



## Rules of Procedure for Board of Directors Meetings

File No.

CA-017

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Version

6

1. Basis for the adoption of these Rules :

To establish a strong governance system and sound supervisory capabilities for the Corporation's board of directors and strengthen management capabilities, these rules are adopted pursuant to.

2. Authorized units :

Board members, HQs, internal auditors

3. Goal :

In order to enable the operation of the board of directors of the corporation to establish good internal governance and sound supervisory and strengthen management capabilities.

4. Risk assessment:

- 4.1 In case of the corporation did not hold a board meeting on time, there would be a risk that major issues will be implemented without the consent of the board of directors.
- 4.2 The board of directors shall notify the directors of the board of directors seven days prior to avoid the insufficient preparation of the meeting materials and affect the risk of misjudgment of the resolutions of the meeting.
- 4.3 The proceedings of the board meeting should be recorded in detail and the process should be recorded or video-recorded. The documents should be kept for at least five years. If there are any objections or reserved opinions from independent directors, they should also be stated in the minute. Not-clear stating or unrecorded witnesses may cause the resolution to be mis-executed or the risk of misjudgment of operation.

5. Key points :

- 5.1 The corporation shall hold the board meeting at least quarterly and attendance book shall be provided for future reference. Each shareholder entitled to vote at a meeting of shareholders or to express consent or dissent to corporate action in writing may authorize another person or persons to vote for him or her by proxy.
- 5.2 Written notice to directors of the board meeting stating the object of the meeting and at least 7 days prior, unless a notice is required by statute in a particular case.
- 5.3 All issue regarding the corporation's operating plan, annual and semi-annual financial reports, internal control, acquisition or disposal of assets, engaging in derivative goods, capital loans and others, endorsement guarantees, fundraising or private placement of securities of equity nature, financial accounting or internal audit The appointment and dismissal of the supervisor and major matters stipulated by other competent authorities shall be discussed by the board of directors.
- 5.4 The minutes of the board meeting should be recorded in detail. If independent directors available in corporation, once there are the independent directors object or reserved opinions, they should be stated in the minutes.
- 5.5 The board meeting process should be recorded or video-recorded and stored for at least five years.



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5.6 The head of the internal audit should attend the board of directors and submit a report on the internal audit.

5.7 The auditors shall conduct irregular audits according to the various systems in which the board of directors operates, and the results of the audit shall be tracked and improved.

### 6. Operation process :

6.1 In order to establish a good board governance system, improve supervision functions and strengthen management capabilities of the Corporation, these rules shall be formulated in accordance with the provisions of Article 26-3 of the Securities Exchange Act

6.2 The rules and procedure of the board of directors meeting shall be handled in accordance with the provisions of these Rules, unless otherwise provided by laws or regulations.

6.3 A notice of the reasons for convening a board meeting shall be given to each director before 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice. The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.

6.4 The designated unit responsible for the board meetings of this Corporation shall be CEO office. .

The unit responsible for board meetings shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting.

A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for board meetings. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.

6.5 When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference.

Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with this Corporation's articles of incorporation. Attendance by videoconference will be deemed attendance in person.

A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

The proxy referred to in paragraph 2 may be the appointed proxy of only one person.

6.6 A board meeting shall be held at the premises and during the business hours of this Corporation, or at a place and time convenient for all directors to attend and suitable for holding board meetings.

6.7 Board meetings shall be convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they



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shall select from among themselves one director to serve as chair.

Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.

When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.

- 6.8 When the board meeting is held, the responsible unit of the board of directors meeting shall prepare relevant material information for the attending directors to check at any time. During the course of the board of directors, the relevant department heads or designees who are not directors may attend the meeting, report the current business situation of the corporation and answer questions from the directors to assist the directors in understanding the current situation of the corporation and make appropriate resolutions. Accountants, lawyers or other professionals may also be invited to attend the meeting to provide expert advice for the Board's reference.
- 6.9 The contents of the regular board meeting include at least the following:
  - 6.9.1 Matters to be reported :
    - 6.9.1.1 Record and implementation of the last meeting.
    - 6.9.1.2 Financial report.
    - 6.9.1.3 Internal audit report.
    - 6.9.1.4 Other matters.
  - 6.9.2 Matters to be discussed :
    - 6.9.2.1 Discussions reserved at the last meeting.
    - 6.9.2.2 Discussions at this meeting.
  - 6.9.3 Extempore Motion
- 6.10 The corporation should discuss the following matters :
  - 6.10.1 The corporation's business plan.
  - 6.10.2 Annual financial reports and second quarter financial reports that must be audited and attested by a CPA, which are signed or sealed by the chairperson, managerial officer, and accounting officer.
  - 6.10.3 Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
  - 6.10.4 Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
  - 6.10.5 The offering, issuance, or private placement of equity-type securities.
  - 6.10.6 Appointment and dismissal of financial, accounting or internal audit supervisors.
  - 6.10.7 A donation to a related party or a major donation to a non-related party,



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provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.

6.10.8 Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 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 an 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. (In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under this paragraph.)

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.

At least one independent director of this Corporation shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.

6.11 Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.

If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation.

Where a board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of this Corporation.

6.12 At the time of the meeting, if half of all the directors are not present, the chairman may announce the postponement of the meeting, and the number of delays is limited to two times. If the delay is still insufficient for the second time, the chairman may re-convene according to the procedures stipulated in Article 3 of this Operational Procedure. All directors referred to in the preceding paragraph shall be calculated by the actual incumbent.



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- 6.13 The board of directors shall proceed in accordance with the scheduled proceedings of the meeting notice. However, if the majority of the directors who have attended the meeting agree, they may change it. The chairman shall not announce the meeting without the consent of more than half of the directors present. In the course of the board meeting, if the directors present at the meeting fail to reach more than half of the directors, the chairman shall announce the suspension of the meeting and the provisions of the preceding article.
- 6.14 After attending the speeches of the directors, the chairman may personally or designate the relevant personnel to reply, or the designated professionals to provide the necessary information. If the director has repeated statements on the same motion, and the statement exceeds the issue, the director may influence the other directors to speak or obstruct the proceedings. The chairman may stop his speech.
- 6.15 When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.  
When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.  
One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:
- 6.15.1 A show of hands or a vote by voting machine.
- 6.15.2 A roll call vote
- 6.15.3 A vote by ballot
- 6.15.4 A vote by a method selected at this Corporation's discretion.  
"Attending directors," as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Article 17.
- 6.16 Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors.  
When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If any one among them is passed, the other proposals shall then be deemed rejected, and no further voting on them shall be required.  
If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors. Voting results shall be made known on-site immediately and recorded in writing.
- 6.17 If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.



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.

Where a director is prohibited from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 4 of the same Act.

6.18 Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

6.18.1 The meeting session (or year) and the time and place of the meeting.

6.18.2 The name of the chair.

6.18.3 The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.

6.18.4 The names and titles of those attending the meeting as non-voting participants.

6.18.5 The name of the minute taker.

6.18.6 The matters reported at the meeting.

6.18.7 Discussion items: The resolution method and result of each proposal, the summary of the speeches of the directors, experts and other personnel, the names of the directors involved in the interest, the description of the important contents of the interests, the reasons for avoiding or not avoiding, Circumventing circumstances, objections or reservations, and having written or written statements and written opinions issued by independent directors in accordance with Article 10, paragraph 4.

6.18.8 Interim motion: The name of the sponsor, the resolution method and result of the resolution, the summary of the speeches of the directors, experts and other personnel, the names of the directors involved in the interest, the description of the important contents of the interests, and the avoidance or omission Avoid reasons, avoid situations, objections or reservations, and have a record or written statement. Oppose or retain opinions and have a record or written statement.

6.18.9 Other items to be recorded.

Any of the following matters in relation to a resolution passed at a meeting of the board of directors shall be stated in the meeting minutes and within two days of the meeting be published on an information reporting website designated by the competent authority:

1.Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.

2.If the company has an audit committee, any matter that has not been passed by the audit committee, but has been adopted with the approval of two-thirds or more of all board directors without having been passed by the audit committee.

The board meeting attendance book is part of the proceedings and should be kept properly during the corporation's existence.

The minutes shall be signed or sealed by the chairman and recorder of the meeting. They shall be distributed to the directors and supervisors within 20



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days after the meeting and shall be included in the corporation's important files and kept properly during the corporation's existence.

The production and distribution of the first proceedings can be made electronically.

- 6.19 These Rules of Procedure shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders meeting. The board of directors may be authorized to adopt, by resolution, any future amendments to these Rules.