

## Pacific Hospital Supply Co., Ltd. Shareholders' Meeting Procedure Rules

- Article I These Shareholders' Meeting Procedure Rules are duly enacted by Pacific Hospital Supply Co., Ltd. (hereinafter referred to as the Company) in accordance with Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies in an effort to set up sound shareholders' meeting governance system, assure sound supervisory functions and strengthen performance of sound management.
- The Company shall handle shareholders' meeting and shareholders' meeting related affairs exactly in accordance with these Shareholders' Meeting Procedure Rules unless otherwise prescribed the Articles of Incorporation or laws and ordinances concerned.
- Article II The term "shareholders' meeting" as set forth herein includes regular meeting of shareholders and temporary (extraordinary) meeting of shareholders.
- The Company shall note in the notice to the shareholders' meeting the time period of and the place of sign-in and other pertinent precautions.
- Acceptance of sign-in shall begin at least thirty minutes before the shareholders' meeting; distinct signs to the sign-in desk and sufficient appropriate personnel shall be arranged.
- The shareholders or the proxies authorized by shareholders (hereinafter "shareholders") shall present a certification for attendance, a sign-in card, or other qualified certification to attend the meeting, and the Company shall not require additional certificate without advance notice; the solicitor of proxies shall present ID certification for admittance.
- The Company shall provide the sign-in book through which the shareholders or proxies authorized by shareholders (hereinafter referred to as "shareholders") may sign in upon their presence in a shareholders' meeting. A shareholder or a proxy may submit the sign-in card instead of going through the sign-in process.
- Upon convening a shareholders' meeting, the Company shall hand over to the present shareholders the Handbook for the Shareholders' Meeting, Annual Report, attendance certificates, speaking floor notes, voting ballots and other documents for the meeting, as well as election ballots in case of directors and supervisors election.
- In case of a shareholder as the government or a juristic (corporate) person, the number of its representative(s) is not confined to one. When a juristic (corporate) person is authorized to attend a shareholders' meeting, such juristic (corporate) person may appoint only one representative to attend the meeting.
- Article III For each shareholder's meeting, a shareholder may duly issue the power of attorney with the power of attorney format printed and provided by the Company to authorize a proxy to attend the meeting.
- A shareholder may issue only one power of attorney and may authorize only one proxy. The power of attorney shall be submitted to the Company five days prior to the date scheduled for the shareholders' meeting. In case of duplicate powers of attorney are found, the case shall be managed by means of "first in, first out" basis unless the preceding power of attorney is declared withdrawn.
- In the event that a shareholder intends to participate in a shareholders' meeting to exercise his or her vote in person or electronically after his or her proxy has been served to the Company, such shareholder shall apply to the Company in writing to revoke the proxy two days before the date scheduled to convene the shareholders' meeting. In the event that he or she fails to withdraw the power of attorney within the specified time limit, the voting power cast by his or her proxy shall govern.
- Article IV The shareholders' meeting shall be convened by the Board of Directors unless otherwise prescribed by laws and ordinances concerned.
- The Company shall work out the notices to the shareholders' meeting, the form papers for proxies, issues to be acknowledged, discussed, election or discharge of directors and supervisors and other

information concerned for the shareholders' meeting into electronic files and transmit all such information and data into the Market Observation Post System (MOPS) thirty (30) days in advance of a regular meeting of shareholders or fifteen (15) days in advance of a temporary (extraordinary) meeting of shareholders. The Company shall work out the Meeting Agenda Handbook and supplementary information of the shareholders' meeting into the electronic files and transmit them into the Market Observation Post System (MOPS) twenty-one (21) days in advance of a regular meeting of shareholders or fifteen (15) days in advance of a temporary (extraordinary) meeting of shareholders. The Company shall prepare the Meeting Agenda Handbook and supplementary information and data of the meeting in papers readily available to shareholders, on display at this Company and at the professional agent for stock affairs mandated by the Company fifteen (15) days in advance of the date scheduled to convene the shareholders' meeting, and shall disseminate such information and data on-the-spot at the place where the shareholders' meeting is convened.

The notices and public announcements shall expressly note the subjects of the shareholders' meeting to be convened. Subject to consent by the counterparts of the notices, the notices and public announcements may be issued in electronic means.

