

Class A Preferred Shares

Rights and obligations

- Maturity date: Not applicable. Class A Preferred Shares (“CAPS”) are perpetual.
- Dividends: 4.10% per annum for CAPS (7-year IRS 0.885%+3.215%) calculated pursuant to issue price per share. Interest rate per annum will be reset on the day after the 7th anniversary of the issue date (“Issue Date”) and the day after each subsequent 7-year period hereafter. Reset interest rate is calculated as 7-year IRS + 3.215%. Record date for interest reset shall be the second previous business day for financial institutions in Taipei. The 7-year IRS rate shall be the arithmetic mean of 7-year IRS quotations as published by Reuter, PYTDWFIX and COSMOS3 at 11:00 a.m. of the day of reset record date (must be a business day for Taipei’s financial institutions). If the above quotations cannot be obtained on reset record date, interest rate shall be decided by the Company in good faith and taken into account of reasonable market rate.
- Dividend payout: The Company has sole discretion on dividend issuance of CAPS, including but not limited to its discretion to not declare dividends when no profit is recorded, or insufficient profit is recorded for Preferred Share dividends, or preferred share dividend declaration would render the Company’s capital adequacy ratio below level required by law or relevant authorities. The Company’s cancellation of preferred share dividend declaration shall not be deemed an event of default. Undeclared or under-declared dividends are not cumulative, and are not paid in subsequent years with profit. In the year with profit, before the Company can distribute dividends for CAPS, the Company shall set aside out of the Company’s profits:(a) a settlement for payment of tax for the relevant financial year; (b) an offset of its losses in previous years that have not been previously offset; (c) a statutory reserve (“Legal Reserve”); and (d) reserve special reserve pursuant to legal

requirement or actual need. Dividends for CAPS are declared once per year in cash. After shareholders' approval of the Company's financial statements at its annual shareholders meeting, the board may set record date for distribution of available dividends from the previous year. Dividend distribution for the years of issuance and redemption shall be calculated pursuant to actual issued days of the given year. Dividends distributed shall be included in the dividend certificate.

- Excessive Dividend Distribution: Except for receipt of dividends at the aforementioned dividend rate, CAPS holders cannot participate in distribution of cash or stock dividends to holders of common shares from profit or additional paid-in capital.
- On the day after the 7th anniversary of the Issue Date, the Company may redeem all or part of outstanding CAPS at issue price. Rights and obligations of the unredeemed CAPS shall remain the same as mentioned above.
- In the event of liquidation, holders of CAPS shall have the same priority of claim as holders of all subsequently issued preferred share, which are prior to holders of common share, but subordinated to general creditors. Preferred share holders' claims are limited to an amount equal to the multiplication of (a) the prevailing number of outstanding CAPS and (b) per-share issue price of preferred shares.
- CAPS holders have no voting right at the shareholders meeting, and cannot elect directors but are eligible as director candidates. Holders of CAPS have voting rights at shareholders meeting of CAPS, and at shareholders meeting on items relating to rights of CAPS holders.
- CAPS cannot be converted to common shares and the holders do not have the right to request the company to redeem the preferred shares.
- CAPS shareholders have the same pre-emptive right as common shareholders at issuance of new shares by cash.