

## **X-LEGEND Entertainment Corp.**

### **Rules of Procedure for Shareholders' Meetings**

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Article 1: In order to found the excellent governance system of the Company's shareholders meeting, well-found the supervision and enhance management function, the Company define the Rules in accordance with Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies. Unless otherwise provided in laws or Articles of Incorporation, the Company's Rules of Procedure for Shareholders' Meetings shall apply.

Article 2: Assembly of shareholders' meetings and notice of meeting  
Unless otherwise provided in laws, the Company's shareholders meetings shall be called by the board of directors.  
30 days before the Company convenes a general shareholders' meeting or 15 days before a special shareholders' meeting, the Company shall prepare electronic files of the notice of meeting, proxy form, explanatory materials relating to motions for ratification, discussion, election or dismissal of directors or supervisors, and other matters on the shareholders' meeting agenda, and upload them to the Market Observation Post System. 21 days before the Company convenes a general shareholders' meeting or 15 days before a special shareholders' meeting, the Company shall prepare the shareholders' meeting agenda and supporting materials and upload them to the Market Observation Post System. 15 days before the Company convenes a shareholders' meeting, it shall prepare the shareholders' meeting agenda and supporting materials and make them available for the shareholders to obtain and review at any time. In addition, the agenda shall be displayed at the Company and its shareholder services agent, and distributed on-site at the meeting.  
The notice and public notice shall specify the reasons why the meeting is called. The notice may, as an alternative, be given by means of electronic transmission,

after obtaining a prior consent from the recipient(s) thereof.

Matters related to election or discharge of directors/supervisors, alteration of the Articles of Incorporation, and dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185 of the Company Law, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be itemized in the causes or subjects to be described in the notice to convene a shareholders' meeting, and shall not be brought up as special motions.

Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares may submit to the Company a motion for discussion at a general shareholders' meeting, provided that only one matter shall be allowed, in case a proposal contains more than one matter, such motion shall not be included in the agenda. Under any of the circumstances referred to in Paragraph 4, Article 172-1 of the Company law, the board of directors of the Company may exclude the motion from the list of proposals at general shareholders' meeting.

Prior to the date on which share transfer registration is suspended before the convention of a general shareholders' meeting, the Company shall give a public notice announcing the place and period for shareholders to submit motions to be discussed at the meeting, and the period for accepting such motions shall not be less than ten (10) days.

The number of words of a motion to be submitted by a shareholder shall be limited to not more than three hundred (300) words, and any motion containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a motion shall attend, in person or by a proxy, the general shareholders' meeting whereat his motion is to be discussed and shall take part in the discussion of such motion.

The Company shall, prior to the date of preparing and delivering the shareholders' meeting notice, inform all the shareholders who submit motions of the motion screening results, and shall list in the shareholders' meeting notice the motions conforming to the requirements set out herein. With regard to the motions submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such motions and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

Article 3: The shareholders referred to herein shall mean the shareholders per se and proxies attending the meeting on behalf of the shareholders.

A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy.

A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the Company no later than 5 days prior to the meeting date of the shareholders' meeting. In case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail; unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

After the service of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her/its voting power in writing or by way of electronic transmission, a proxy rescission notice shall be filed with the Company 2 days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 4: Preparation of attendance book, et al.

The Company shall identify the time, place and other notes for shareholders' check-in in the meeting notice.

The time for shareholders' check-in referred to in the preceding paragraph shall commence within 30 minutes prior to the meeting. The check-in counter shall be identified clearly and managed by competent persons.

Shareholders or their proxies (hereinafter referred to as "shareholders") shall attend the shareholders' meeting on the ground of the attendance card, sign-in card or other certificate of attendance, in addition to ID card in the case of the solicitor of solicited proxies. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend.

The Company shall make the attendance book ready for signature by the present shareholders, or the shareholders may furnish the sign-in card to replace the sign-in when attending the shareholders' meeting.

The Company shall deliver the parliamentary manual, annual report, certificate of attendance, speech form, voting slip and other information about the meeting to the shareholders attending the shareholders' meeting, and also ballots if directors/supervisors are to be elected.

When the government or a juristic person is a shareholder, its proxy shall not be limited to one person. When a juristic person attends the shareholders' meeting as proxy, it may designate only one representative to attend the meeting.