An issue regarding election or discharge of directors and supervisors, change in Articles of Incorporation, dissolution, merger, division of the Company or an issue to be enumerated under Article 185-1 of the Company Law, Article 26-1, Article 43-6 of the Securities and Exchange Law, and Article 56-1, Article 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall not be proposed by means of occasional (extemporaneous) motions.

A shareholder holding one percent (1%) or more of the total number of outstanding shares of the Company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. Besides, where an issue proposed by a shareholder is found to have met with any situation set forth in Article 172-1, Paragraph 4, the Board of Directors may not take it into the agenda.

The Company shall promulgate a notice to convene a regular meeting of shareholders which shall bear the location and the duration during which the proposals would be accepted. The duration to accept proposals shall not be less than a minimum of ten days. An issue proposed by a shareholder shall be confined to three hundred Chinese characters maximum. An issue proposed by a shareholder that exceeds three hundred Chinese characters shall not be included in the agenda. A proposing shareholder shall participate in the regular meeting of shareholders and shall participate in the discussion process of the proposed issue either in person or through his or her proxy.

The Company shall keep the proposing shareholders informed of the results of handling before the date on which the notices to convene the shareholders' meeting are to be served and shall have the issues which are satisfactory the present Article covered in the notice to the meeting. To a shareholder whose proposal is not included in the agenda, the Board of Directors shall explain the reason of why it was not included during the process of the shareholders' meeting.

Article V A shareholders' meeting shall be convened at a location within the Company, a place where the Company's factory is located or a site convenient and appropriate to shareholders to participate in the meeting. The shareholders' meeting shall not be convened at a time earlier than 9 : 00 a.m. or later than 3 : 00 p.m. The opinions of the independent directors shall be taken into adequate consideration regarding determination of the location and time to convene the shareholders' meeting.

Article VI The shareholders who attend the shareholders' meeting shall be calculated based on the number of shares represented by them. The number of shares represented by present shareholders shall be calculated based on the number of shares shown through the sign-in book, sign-in cards along with the number of voting powers which are exercised in writing or electronically.

The chairperson shall call the meeting to order when the scheduled time is due. If the meeting is attended by not up to a half of the total number of outstanding shares by then, nevertheless, the chairperson may announce a postponement of the meeting. The total number of the postponements

shall, nevertheless, not exceed the maximum of two. The total of the postponed time shall not exceed one hour. In the event that the meeting is still attended by present shareholders who represent less than one-third of the total issued shares after two postponements, the chairperson may announce that the meeting be aborted.

In the event that when the number of shareholders' present does not constitute the quorum at one-third the total issued shares after two postponements, a tentative resolution may be passed by a majority of those present in accordance with Article 175 of the Company Law. A notice of such tentative resolution shall be given to each of the shareholders, and the Company shall reconvene a Shareholders' meeting within one month. In the aforesaid meeting of shareholders, if the present shareholders represent up to a majority of the total number of outstanding shares, the chairperson may propose the tentative resolution to the shareholders' meeting for resolution in accordance with Article 174 of the Company Law.

Article VII For a shareholders' meeting convened by the Board of Directors, the shareholders' meeting shall be chaired by the chairman. If the chairman is on leave or unavailable, the vice chairman shall act on his behalf. Where the chairman does not appoint a substitute, one director shall be elected from among themselves to act in the place.

If the meeting is chaired by a director pursuant to the former paragraph, the director shall have served as a director for over six months and shall have financial and business knowledge of the Company; the same qualifications shall also be met by the chairperson when the meeting is chaired by a representative of juristic (corporate) person as a shareholder.

A shareholders' meeting convened by the Board of Directors shall be chaired by the chairperson and shall be attended by directors who represent a majority of the total number of directors, at least one supervisor, and at least one representative from each functional committees in the Company.

In the event that a shareholders' meeting is convened by any other person beyond the Board of Directors having the convening right, such another person shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairperson of the meeting shall be elected from among themselves.

Article VIII The Company may appoint the retained Attorney(s)-at-Law, Certified Public Accountant(s) or other personnel concerned to participate in the shareholders' meeting. The entire process of the meeting shall be videotaped and sound recorded which shall be archived for a minimum of one year or until after any litigious action is concluded in the event that a shareholder institute a litigious action in accordance with Article 189 of the Company Law.

Article IX Where a shareholders' meeting is convened by the Board of Directors, the agenda shall be determined by the Board of Directors. The meeting shall be duly convened exactly in accordance with the scheduled agenda which shall not be changed unless resolved in the shareholders' meeting.

