

## **Class C Preferred Shares**

### **Rights and obligations**

- Maturity date: Not applicable. Class C Preferred Shares (“CCPS”) are perpetual.
- Dividends: The dividend yield is set at 3.0% per annum (equal to the sum of 7-year IRS 0.6538%+2.3642%) on the issue price. 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. The IRS rate will be reset every 7 years based on the average rate of TAIFXIRS and COSMOS3 at 11:00am on the date which is two business days prior to the interest rate reset date. If no such rate can be obtained, the company will determine the rate based on reasonable market price with good faith.
- Dividend payout: Cash dividends will be distributed annually in arrears. Once the Company's Audited Financial Reports have been acknowledged in the annual general meeting of the shareholders, the Board shall be authorized to set the payment date for the distribution of the payable preferred share dividends for the previous year. In the year of issuance and redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the Preferred Shares remained outstanding in that year. The fiscal year-end earnings of the Company shall be applied in the following order: payments of taxes, making-up of deficit, legal reserve, special reserve by law, and the remaining shall be paid to holders of CCPS as the current year's dividends. The company has discretion over the dividend distribution of CCPS. The company may decide not to distribute dividends of CCPS in the following circumstances: (a) there are no earnings in a fiscal year, (b) the earnings are insufficient to distribute dividends of CCPS, and (c) the distribution of dividends of CCPS will cause the capital

adequacy ratio to be lower than the regulatory requirements. The cancellation of dividend payment shall not constitute an event of default.

- The CCPS are noncumulative, and the CCPS holders do not have the right to claim any of the unpaid or omitted dividends in the future.
- Excessive Dividend Distribution: Except for receipt of dividends at the aforementioned dividend rate, the CCPS holders cannot participate in distribution of cash or stock dividends to holders of common shares from profit or additional paid-in capital.
- The CCPS may be redeemed in whole or in part at issue price any time after 7 years of issuance at the option of the Company. Unredeemed preferred shares shall continue to have the rights and obligations of issuance terms prescribed in this Article.
- The order of claim for distribution of property is prior to ordinary shares, and the claims of all series of preferred shareholders are equal. The repayment shall be capped at the respective issue amount of the CCPS upon liquidation.
- The CCPS holders have no voting right at the shareholders meeting, and cannot elect directors but are eligible as director candidates. The CCPS holders have voting rights at shareholders meeting of CCPS, and at shareholders meeting on items relating to rights of the CCPS holders.
- The CCPS cannot be converted to common shares and the CCPS holders do not have the right to request the company to redeem the preferred shares.
- The CCPS holders have the same pre-emptive right as common shareholders at issuance of new shares by cash.