

Meeting Rules of Board of Directors for Far Eastern Department Stores Ltd. (the “Company”)

Last Updated: Nov. 10, 2022

- Article 1 Unless otherwise provided by law or by the Company’s articles of incorporation, the meeting of board of directors shall be conducted according to the rules herein.
- Article 2 A meeting of board of directors shall be convened every three months. The directors shall be notified with the subjects seven days before the meeting, however, in the case of emergency, the meeting may be convened at any time.
- The notice of meeting of board of directors could be served by way of writing document, e-mail or fax.
- A Board meeting shall be held at the premises and during the business hours of the Company, or at a place and time convenient for all directors to attend and suitable for holding Board meetings.
- Article 3 The meeting convened by the chairman of the board of directors shall be presided by the chairman except for the first meeting of each term of the board of directors which shall be convened and presided by the director who received a ballot representing the largest number of votes at the election of directors at the stockholders’ meeting. If there are two or more persons having the convening right, the chairperson of the meeting shall be elected from among themselves.
- If the board of directors meeting is called by the majority or more of the directors according to the Company Act, directors shall choose one person by and from among themselves to act as convener.
- Article 4 If the chairman of the board of directors is on leave or unable to exert the rights, the vice-chairman shall preside instead. If the vice-chairman is on leave or is unable to exert the rights, the chairman shall designate a director to preside at the meeting. If no director is so designated, one of board members of directors shall be chosen from among themselves to preside at the meeting.
- Article 5 The board of directors shall be provided with appropriate and timely information which is sufficient for them to make decisions and to perform director functions.
- The Secretarial Department shall prepare for the agendas and provide sufficient information for the meeting of board of directors. All the written information shall be sent along with the meeting notification to the directors. The Director may ask for complement if considers the information received is insufficient, the secretary division shall respond within 3 days. The meeting shall be postponed based on the resolution from the Board of Directors if the Directors consider the information insufficient for meeting.
- The Company shall appoint the Corporate Governance Officer to handle information requested by directors and to respond within 7 days, in an attempt to timely and effectively facilitate the board of directors to exert their proper functions.
- All directors of the Company are provided with support from the Corporate

Governance Officer, so as to ensure the compliance with procedures of board of directors meeting and regulatory requirements, and the sound communication of information among directors and between directors and managerial divisions.

Article 5-1 The content of the periodic meeting shall include at least the following:

(a) Items to be reported:

Minutes and execution status of last meeting

Report of important financial business (including Q1, Q2 and Q3 financial reports) ◦

Report of internal audit business

Other important report items

(b) Items to be discussed:

Items remaining for discussion over the last meeting

Items to be discussed at this meeting

(c) Extemporaneous Motions

Article 5-2 The following items shall be submitted for discussion over the meeting of board of directors:

(a) Operation plans of the company

(b) Annual financial statement reports

(c) Adoption or amendment of internal control system pursuant to article 14-1 of the Securities and Exchange Act. and the assessment of the effectiveness of the internal control system.

(d) Adoption or amendment pursuant to article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, endorsements or guarantees for others.

(e) The offering, issuance or private placement of any equity-type securities.

(f) Election or dismissal of the chairman

(g) Employment and discharge of a financial, accounting or internal audit officer.

(h) A donation to a related party or a major donation to a non-related party provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.

(i) Pursuant to article 14-3 of the Securities and Exchange Act, other governing laws or articles of incorporations, important items which shall be affected by resolutions of the stockholders' meeting, be submitted to the board of directors or regulated by competent authority.

The term "related party" in subparagraph (h) of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a

single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

The board meetings shall have at least one independent director attend in person. With respect to the discussion of matters specified under paragraph 1, all independent directors shall attend board meetings in person; if an independent director is unable to attend a board meeting in person, the independent director shall delegate his/her rights to another independent director to attend on his/her behalf. Any dissenting opinion or abstention by independent directors shall be recorded in the board meeting minutes. If independent directors are unable to attend board meetings in person to express their dissenting opinion or abstention, except for legitimate reasons, they shall submit a written statement in advance to be recorded in the board meetings minutes.

All items set out in the preceding paragraph shall be listed along with meeting notification and shall not be raised as extemporary motion.

Article 5-3 Except the matters which shall be discussed by the board of directors under paragraph one of the preceding article, with respect to the level and content of delegation by the board of directors in accordance with laws and regulations or the Company's Articles of Incorporation, shall be concrete and specific.

Article 6 The attendance book shall be provided for signing by the attending directors and all the related documents shall be made available for the directors' reference during the meeting of board of directors.

Article 7 The director shall attend the meeting in person; a director not able to attend in person may appoint another director to attend in his/her behalf. The director attending the meeting through video conference shall be deemed present in person, but the signed attendance card must be sent by fax.