Article 5: The attendance to a shareholders' meeting shall be calculated based on the shares. The number of shares represented by present shareholders shall be calculated based on the attendance book or the sign-in cards plus the number of voting powers exercised in writing or by electronic means.

Article 6: Principles for place and time of shareholders' meeting to be convened  
The shareholders' meeting shall be convened at a spot where the Company operates business or a place convenient to shareholders for participation and facilitating convening of the shareholders' meeting. A shareholders' meeting shall start at a time not before 9:00 a.m. or not later than 3:00 p.m. The independent directors' opinion on the place and time shall be taken into consideration.

Article 7: Chairperson and attendees of shareholders' meeting  
Where the shareholders' meeting is called by the board of directors, the chairperson of the meeting shall be assumed by the chairman. When the chairman is on leave or for any reason is unable to exercise his power, the vice chairman shall act as the proxy, or, if there is no vice chairman or the vice chairman also is on leave or for any reason is unable to exercise his power, by a managing director designated by the chairman, or, if there is no managing director, by a director designated thereby, or, if no proxy is designated by the chairman of board, by a managing director or director elected by and from among themselves. A managing director or a director assumes the chairperson referred to in the preceding paragraph as proxy, if any, shall assume his post in the Company for more than six months and know about the status of the Company's finance and business. The same shall apply where the chairperson is assumed by a juristic

person's representative.

The shareholders' meeting called by the board of directors, it is advisable that the board chairperson chair the meeting, a majority of the directors and at least one supervisor attend in person and that at least one member of each functional committee attend as representative. Attendance details should be recorded in the shareholders meeting minutes.

Where the shareholders' meeting is called by any person entitled to call the meeting other than the board of directors, the chairperson shall be assumed by the person, provided that if there are two or more persons entitled to call the meeting, the chairperson shall be elected from among themselves.

Article 8: The Company may appoint the attorney(s)-at-law, certified public accountant(s) or relevant personnel retained by it to attend a shareholders' meeting as an observer.

Article 9: Sound recording or video recording of the entire process of a shareholders' meeting

The entire process of a shareholders' meeting shall be sound recorded or videotaped and shall be archived for at least one year. Notwithstanding, if a legal action is initiated by shareholders in accordance with Article 189 of the Company Law, the record shall be retained until the legal action becomes final.

Article 10: The chairperson shall call the meeting to order at the time scheduled for the meeting. In the event that the meeting is attended by shareholders representing less than half of the total issued shares, the chairperson may announce a postponement of the meeting but there may not be more than two postponements in total and the total time accumulated in the postponement shall not exceed one hour. In the event that the meeting is still attended by shareholders representing less than one-thirds of the total issued shares after two postponements, the chairperson may announce that the meeting should be aborted. In the event that the meeting is attended by shareholders not up to the specified quorum but representing more than one-thirds of the total issued shares after two postponements, a tentative resolution may be passed in accordance with Paragraph 1, Article 175 of the Company Law, and notified to each shareholder

for another shareholders' meeting to be convened within one month.

In the event that the total number of shares represented by present shareholders reaches a majority of the total issued shares before that same shareholders' meeting is adjourned, the chairperson may bring the tentative resolution(s) so adopted into the shareholders' meeting anew to be duly resolved in accordance with Article 174 of the Company Law.

Article 11: Discussion of motions

In the event that the shareholders' meeting is convened by the board of directors, the agenda shall be worked out by the board of directors. The shareholders' meeting shall be duly convened based on the arranged agenda, which shall not be changed unless duly resolved by the shareholders' meeting.

In the event that the shareholders' meeting is convened by a convener beyond the board of directors, the provision set forth under the preceding paragraph may apply *mutatis mutandis*.

The chairperson shall not announce adjournment of the meeting until the agenda in the two preceding paragraphs is arranged (including special motions) unless duly resolved in the meeting. In the event that the chairperson announces adjournment of the meeting against the Rules, nevertheless, the other board members shall immediately help present shareholders to have one person elected among them by a majority of the present shareholders to act as the chairperson to continue the meeting.

