

**Darfon Electronics Corp.**  
**Rules for the Election of Directors**

- Article 1 Unless otherwise provided in applicable laws and regulations or the Articles of Incorporation of the Company, the Rules specified herein shall govern the election of the Company's directors.
- Article 2 The Company's directors shall be elected at the Shareholders' Meeting.
- Article 3 The Company's directors should be elected through single-named cumulative voting.
- Article 4 In election of the Company's directors, each share is entitled to the voting rights equivalent to the number of directors to be elected. The voting rights may be concentrated to one candidate or be allocated among several candidates. The candidates who receive the most votes for the position of director shall win the election.
- Article 5 The directors of the Company shall be elected by the shareholders' meeting from among the persons with disposing capacity. The candidates who receive the most votes for the position of director shall win the election, and such number shall be in compliance with the number of positions for director provided for in the Articles of Incorporation. If two or more candidates receive the same number of votes beyond a quota, the winner shall be determined through lot-drawing. The lot may be drawn by the Chairman on behalf of the absentees.
- Article 6 The candidates can only run for one election (the directors or the independent directors).
- Article 7 The Board of Directors shall, upon preparing the ballots, enter the voting rights on each ballot. The ballot box shall be prepared by the Board of Directors and shall be checked in public by the inspector before voting.
- Article 8 At the beginning of the election, the chairman shall appoint the inspector and counter to take charge of monitoring and counting of the votes.
- Article 9 The Company shall announce publicly the nomination submission period, the number of directors to be elected, the place for eligible shareholders to submit their nomination, and other relevant information prior to the commencement of the book closed period prior to the Shareholders' meeting. The Company adopts the Nomination System for the nomination of candidates to serve as directors. The Board or the shareholders holding 1% or more of the Company's total issued and outstanding shares are entitled to submit a slate of candidates for consideration as directors in pursuant to the Company Act. The qualifications of the candidates for consideration as directors shall be in compliance with applicable laws and regulations.
- Article 10 The shareholders shall elect the directors from among the nominees listed in the roster of director candidates. If the candidate is a shareholder of the Company, voters shall fill the candidate's name and shareholder's number in the "candidate" column of the ballot; if the candidate is not a shareholder of the Company, voters shall fill the candidate's name and ID number in the "candidate" column. If the candidate is a government agency or a legal entity, voters shall fill the name of the government agency or the legal entity or the name of their representative in the column. In the event that several candidates represent a government agency or a legal entity, the names of the representatives shall be filled separately in the column.

- Article 11 A ballot shall be deemed void if such a ballot:
1. is not a ballot provided under the Rules;
  2. is placed into the ballot box blank;
  3. contains illegible words or corrections;
  4. contains a name in the “candidate” column which is inconsistent of the nominees list;
  5. contains any words or marks other than those specified in Article 10;
  6. is not filled out in accordance with Article 10 or is filled incompletely;
  7. contains two or more candidates.
- Article 12 The ballots should be counted during the meeting right after the vote casting under supervision of the inspector, and the results of the election should be announced by the Chairman at the meeting.
- Article 13 The Rules and any amendment thereof shall become effective after approval by the Shareholders’ Meeting
- Article 14 Enacted on March 4, 1998.  
The first amendment was made on May 8, 2003.  
The second amendment was made on May 11, 2006.  
The third amendment was made on May 27, 2008.  
The fourth amendment was made on June 21, 2012.