Article 8 In case a director appoints another director to attend the meeting in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. Each director is limited to accept one appointment to act as a proxy for the other director.

Article 9 The chairman may appoint personnel of relevant departments or subsidiaries for attendance, based on requirements of the meeting content, to assist the directors to understand the company status and make appropriate decisions.

When necessary, the company may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

Article 9-1 Upon the designated meeting time, if the directors present do not constitute a majority of the directors, the chairperson may announce postponing the meeting. The postponement shall be limited to two times and the aggregated postponed time shall not exceed one hour. If quorum is still not present after a second postponement, the chairperson shall re-convene the meeting according to the procedures set out in article 2 herein.

The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.

Article 9-2 The meeting shall proceed in accordance with the agenda set out in the meeting notification. However, the agenda may be amended by a resolution adopted by a majority vote of the attending directors. Except with a resolution adopted by a majority vote of the attending directors, the chairperson shall not declare adjourning of the meeting before the preceding designated agendas and extemporary motions are concluded. In the progress of the meeting, the chairperson shall announce adjournment of the meeting at the proposal of the directors present if the number of the directors present does not reach half the attending directors.

Article 10 For proposal discussion, the chairperson may announce conclusion of the discussion and submit the proposal for voting at his/her discretion.

Article 11 The directors shall uphold high discipline such that a director may state the important aspects of the interested party relationship at the respective meeting, but shall not join discussion, or vote on that agenda item, and shall enter recusal during discussion of and voting on that item, and shall not exercise the voting right on behalf of another director for matter which he/she has a personal interest or concerns interest of which he/she represents for other legal entity which may impair the interest of the company.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

In passing a resolution at the directors meeting, the directors who cannot exert the voting rights pursuant to the two preceding regulation, their votes shall not be counted in the number of votes of directors present at the meeting.

Article 12 Each director has one vote. Unless otherwise provided by Securities and Exchange Act and Company Act, the resolution of board of directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

Article 13 Regarding the resolution of proposals, it will be deemed approved if the chairperson inquires and received no objection. Should there be any objections after the chairperson's inquiry, the chairperson can choose one of the following methods for voting. If there are any objections from the attending directors, the method shall then be decided by the majority.

(a)Hand raising or voting devices

(b)Roll call

(c) Ballot casting

All directors present at the meeting" in the preceding two paragraphs does not include directors prohibited from exercising voting rights pursuant to Article 11, paragraph 1.

Article 14

If there are amendments or substitute proposals for the same proposal, the sequence of which to be put to vote shall be decided by the chairperson with the original proposal. If one of the two proposals has been approved, the other proposal shall be deemed rejected without requirement to put it to vote.

Article 15

If there is necessity to set up the personnel of vote-overseeing and –counting for resolution, the chairperson shall assign the vote-counting personnel and all the attending directors shall serve as the vote-overseeing personnel.

Article 16

Resolutions adopted at a directors' meeting shall be recorded in the minutes of the meeting and shall contain detailed description of the followings:

- (a) Meeting number (or year), time and location of meeting
- (b) Name of chairperson
- (c) Attendance status of directors (including the numbers and names of directors that are, present, absent and on leave)
- (d) Names and Titles of the attendees
- (e) Name of record keeper
- (f) Reported matters
- (g) Matters for discussion: including the resolution method and result of each proposal, the brief statements of the directors, experts and others; the name of any director that is an interested party as referred to in paragraph 1 of the article 11, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Article 5, paragraph 2, rule 4.
- (h) Extemporaneous Motions: including the name of proponent, the resolution method and result of each proposal, the brief statements of the directors, experts and others; the name of any director that is an interested party as referred to in paragraph 1 of the article 11, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.
- (i) Other items required to be recorded

The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting:

- 1) Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.
- 2) A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of the Company.

The meeting minutes shall consist of the attendance book. The minutes shall be signed or sealed by the chairperson and record keeper. The minutes shall be sent, within 20 days of meeting, to all the directors and other attendees. The minutes shall also be kept as important files for as long as the Company remains in existence. The creation and distribution of the minutes can be done in the electronic format.

Article 17 The complete process of the meeting of board of directors shall be kept by video or voice recorders. The records shall be kept for at least 5 years. The preservation of such records can be done in the electronic format.

If there is any lawsuit related to the resolution of the meeting before expiry of the preceding time period, the relevant voice or video records shall be maintained until the litigation is concluded.

If a video conference is held for the directors' meeting, the voice and video records are part of the minutes and shall to be kept during the existence of the company.

Article 18 For matters not governed by the rules specified herein shall be governed according to Company Law, the Company's articles of incorporation and the other relevant decrees and regulations.

Article 19 The rules herein take effect after approval at the directors' 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.*