Article 12: A present shareholder shall fill out a Speech Note before speaking in the shareholders' meeting. With the summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder, and the sequence of speeches by shareholders should be decided by the chairman. A shareholder who has submitted a speech note but does not speak, no speech should be deemed to have been made by such shareholder. In the event that the contents of when a shareholder actually speaks are found inconsistent with the entries of the speech note, the contents actually spoken shall prevail. While a present shareholder is taking the speech, other shareholder(s) shall not interrupt the speeches unless permitted by the chairman and the shareholder in speaking. The chairperson shall stop such interruption.

Article 13: On a same issue, each shareholder shall not speak more than two times, each time not exceeding 5 minutes for each round, unless permitted by the chairperson. The chairperson may stop a shareholder who violates the specified requirements or has spoken exceeds the scope of the subject issue.

Article 14: In the event that a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one representative may speak up for the same issue.

Article 15: After the speech of a shareholder, the chairperson may respond either by himself/herself or appoint an appropriate person to respond.

Article 16: The chairperson shall provide the motions and the motions for amendments or special motions submitted by shareholders with sufficient chance for explanation and discussion. IF the chairperson believes an issue has been discussed in the meeting up to the level for voting, the chairperson may announce to end the discussion process and go into voting.

Article 17: Calculation and avoidance system of votes

The votes at a shareholders' meeting shall be calculated based on shares.

The shares held by shareholders having no voting right shall not be counted in the total number of issued shares while adopting a resolution at a shareholders' meeting.

A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the interest of the Company, shall not vote nor exercise the voting right on behalf of another shareholder.

The shares not entitled to exercise the voting power referred to in the preceding paragraph shall be excluded from the number of votes of shareholders present at the meeting.

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for more than two shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the Company, otherwise, the portion of excessive voting power

shall not be counted.

Article 18: Unless otherwise provided in laws, the Company's shareholders shall own one voting power per share, but this does not apply to matters is restricted or Paragraph 2, Article 179 of the Company Law.

The voting power at a shareholders' meeting may be exercised in writing or by way of electronic transmission (the company which shall adopt the voting in electronic form in accordance with Paragraph 1, Article 177-1 of the Company Law shall exercise its voting power in electronic form and also in writing when the Company calls a shareholders' meeting), and the method for exercising the voting power shall be described in the shareholders' meeting notice to be given to the shareholders if the voting power will be exercised in writing or by way of electronic transmission. A shareholder who exercises his/her/its voting power at a shareholders meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person. However, the shareholder shall be deemed to have waived his/her/its voting power in respective of any special motion(s) and/or the amendment(s) to the contents of the original motion(s) at the said shareholders' meeting. Therefore, the Company shall preferably avoid submitting special motions or the amendments to the contents of the original motions.

In case a shareholder elects to exercise his/her/its voting power in writing or by way of electronic transmission referred to in the preceding paragraph, his/her/its declaration of intention shall be served to the Company 2 days prior to the scheduled meeting date of the shareholders' meeting, whereas if two or more declarations of the same intention are served to the Company, the first received declaration shall prevail; unless an explicit statement to revoke the previous intention is made in the declaration which comes later.

In case a shareholder who has exercised his/her/its voting power in writing or by way of electronic transmission intends to attend the shareholders' meeting in person, he/she/it shall, 2 days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising his/her/its voting power, serve a separate declaration of intention to rescind previous declaration of intention made in exercising the voting power under the preceding Paragraph. In the absence of a timely rescission of the previous



declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail. If a shareholder has exercised his/her/its voting power in writing or by way of electronic transmission, and has also authorized a proxy to attend the shareholders' meeting in his/her/its behalf, then the voting power exercised by the authorized proxy for the said shareholder shall prevail.

Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Law and the Company's Articles of Incorporation, be adopted by a majority votes of the present shareholders. When voting, the chairperson or his designee shall announce the total number of votes represented by the present shareholders motion by motion. A proposal is deemed to have been duly resolved after the chairperson inquires from all participants but no objection is heard. The validity of the decision so resolved is equally valid as a decision duly resolved through balloting process. Where any shareholder raises objection, the balloting process referred to in the preceding paragraph shall apply. An amendment or a substitute coming out of the same issue submitted by any shareholder, in addition to the motions included into the agenda, shall be seconded by other shareholders. If a director/supervisor of the Company whose shares are issued to the public has created a pledge on the Company's shares more than half of the Company's shares being held by him/her/it at the time he/she/it is elected, the voting power of the excessive portion of shares shall not be exercised and the excessive portion of shares shall be excluded from the number of votes of shareholders present at the meeting.