In the event that a shareholders' meeting is convened by any other person beyond the Board of Directors having the convening right, the provision set forth in the preceding paragraph is *mutatis mutandis* applicable.

Until the issues set forth in the agenda in the two preceding paragraphs (including occasional (extemporaneous) motions) are concluded, the chairperson shall not announce adjournment of the meeting. In the event that the chairperson violates the rules of the meeting by announcing adjournment of the meeting straightaway in such a manner, other members of the Board of Directors shall promptly help the present shareholders by electing another chairperson to preside over the meeting continually through a majority vote.

Article X A shareholder present in the shareholders' meeting shall fill out and submit the speech floor note which shall expressly bear the subject of a speech, shareholder account code (or code of the participation certificate) and name of the shareholder so that the chairperson may determine the order of the speeches. A present shareholder who does not speak after having submitted the speech note is deemed as having not delivered a speech.

Where the content set forth in the speech note is found inconsistent with the content of actual speech,

the content of actual speech shall be counted.

Where a present shareholder speaks, other shareholders shall not speak or interfere with the speech unless having obtained consent from the chairperson and the speaking shareholder, otherwise the chairperson shall stop the offender from speaking.

Where a juristic (corporate) person shareholder appoints two or more representatives participating in the meeting, only one representative among them may be appointed to speak up.

After a present shareholder speaks, the chairperson shall reply in person or by appointing the relevant personnel to reply.

Article XI On a same issue, each shareholder shall not speak more than twice unless agreed upon by the chairperson. Each speech shall not exceed five minutes.

Whenever a shareholder speaks beyond the aforementioned provision or beyond the specified issue, the chairperson may stop him or her from continual speaking.

Article XII Opportunities shall be given for proper explanation to and discussion over issues, and amendments and occasional (extemporaneous) motions proposed by shareholders, and the chairperson may, when considers a vote is proper to be made, announce conclusion of discussion and put the issue into vote for resolution forthwith.

Article XIII Each share held by a shareholder is entitled to one voting power except a case restricted from voting power or a case under Article 179, Paragraph 2 of the Company Law where the Company has no voting power.

Where the Company convenes a shareholders' meeting, voting power may be exercised in writing or electronically. When voting power may be exercised in writing or electronically, the method to exercise voting power in writing shall be expressly provided in the notices to the shareholders' meeting. A shareholder who exercises voting power in writing or electronically shall be deemed as present in the shareholders' meeting in person but shall be deemed as in abstention for the occasional (extemporaneous) motions and amendment of the original issues in that shareholders' meeting.

A shareholder who intends to exercise voting power in writing or electronically in accordance with the provision set forth in the preceding paragraph shall have his or her expression of intent served to the Company two days prior to the date scheduled for the meeting. In case of duplicate expressions of a same intent, it shall be managed on the "first come, first served" basis unless the preceding expression of intent is withdrawn.

In the event that a shareholder intends to participate in a shareholders' meeting in person after he or she exercises the vote in writing or electronically, he or she shall revoke the expression of the intent to exercise the vote in a manner the same as the exercise of the vote two (2) days prior to a date scheduled to convene the meeting. In the event that he or she withdraws beyond such time limit, the voting power exercised in writing or electronically shall be counted. In the event that a shareholder exercises voting power in writing or electronically and, meanwhile, participates in the shareholders' meeting through a proxy by issuing the power of attorney in writing, the voting power exercised by his or her proxy shall be counted.

Unless otherwise provided for in the Company's Articles of Incorporation and laws and ordinances concerned, decisions in the shareholders' meeting shall be resolved by a majority vote balloted by the present shareholders.

During voting, the chairperson or the designee thereof shall, first of all, announce the total numbers of shareholders and the voting rules before the shareholders vote on issues through balloting on a case-by-case basis. On the day after the temporary (extraordinary) meeting of shareholders is convened, the results of pros, cons, and waivers by shareholders shall be input into the Market Observation Post System (MOPS).

Where a same issue has its amendment or substitute, the chairperson shall consolidate it into the initial proposal to fix the balloting order. If one amongst them is resolved, other issue(s) proposed shall be deemed as vetoed and no voting is required therefor.

For the balloting process, the ballot scrutinizer and calculator shall be appointed by the chairperson.

The scrutinizer shall, nevertheless, be appointed out of the shareholders.

