have held more than 3% of the issued and outstanding shares of a company continuously for more than one year may require a supervisor to institute, on behalf of us, an action against a director. In addition, one or more stockholders who has/have continuously held 3% or more of the total number of the outstanding shares of our company for more than one year may require the board of directors to convene a special stockholders' meeting by sending a written request to the board of directors.

The Republic of China Company Law allows stockholders holding 1% or more of the total issued shares of a company to submit, during the period of time prescribed by us, one proposal in writing for discussion at the general meeting of stockholders. It also provides that a company may adopt a nomination procedure for election of directors or supervisors. We have adopted a nomination procedure for election of independent directors as stipulated in our articles of incorporation which provides that stockholders holding 1% or more of our total issued shares may submit to us a list of candidates for independent director, along with relevant information and supporting documents.

Register of Stockholders and Record Dates

Our share registrar, Taiwan Securities Co., Ltd., maintains our register of stockholders at its offices in Taipei, Taiwan, and enters transfers of common shares in our register upon presentation of, among other documents, certificates representing the common shares transferred. Under the Republic of China Company Law and our articles of incorporation, we may, by giving advance public notice, set a record date and close the register of stockholders for a specified period in order for us to determine the stockholders or pledgees that are entitled to rights pertaining to the common shares. The specified period required is as follows:

- general stockholders' meeting—60 days;
- special stockholders' meeting—30 days; and
- relevant record date—five days.

Annual Consolidated Financial Statements

At least ten days before the annual general stockholders' meeting, our annual consolidated financial statements must be available at our principal office in Taipei, Taiwan for inspection by the stockholders.