Article 19: Break and reconvening

During the process of the meeting, the chairperson may announce a recess in a time as appropriate. Upon occurrence of force majeure, if any, the chairperson may rule that the meeting be temporarily suspended and announce the time to resume the meeting as the actual situation may justify.

If the venue where the meeting is held cannot be occupied continuously before the conclusion of the agenda already arranged by the shareholders' meeting (including special motions), the shareholders' meeting may resolve to look for another venue to reconvene the meeting.

The shareholder' meeting may resolve to postpone the meeting or to reconvene the

meeting, within five days, in accordance with Article 182 of the Company Law.

Article 20: The workers dedicated to scrutiny and counting of votes for any motion shall be designated by the chairperson, provided that the workers dedicated to scrutiny of votes shall be assumed by shareholders.

The ballots for voting or motion of election at the shareholders' meeting shall be counted in public at the venue where the shareholders' meeting is held. The voting result shall also be announced on the site immediately upon completion of the ballot counting, including statistic weights, and recorded. The personnel dedicated to the shareholders' meeting affairs shall wear an ID badge or shoulder patch.

Article 21: In the event that an amendment or a substitute comes out of the same motion, the chairperson shall fix the order of balloting in consolidation with the original issue. When one among them is duly resolved, other motions are deemed having been vetoed and no voting process is required.

Article 22: Maintenance of order at the venue

The chairperson may instruct the rectification (or security) personnel to help maintain order of the meeting. The rectification (or security) personnel who maintain order of the meeting at the venue shall wear the “rectification officer” arm-band or ID badge.

Where the venue is equipped with a loud speaker, the chairperson may stop any shareholder who delivers speech with any equipment other than the speaker installed by the Company.

In the event that a shareholder violates the Rules, defies the chairperson’s rectification and obstructs progress of the meeting and objects to the action to stop him/her, the chairperson may instruct the rectification (or security) personnel to ask the shareholder to leave the venue.

Article 23: Election

Election of directors/supervisors at a shareholders' meeting, if any, shall be carried out in accordance with the regulations governing regulations defined by the Company, and the election result shall be announced on the site immediately, including the name list of elected directors/supervisors and their election votes.

The ballots for the election referred to in the preceding paragraph shall be sealed and signed by the Scrutinizers and then kept with care and retained for at least one year. Notwithstanding, if a legal action is initiated by shareholders in accordance with Article 189 of the Company Law, the ballots shall be retained until the legal action becomes final.

Article 24: Resolutions at a shareholders' meeting shall be recorded in the minute and shall be signed or sealed by the chairperson and distributed to each shareholder within 20 days after the meeting. The production and distribution of the minute referred to in the preceding paragraph shall be carried out by electronic transmission. The minute referred to in the preceding paragraph may be uploaded to the M.O.P.S. for publication.

The minute of a shareholders' meeting shall specify the year, month, day and place of the meeting, name of the chairperson, methods to make resolutions, summary and result of the parliamentary procedure. The minute shall be maintained permanently when the Company is surviving.

According to the method to make resolutions referred to in the preceding paragraph, the minute shall record " The motion is resolved accordingly with no objection is raised by any shareholder upon the chairperson's inquiry with all present shareholders" if no objection is raised by any shareholder upon the chairperson's inquiry with the shareholders. Where any shareholder raises objection, the balloting process and votes for ratification and weights thereof shall be specified.

The attendance book of the present shareholders and proxies all be archived at least one year. Notwithstanding, if a legal action is initiated by shareholders in accordance with Article 189 of the Company Law, the same shall be retained until the legal action becomes final.

Article 25: Public notice

On the day of a shareholders meeting, the Company shall compile a statistical statement of the number of shares solicited by the solicitor and represented by the proxy agent, and shall make an express disclosure of the same at the shareholders meeting venue.

Where any resolutions made by the shareholders' meeting involve any important

messages under the laws, or requirements by TWSE (GTSM), the Company shall upload the contents thereof to the M.O.P.S. within specific time limit.

Article 26: The Rules shall be enforced upon resolution of the board of directors and approval of a shareholders' meeting. The same shall apply where the Rules are amended.