

Election Procedures of Director for Far Eastern Department Stores Ltd. (the “Company”).

- 1) The election of directors shall be pursued in accordance with the procedures herein.
- 2) The election of directors adopts the method of accumulated vote-counts. The attendance card number of the voters shall be used on the ballot instead of the name of the voters. The ballots shall be prepared by the board of directors, numbered according to the attendance card numbers and noted with share number represented for voting.
- 3) The election of Board of Directors shall be pursued according to the number of position required. The independent directors and non-independent directors shall be elected with the number of selectees calculated separately; those candidates receiving more voting rights shall be elected as Directors. If there are more than two candidates obtaining the same number of vote but the number of position offered is limited, a draw shall be made amongst the two candidates to determine. The chairperson shall conduct the drawing for the candidate who is absent.

The Company, in accordance with Article 192-1 of the Company Act, shall adopt a candidate nomination system for election of the directors. Besides, the qualifications of independent directors, independent condition, and other conditions should adhere to the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and other regulation.

- 4) In the beginning of the election, the chairperson shall assign two personnel for vote overseeing and vote counting respectively. The personnel for vote overseeing shall be of the stockholder status.
- 5) The responsibility of the vote-overseeing personnel's responsibility shall be as follows:
 1. Check and seal the ballot box in public before ballot casting.
 2. Maintain the order and check for any negligence and illegality for voting.
 3. Unseal the ballot box and check the ballot number after ballot

casting.

4. Check for any invalid ballots and hand in the valid ballots to the vote-counting personnel.
5. Oversee the vote-counting personnel recording the ballot numbers received by each candidate.
- 6) If the candidate is a natural person, the voters shall fill out the ballot with the name of the candidate. If the candidate is the government or institutional stockholder, the ballot shall be filled out with the name of government or institution. If the candidate is the representative of the government or institutional stockholder, the names of the government or institutional stockholder and its representative both shall be filled out on the ballot.
- 7) The ballot shall be considered invalid in any of the following situations:
 1. Not the ballot provided under the rules herein
 2. One ballot with more than two candidate names listed
 3. Blank ballot
 4. Ballot with not only candidate's number of voting rights allocated but also with other writing
 5. Written characters blurred and not legible
 6. Incorrect candidate's name on the ballot
 7. The total number of voting rights allocated by voters on the ballots exceeds the number of voting rights they hold.
- 8) The ballot boxes shall be prepared by the Company and publicly checked by the vote monitoring personnel before voting commences.
- 9) When all the ballots are cast in the box, the personnel of vote overseeing and counting shall simultaneously unseal the ballot boxes.
- 10) The vote-overseeing personnel shall be present for vote counting.
- 11) If there is any question about the ballot, the vote-overseeing personnel shall check whether it is invalid. The invalid ballots shall be collected and kept separately. The vote-overseeing personnel shall designate them as the invalid with signature and seal after ballot counting.
- 12) For the results of ballot counting, the vote-overseeing personnel shall make sure of correctness of the total ballot number after combining the numbers of the valid and invalid ballots. The numbers of the valid and invalid ballots shall be recorded separately and the chairperson shall announce the elected.

13) The rules herein take effect after approval at the stockholders' meeting. The same apply for any amendments.

*In case of any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail