

PROCEDURAL RULES OF BOARD MEETINGS

Article 1 Purpose

To develop a desirable governance system, perfect the supervision functions, and strengthen the management mechanism of the Company's Board of Directors, the Rules are established in accordance with the Applicable Listing Rules for compliance.

Unless otherwise defined in the Rules, any capital letters as used in the Rules shall have the same meanings as defined in the Articles of Association of the Company (as amended or substituted from time to time; hereinafter "**Articles**").

Article 2 Applicable Scope

The Board meeting procedures, main agenda, procedure, particulars to be specified in the minutes of proceedings of meeting, public notice, and other matters for compliance shall be handled in accordance with the requirements of the Rules.

Article 3 Meeting Notice and Meeting Materials

The Board of Directors shall meet at least once quarterly.

The reasons for calling a Board of Directors meeting shall be notified to each director and supervisor (if there is any) at least seven days in advance. In emergency circumstances, however, a meeting may be called on a shorter notice.

All matters set out in subparagraphs of Article 11, paragraph 1, shall be specified in the notice of the reasons for calling a Board of Directors meeting; none of them may be raised by an extraordinary motion except in the case of an emergency or legitimate reason.

The financial affairs department is designated by the Board of Directors as the meeting administrative office to handle the administrative matters of the Board meetings.

The meeting administrative office is responsible to draft agenda for the Board meeting and prepare sufficient meeting materials to be mailed with the meeting notice.

Where a Director finds the meeting materials insufficient, he or she may ask the meeting administrative office to provide additional information. If a Director believes the agenda information is incomplete, discussion of the matters may be postponed upon approval of the Board of Directors.

Article 4 **Preparation of Signature Book and Other Documents and Director's Attendance by Proxy**

When the Board meeting is convened, a signature book shall be available to record the signature of the Directors present at the Board meeting for reference.

A Director shall attend a Board meeting in person. If he or she is unable to attend the Board meeting in person, he or she may attend the Board meeting via videoconferencing or appoint another Director to attend the Board meeting as his or her proxy in accordance with Article 87 of the Articles. Attendance via videoconference is deemed as attendance in person.

A Director appointing another Director to attend a Board meeting as his or her proxy shall issue a proxy every time such proxy is to be used or first used, prior to the commencement of the Board meeting, valid only for the appointment, describing the authorization granted to the proxy agent regarding the reason for convening the Board meeting.

A proxy as described in the preceding two paragraphs may act as the agent for one person only.

Article 5 **Guidelines for Time and Place of a Board Meeting**

The time and place of the Board meeting to be convened shall be convenient for Directors' attendance and shall be an opportune time and place for holding a Board meeting.

Article 6 **Chairman of Board Meetings and Agent**

Except as otherwise provided in the Articles, the Board meeting shall be convened by the Chairman who shall act as chairman of Board meetings. However, the first Board meeting of a new term shall be convened by the Director who has received the ballots representing most voting rights at a general meeting with the Director with power to convene the Board meeting to act as chairman of the Board meeting. In case there are two Directors having the power to convene such Board meeting, the chairman of the Board meeting shall be elected from among the two Directors by themselves.

In case the Chairman is unable to exercise his or her duties during his or her absence or for cause, the vice Chairman shall act as his or her agent. In the absence of the vice Chairman or if the vice Chairman is unable to exercise his or her duties during his or her absence or for cause, the Chairman shall appoint a managing director to act as his or her agent. If the Company has no managing Directors, a Director shall be appointed as agent. In the absence of such appointment, the agent shall be elected from among the managing Directors or Directors by themselves.

Article 7 **Board Meeting Reference Materials, Guests to the Meeting and Convening the Board Meeting**

Upon convening the Board meeting, the managerial department (or the meeting administrative office appointed by the Board) shall prepare relevant information readily available to Directors present at the Board meeting for reference.

Upon convening a Board meeting, managers of the relevant departments who are not Directors may be notified to attend a Board meeting as guest depending on the details of the meeting agenda. If necessary, accountants, lawyers or other professionals may be invited to attend a Board meeting as guest.

A Board meeting shall be called to order by the Chairman of the Board meeting when the scheduled meeting time has arrived and a majority of Directors are present at the Board meeting.

If less than a majority of all Directors are present at the Board meeting when the scheduled meeting time has arrived, the Chairman may announce to postpone the meeting with the postponement not more than twice. If a quorum is not constituted after the second postponement, the Chairman may reconvene the meeting in accordance with the procedure under the Articles.

For purpose of the preceding paragraph and Subparagraph 2, Paragraph 2, Article 15 of the Rules, all Directors shall refer to the incumbent Directors at that time.

Article 8 **Audio Recording or Videotaping of the Board Meeting as Evidence**

Any and all of Board meetings shall be audio recorded or videotaped from beginning to adjournment of the meeting as evidence and the files shall be kept for at least five years. The files may be stored in the electronic form.

If a litigation relating to a resolution of Board meetings commences before the end of the period in which the evidence shall be kept in the preceding paragraph, the relevant audio recorded or videotaped evidence shall continually be kept until the conclusion of the litigation.

For a meeting convened via videoconferencing, the audio recorded and videotaped information shall be part of the proceedings of minutes of the Board meeting and be properly kept during existence of the Company.

Article 9 **Meeting Agenda**

The agenda for the regular Board meetings shall include the following matters for the least:

1. Matters to be reported:
 - (1) Minutes of proceedings of former meeting and status of implementation;
 - (2) Important financial and business reports;

- (3) Internal audit reports; and
 - (4) Other important reports.
2. Matters for discussion:
 - (1) Matters reserved for further discussion from former meeting; and
 - (2) Matters to be discussed during the meeting.
 3. Extempore Motion.

Article 10 **Proposal Discussion**

Board meetings shall be conducted in accordance with the procedure of the meeting as scheduled in the meeting notice, which may be subject to change upon consent of a majority of the Directors present at the Board meeting.

The Chairman may not declare adjournment without the consent of a majority of the Directors present at the meeting.

During a Board meeting, if the Directors present in the meeting do not exceed half of the Directors attendance at the meeting, upon motion filed by the Directors present in the meeting, the Chairman shall declare suspension of the meeting and the provisions under Paragraph 4, Article 7 of the Rules may apply *mutatis mutandis*.

Article 11 **Matters that Must be Discussed at the Board Meeting**

The following matters shall be brought to a Board meeting for discussion:

1. The Company's business plan;
2. Annual financial report and biannual financial report;
3. Internal control system established or amended in accordance with the Applicable Listing Rules;
4. Procedure for handling important financial and business activities such as the acquisition or disposition of assets, derivative products transactions, lending of capital, endorsement for third party, provision of guarantee, established or amended in accordance with the Applicable Listing Rules;
5. Offering, issue or private placement of securities of the nature of equity;
6. Appointment and/or dismissal of a financial, accounting or internal audit officers; and
7. Matters to be resolved at general meetings or by the Board meeting in accordance with the Applicable Listing Rules, Law or the Articles, or any such significant matters

as may be prescribed by the Commission.

For matters to be resolved by the Board meeting under the Applicable Listing Rules, Independent Directors shall attend a Board meeting in person or appoint another Independent Director to attend the Board meeting on his or her behalf and may not appoint an agent who is not an Independent Director as his or her agent. Any objection or reservation that an Independent Director may have shall be specified in the minutes of proceedings of the Board meeting. If an Independent Director wishing to express his or her objection or reservation is unable to attend the Board meeting in person, he or she shall issue a written opinion beforehand and such objection or reservation shall be specified in the minutes of proceedings of the Board meeting, unless there is good cause.

Article 12 **Voting (1)**

The Chairman may declare end of discussion of a proposal in the agenda and have the proposal voted on if he or she deems the proposal in discussion is ready for a vote. A proposal being put to vote at a Board meeting shall be deemed approved in the absence of objection voiced by the attending Directors upon consultation by the chairman and effective as if approved by a vote; such proposal shall immediately be put to vote if objection is voiced upon consultation by the chairman.

Votes shall be cast for the proposal in the agenda of the Board meeting.

For purpose of the preceding two paragraphs, all Directors present at the meeting do not include Directors who may not exercise their voting rights in accordance with the provisions under Article 14 of the Rules.

Votes may be cast in one of the following manners as determined by the Chairman; provided, however, that when a person present at the meeting files an objection, the decision shall be made according to majority votes:

1. Vote by show of hands or by voting system;
2. Roll-call vote;
3. Vote by ballots; or
4. Any other voting method as determined by the Company.

Article 13 **Vote (2) and Scrutinizing Ballots and How Ballots are Counted**

Unless otherwise provided for under the Applicable Listing Rules or the Articles, a proposal to be resolved at the Board meeting shall be approved by consent of a majority of the Directors present at the meeting attended by a majority of all Directors.

In case of an amendment or substitute to a proposal and to the extent that is permissible under the Applicable Listing Rules or Law, the Chairman shall decide on the order of vote by combining the amendment or substitute with the same proposal. However, if one of the proposals has been approved, the others shall be deemed overruled and no further vote is required.

If certain persons shall be designated to scrutinize balloting and count ballots for voting on proposals, these persons shall be appointed by the Chairman. The persons responsible for scrutinizing balloting shall be Directors.

Results of the votes shall be announced on the spot and recorded.

Article 14 Director's Avoidance of Conflict of Interest

To the extent required by Applicable Listing Rules, a Director may not participate in the discussion or vote in respect to any matter, including but not limited to any contract or proposed contract or arrangement or contemplated transaction of the Company, in which such Director bears a personal interest (whether directly or indirectly) which may conflict with and impair the interest of the Company; provided, however, that such Director shall disclose and explain the material information or contents on such personal interest at the same Board meeting. Such Director shall excuse him or herself during discussion and voting and may not exercise voting rights on behalf of other Directors. Any votes cast by or on behalf of such Director in contravention of the foregoing shall not be counted by the Company, but such Director shall be counted in the quorum for purposes of convening such meeting.

Article 15 Meeting Minutes and Signature

Proceedings of Board meetings shall be recorded in the meeting minutes, which shall specify the following matter in detail:

1. Term (or year) of the meeting, and time and place;
2. Name of Chairman;
3. Attendance of Directors, including names and numbers of Directors who are present at the meeting, on leave or absent from the meeting;
4. Names and titles of the guests to the Board meeting;
5. Name of the secretary of the Board meeting;
6. Matters to be reported;
7. Matters for discussion: How a proposal is resolved and the result; summary of statement by Director, Supervisor (if there is any), expert and other persons;

objections and/or reservations with record or written statement; and written opinion issued by Independent Director in accordance with the provisions under Paragraph 2, Article 11 of the Rules;

8. Extempore Motion: Name of the person submitting a proposal; how a proposal is resolved and the result; summary of statement by Director, Supervisor (if there is any), expert and other persons; objections and/or reservations with record or written statement; and
9. Other matters to be included.

In either of the following circumstances, matters resolved at Board meetings, in addition to being specified in the meeting minutes, shall also be published on the website designated by the Commission and GreTai Securities Market or TSE within two days of the Board meetings pursuant to the Applicable Listing Rules:

1. Opposition or reservation by any Independent Director with record or written statement; or
2. Matters not approved by the Audit Committee (if there is any), subject to consent by more than two thirds (2/3) of all Directors.

Board meeting attendance book is part of the meeting minutes of proceedings and shall be properly kept during existence of the Company.

Meeting minutes of proceedings shall be signed or sealed by the Chairman and secretary of the Board meeting and copies thereof shall be distributed to all Directors and Supervisors (if there is any) within twenty days of the Board meeting. The meeting minutes shall be deemed as important files of the Company and be properly kept during existence of the Company.

Preparation and distribution of the meeting minutes of proceedings in the first paragraph may be done electronically.

Article 16

Guidelines for Authorization by the Board of Directors

According to the Applicable Listing Rules and the Articles, the Board of Directors authorizes the Chairman to exercise the powers and authorities on behalf of the Board during the recess of the Board. Unless otherwise required to be resolved at the Board meeting under the Applicable Listing Rules and the Articles, the Chairman is authorized to handle the following matters:

- (1) Representing the Company in its dealings with others for operation of the Company;
- (2) Handling matters the Chairman is authorized under the Company's "Regulations Governing Authorization of Duties and Authority to Approval" and applicable management rules;
- (3) Examining the corporate accounting system, financial position and financial report procedure;

- (4) Examining and approving procedure for handling important financial and business activities such as the acquisition or disposition of assets, derivative products transactions, lending of capital, endorsement for third party, and provision of guarantee;
- (5) Communicating with the CPA of the Company;
- (6) Reviewing and evaluating internal audit staff and relevant performance;
- (7) Reviewing and evaluating the internal control of the Company;
- (8) Evaluating, inspecting and supervising various existing or potential risks in the Company;
- (9) Supervising the legal compliance of the Company;
- (10) Reviewing and examining transactions involving avoidance of exercise of voting right due to Director's conflict of interest as described in Article 14 of the Rules, inter alia significant transactions with affiliated person, acquisition or disposition of assets, derivative products transactions, lending of capital, endorsement for third party, or provision of guarantee, and establishment of a company for purpose of investing, etc.
- (11) Per the Company's funding requirement, handling with full powers the terms and amount of loans and other relevant matters with financial institutes, and reporting the status to the Board of Directors;
- (12) Per the Company's funding requirement, handling matters of endorsement and guarantee within the amount permitted by the loaning, endorsement and guarantee regulations, conducting transactions within the amount permitted by the asset acquisition and disposition regulations, and reporting the status to the Board of Directors;
- (13) Appointing the director(s), Supervisor(s) (if there is any) and representative(s) of subsidiaries (including overseas branches);
- (14) Restructuring the Company and amending its organization bylaws;
- (15) Evaluating and reviewing the qualification of CPA and nominate appropriate candidates; and
- (16) Other powers and duties authorized and granted to the Chairman by the Board of Directors.

Article 17 **Supplementary Provisions**

The establishment to the Rules shall be subject to approval of the Board of Directors, which shall be further approved by an Ordinary Resolution at a general meeting. The amendment to the Rules shall be subject to approval of the Board of Directors, which shall be further reported in a general meeting.

