

Sinyi Realty Inc.

Regulations on Assessment of Nominating Independent Directors

Date: 2014.06.12 (Announced)

2022.03.31(2nd amendment)

Article 1

These Regulations are adopted pursuant to Article 13-1 of the Company's Article of Incorporation and Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

Matters not specified in the Regulations shall be handled in accordance with the law and the relevant provisions of the Company.

Article 2

The Company shall, prior to the book closure date before the convening of the shareholders' meeting, publish a notice specifying a period for receiving nominations of independent director candidates, the number of independent directors to be elected, the place for receiving such nominations, and other necessary matters; the period for receiving nominations shall be not less than 10 days.

Article 3

The Company may present a slate of independent director candidates nominated by the methods set out below, and, upon evaluation by the board of directors that all candidates so nominated are qualified independent director candidates, submit it to the shareholders' meeting for elections:

1. A shareholder holding one percent or more of the total number of issued shares may present a slate of independent director candidates in writing to the company; the number of nominees may not exceed the number of independent directors to be elected.
2. The board of directors presents a slate of independent director candidates; the number of nominees may not exceed the number of independent directors to be elected.
3. Otherwise as designated by the competent authority.

When providing a recommended slate of independent director candidates under the preceding paragraph, a shareholder or the board of directors shall

specify each nominee's name, educational background, and work experience, and submit therewith documentation that the nominees meet the requirements of Article 5 and 7, and other documentary proof.

The shareholders' meeting is convened by a person other than the board of directors with the right to convene, and the duty of the independent director candidate to evaluate the conditions and propose the list of candidates to the shareholders' meeting in Paragraph 1 shall be performed by the convener.

Article 4

The board of directors, or other person having the authority to call a shareholders' meeting, shall list all qualified nominees in the slate of independent director candidates; except under any of the following circumstances:

1. Where the nominating shareholder submits the nomination at a time not within the published period for receiving nominations.
2. Where the shareholding of the nominating shareholder is less than one percent at the time of book closure by the company under Article 165, paragraph 2 or 3 of the Company Act.
3. Where the number of nominees exceeds the number of independent directors to be elected.
4. Where the relevant documentary proof required under the preceding paragraph is not attached.
5. Where the nominees are not qualified as the independent directors in according with the laws or the Regulations.
6. Where the nominee concurrently serves as an independent director of more than three other public companies in Taiwan.

The shareholders' meeting shall be convened by a person other than the board of directors with the right to convene, and the review of the independent director nominees and the establishment of the list of independent director candidates in the preceding paragraph shall be done by the convener.

Article 5

An independent director of the Company shall meet one of the following professional qualification requirements, together with at least five-year work experience:

1. An instructor or higher 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;
2. A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company.
3. Have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company.

Article 6

Based on the diversified development of the current and future real estate brokerage business and construction business of the Company and its subsidiaries, the Company shall select a person with rich qualifications or scholars from relevant departments in terms of manpower development, business performance, legal practice experience or relevant business practice experience of the Company and its subsidiaries as independent directors, and at least one person shall have accounting or financial expertise.

The independent directors of the Company shall also possess the following characteristics and conditions:

1. Integrity and steadfastness.
2. Fair judgment.
3. Professional knowledge and ability.
4. Agree with the Company's culture and business philosophy.
5. Positive contributions to the Company's business image and corporate governance.

Article 7

Within the scope of execution of business, the Company's independent director shall maintain independence, and may not have any direct or indirect interest relationship with the Company. During the two years before

being elected or during the term of office, the Company's independent director may not have been or be any of the following:

1. An employee of the Company or any of its affiliates.
2. A director or supervisor of the Company or any of its affiliates.
3. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.
4. A spouse, relatives within the second degree of kinship, or lineal relative within the third degree of kinship, [of a managerial officer under subparagraph 1 or](#) of any of the persons in the preceding [two](#) subparagraphs.
5. A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, [or that designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act.](#)
6. [If a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.](#)
7. [If the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: a director \(or governor\), supervisor, or employee of that other company or institution.](#)
8. A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.
9. A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company [for](#)

which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

10. The consecutive terms of the Company's independent directors shall not be more 3 sessions of the board of directors.

Subparagraph 2 and subparagraphs 5 to 7 of the preceding paragraph and subparagraph 1 of paragraph 4 do not apply to independent directors appointed in accordance with Securities and Exchange Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.

The requirement of paragraph 1 in relation to "during the two years before being elected" does not apply where an independent director of the Company has served as an independent director of the company or any of its affiliates, or of a specified company or institution that has a financial or business relationship with the Company, as stated in subparagraph 2 or 8 of paragraph 1, but is currently no longer in that position.

The term "specified company or institution" as used in paragraph 1, subparagraph 8, means a company or institution that has one of the following relationships with the Company:

1. It holds 20 percent or more and no more than 50 percent of the total number of issued shares of the Company;
2. It holds shares, together with those held by any of its directors, supervisors, and shareholders holding more than 10 percent of the total number of shares, in an aggregate total of 30 percent or more of the total number of issued shares of the Company, and there is a record of financial or business transactions between it and the Company. The shareholdings of any of the aforesaid persons include the shares held by the spouse or any minor child of the person or by the person under others' names.
3. It and its group companies are the source of 30 percent or more of the operating revenue of the Company.

4. It and its group companies are the source of 50 percent or more of the total volume or total purchase amount of principal raw materials (those that account for 30 percent or more of total procurement costs, and are indispensable and key raw materials in product manufacturing) or principal products (those accounting for 30 percent or more of total operating revenue) of the Company.

For the purposes of paragraphs 1, 2 and the preceding paragraph, the terms "parent", "subsidiary", and "group" shall have the meanings as determined under International Financial Reporting Standards 10. The term "affiliate" in paragraphs 1 and 3 means an affiliated enterprise under Chapter VI-1 of the Company Act, or a company for which consolidated financial reports are required to be prepared under the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises or under International Financial Reporting Standard 10.

Article 8

A person to whom any of the following circumstances applies may not serve as an independent director, or if already serving in such capacity, shall ipso facto be dismissed:

1. Any of the circumstances in the subparagraphs of Article 30 of the Company Act.
2. Elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act.
3. Any violation of the independent director qualification requirements set out in these Regulations.

If the number of independent directors of the Company is dismissed for any reason, and the number of independent directors is insufficient as stipulated in the Articles of Association or Decree, they shall be elected at the most recent shareholders' meeting; when all independent directors are dismissed, the Company shall convene an extraordinary meeting of shareholders to hold a by-election within 60 days from the date of occurrence of the facts.

Article 9

If an independent director is ipso facto dismissed during the term of office for reason of a violation of Article 7 or 8, it is prohibited to change the status of

the person from independent director to non-independent director. A non-independent director elected at a shareholders' meeting likewise may not be arbitrarily changed from a non-independent director to an independent director during the term of office.

Article 10

These Regulations shall be implemented after the approval of the Board of Directors, and the same shall apply when amended.