The ballots of shareholders' meetings or elections shall be counted in public within the venue of the shareholders' meeting. The outcome of balloting and the number of shares which voted shall be announced on the spot and recorded in writing.

- Article XIV Voting in a shareholders' meeting shall be calculated based on the number of shares. In the voting process of a shareholders' meeting, the number of shares which are not entitled to voting powers shall not be counted into the total of the outstanding shares. The number of shares not entitled to voting power shall not be counted into the voting power of the present shareholders. Except for a trust business or an agent for stock affairs which has been approved by the competent authority of securities, when a proxy is authorized by two or more shareholders simultaneously, the total voting powers in his/her proxy shall not exceed 3% of the total voting powers based on the issued shares. The excess in the voting power shall be discarded, if any.
- Article XV In a shareholders' meeting, a shareholder shall not join the voting process on an issue where he or she is involved in interests that are likely to impair the Company's interests and shall not exercise the voting power for and on behalf of another shareholder. The number of shares where the holder cannot exercise the voting powers as mentioned in the preceding paragraph shall not be counted into the number of voting powers of the present shareholders.
- Article XVI Election of directors and supervisors shall be duly handled in a shareholders' meeting in accordance with the election rules concerned enacted by the Company. The outcome of the election shall be announced on-the-spot. The ballots of election mentioned in the preceding paragraph shall be duly signed by the scrutinizer and be put into sound custody for a minimum of one year or until after the litigious action is concluded in the event that a shareholder institute a litigious action in accordance with Article 189 of the Company Law.
- Article XVII The staff serving in a shareholders' meeting venue shall wear identification certificates or armbands. The chairperson may command the disciplinary personnel (or security personnel) to help maintain the order of the venue. The disciplinary personnel so appointed shall bear "disciplinary personnel" armbands. Where a loudspeaker is provided in the shareholders' meeting venue, the chairperson shall stop a shareholder who is speaking through a loudspeaker equipment not provided by the Company. Where a shareholder violates the meeting rules or disobeys the chairperson in the disciplinary instruction, or where a shareholder impedes the meeting in progress and challenges the disciplinary order, the chairperson may command the disciplinary or security personnel to have the offender ejected from the site.
- Article XVIII During the process of a shareholders' meeting, the chairperson may announce a recess in due time. Upon the occurrence of force majeure, the chairperson may rule temporary suspension from the process and may announce the time to resume the meeting as the actual requirements may justify. In the venue for the shareholders' meeting cannot be continually used until the issues arranged in the agenda (including occasional (extemporaneous) motions) are concluded, another venue shall be arranged to continue the meeting as resolved in the shareholders' meeting. During the process of a shareholders' meeting, the chairperson may announce a recess in due time. Upon the occurrence of force majeure, the chairperson may rule temporary suspension from the process and may announce the time to resume the meeting as the actual requirements may justify. In the venue for the shareholders' meeting cannot be continually used until the issues arranged in the agenda (including occasional (extemporaneous) motions) are concluded, another venue shall be arranged to continue the meeting as resolved in the shareholders' meeting. In accordance with Article 182 of the Company Law, a decision may be resolved in a shareholders' meeting to postpone or to renew the meeting within five days.

- Article XIX For the number of shares and proxy shares obtained by the solicitors, the Company shall work out statistics at the specified format and shall display the statistics in a conspicuous place at the shareholders' meeting venue on the date of shareholders' meeting.  
The issues resolved in the shareholders' meeting, where required by law as the major information promulgated by the GreTai Securities Market ("GTSM"), the Company shall transmit such issues to the Market Observation Post System (MOPS) within the specified time limit.
- Article XX Minutes shall be duly worked out to cover decisions resolved in a shareholders' meeting. The minutes shall be signed, or affixed seal by the chairperson and shall be served to all shareholders within twenty days after the meeting. The minutes may be worked out and served by electronic means or through input into the Market Observation Post System (MOPS).  
The minutes shall bear the month, date, year, the venue location of the meeting, the chairperson's name, method of resolution and shall the progress and highlights of the meeting and shall be archived permanently throughout the period while the Company is existent.
- Article XXI Any matters insufficiently provided for herein shall be subject to the Company Law, the Company's Articles of Incorporation and other laws and ordinances concerned.
- Article XXII These Regulations and any amendment hereof shall be implemented after being resolved in the shareholders' meeting.