

GRAND OCEAN RETAIL GROUP LIMITED

Principles for Election of Directors

Article 1: To ensure a just, fair, and open election of Directors, these Principles are adopted pursuant to Articles 21 of the Corporate Governance Best-Practice Principles.

Article 2: Except as otherwise provided by law and regulation or by the corporate charter, elections of Directors shall be conducted in accordance with these Principles.

Article 3: The overall arrangement of the Board shall be taken into consideration for the election of the Directors of the Company. Diversity shall be taken into consideration to the composition of the Board of the Directors, where the functions, operating patterns and requirements by development itself shall be used as the concept to stipulate the policies of diversity, which include but not limited to the two material norms as follows:

1. Fundamental conditions and values: Gender, age, nationality and culture.
2. Professional knowledge and skills: Professional backgrounds (e.g. law, accounting, industry, finance, marketing or technology), professional skills, industry experience, etc.

All the Directors of the Board shall at least possess the knowledge, skills and accomplishments for performing the duties thereof, which include as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

Spouse or relative within the second-degree of kinship to a Directors shall not be more than half of the chairs among the Directors of Board.

The Board of Directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

Article 4: Independent Directors shall be elected by the Company according to the corporate charter; the Independent Directors shall be elected along with

Non-Independent Directors, where the numbers of candidates elected shall be calculated respectively. Election and qualification of an Independent Director shall comply with the local laws and regulations in the region where the Company is listed.

Article 5: Elections of Directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in the Company Act in the region where the Company is listed.

If a Director is dismissed making the Board less than 5 Directors, the Company shall convene the by-election for it at next shareholders' meeting. However if the vacancy of the Board approaches one-third of the total chairs specified in the corporate charter, an extraordinary general meeting shall be convened for the by-election within 60 days from the date of the occurrence.

If the number of Independent Directors is less than the stipulation of Article 14-2, Paragraph 1 of the Securities and Exchange Act of the region where the Company is listed, the by-election shall be held at the next shareholders' meeting. If all the Independent Directors are dismissed, an extraordinary general meeting shall be convened for the by-election within 60 days from the date of the occurrence.

Article 6: Cumulative voting method shall be used for election of the Directors at the Company. Each share shall have voting rights in number equal to the Directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 7: The Board of Directors shall prepare separate ballots for Directors in numbers corresponding to the Directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8: The number of Directors will be as specified in the corporate charter, with voting rights separately calculated for Independent and Non-Independent Director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairperson drawing lots on behalf of any person not in attendance.

Article 9: Before the election begins, the chairperson shall appoint a number of persons

with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10: A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.

Article 11: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as Directors and the numbers of votes with which they were elected, shall be announced by the chairperson on the site.

Ballots of the election described as above shall be sealed and signed by the inspector, and be stored well for at least one year. Whereas if a shareholder has been filed with a lawsuit by Article 189 of the Company Act of R.O.C., the record shall be stored until the lawsuit ends.

Article 12: The Board of Directors of the Company shall issue notifications to the persons elected as Directors.

Article 13: The Principles, and any amendments hereto, shall be implemented after approval by a shareholders' meeting.