

Rules and procedures of board of directors meetings

Article 1

(Basis for the adoption of these Rules)

To develop a desirable governance system, sound supervisory capabilities and to strengthen the management mechanism of the Company's board of directors, these rules are adopted pursuant to Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 2

(Scope of these Rules)

With respect to the board of directors meetings ("board meetings") of the company, the main agenda, procedures, particulars to be specified in the minutes of meeting, public announcements, and other compliance requirements shall be handled in accordance with the provisions of these Rules.

Article 3

(Convening and notice of board meetings)

The board of directors shall meet at least quarterly. The reasons for calling a board meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a board meeting may be called on shorter notice.

The notice to be given in preceding paragraph may be effected by electronic form upon the consent of each director.

All matters in Article 11, paragraph 1 of these Rules shall be stated in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.

Article 4

(Meeting notification and meeting materials)

The designated unit responsible for the board meetings of the company is section of stock affairs.

Section of stock affairs is responsible for draft agenda items of board meetings and prepares sufficient meeting materials, and shall deliver with meeting notice.

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

When the board meeting is convened, relevant department officers or subsidiaries will be invited to attend as non-voting participants according to agenda, if necessary, the board may request certified public accountants, legal counsels, or other professional personnel to attend the meeting to provide pertinent and necessary information as non-voting participants, provided that they shall leave the meeting when deliberation or voting takes place.

When the time of board meeting arrived and one-half of all board directors are present, may announce meeting begins.

Article 5

(Preparation of attendance book and other documents; attendance by proxy)

When a board meeting is held, an attendance book shall be provided for signing-in by the directors in attendance, and thereafter made available for reference.

Directors shall attend board meetings in person. A director can appoint another director as proxy if he/she is unable to attend the meeting in person in accordance with corporation's articles. Attendance by videoconference will be deemed attendance in person. A director who appoints another director to attend a board meeting shall issue a written proxy form stating the scope of authorization.

A Director's proxy as described in the second paragraph may act as a proxy for only one other Director.

Article 6

(Principles for place and time of a board meeting)

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

Article 7

(Chair of board meeting and deputy)

Board meetings shall be convened by the chairman of the board who shall also act as the chairperson. However, with respect to the first meeting of each newly elected board of directors, it shall be convened 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 shall agree among themselves as to who shall act as the chair of the meeting.

When the chairman is on leave or for any reason unable to exercise the powers of chairman, the vice chairman shall be the deputy; if there is no vice chairman or the vice chairman is also on leave or for any reason unable to exercise the powers of vice chairman, the chairman shall appoint one of the directors to be the deputy or if chairman does not appoint any deputy, the chair shall be selected among the directors.

Article 8

(Audio or video recording of board meeting as reference)

A company shall record on audio or video tape the entire proceedings of a board meeting, and preserve the recordings for at least five years, in electronic form or otherwise. If before the end of the preservation period referred to in the preceding paragraph any litigation arises in connection with a resolution of a board meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded. Where an audit committee meeting is held by video conference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be well preserved for the duration of the existence of the company.

Article 9

(Meeting Agenda)

The agenda for company's regular board meetings shall include at least the following matters:

1. Matters to be reported:
 - (1) Minutes of previous meeting and status of Implementation
 - (2) Important financial and business report

- (3) Internal audit report
- (4) Other important matters to be reported
- 2. Matters for discussion:
 - (1) Matters reserved for further discussion from the previous meeting
 - (2) Matters to be discussed during the meeting
- 3. Extraordinary motions

Article 10

(Proposals discussion)

A board meeting shall be conducted in accordance with the agenda stated in the meeting notice. However, agenda may be changed upon consent of majority of directors present at the meeting. The chair may not declare the meeting dismissed without the approval of half of directors in attendance at the meeting.

During the Board meeting, if the number of Directors present at the meeting is not more than half of the Directors attending the meeting, upon a motion being proposed by a director present in the meeting, the chair shall declare suspension of the meeting and the provisions under Paragraph 1, Article 18 of these Rules may apply.

Article 11

(Matters requiring discussion at a board meeting)

The following matters shall be discussed at a board meeting:

- 1. The company's business plan.
 - 2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are not required to be audited and attested by a certified public accountant (CPA) under relevant laws and regulations.
 - 3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
 - 4. Adoption or amendment of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives products trading, and endorsements or guarantees for others pursuant to Article 36-1 of the Securities and Exchange Act.
 - 5. Offering, issuance, or private placement of equity-type securities.
 - 6. Appointment or discharge of a financial, accounting, or internal audit officer.
 - 7. A donation to a related party or a major donation to a non-related party, 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.
 - 8. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or by law, 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 paragraph 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 one year period to a single recipient, at an

amount of NT\$100 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.

The term "within one 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.

When the board meeting holds, there shall be at least one independent director attending. The matters in paragraph 1 shall be submitted to the board of directors for resolution, and shall all the independent directors attend. If any independent director is unable to attend in person, the independent director may appoint another independent director member as proxy to attend the meeting. When an independent director objects to or expresses reservations about any of the matters, it shall be recorded in the board meeting minutes. If an independent director intends to express an objection or reservations but is unable to attend the board meeting in person. Unless there is a legitimate reason to do otherwise, the independent director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes:

Article 12

(Voting (1))

The chair may declare an end to discussion when the proposal has been discussed sufficiently to vote on. 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:

1. A show of hands or a vote by voting machine.
2. A roll call vote.
3. A vote by ballot.

"Attending directors," stated in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Article 14, paragraph 1.

Article 12-1

Board of directors may decline to adopt or modify a recommendation of the remuneration committee. It shall require the consent of a majority of the directors in attendance at a meeting attended by two-thirds or more of the entire board, which in its resolution shall specifically explain whether the recommendation exceeds in any way passed by the remuneration committee. If the recommendation passed by the board of directors exceeds the recommendation of remuneration committee, the circumstances and cause for the difference shall be specified in the board meeting minutes, and shall declare and disclose within 2 days counting from the date of passed by the board of directors.

Article 13

(Voting (2) and methods for vote monitoring and counting)

The resolution of the 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, except where otherwise provided by the Securities and Exchange Act and the Company Act.

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 to a vote. However, if anyone 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.

Results shall be announced on-site immediately and recorded.

Article 14

(Avoidance of Conflict of Interest)

For any proposal in which a director or the legal person represents an interested party,

The director shall state the important aspects of the interest at the board meeting. When the interest is likely to compromise the interest of the company, the director shall not participate in discussion or voting on the item, and may not exercise voting rights as proxy for another director.

In the preceding paragraph where a director is prohibited from exercising voting rights with respect to resolution at a board meeting is in accordance the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 3 of the same Act.

Article 15

(Meeting minutes and Signature)

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

1. Term (or year) and the time and place of the meeting.
2. The name of the chair.
3. Attendance of the directors, including the names and the number of directors in attendance, excused, and absent.
4. Names and titles of those attending the meeting as non-voting participants.
5. Name of the minute taker.
6. The matters to be reported.
7. Agenda items:
the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated

in writing; and any opinion issued in writing by an independent director pursuant to Article 11, paragraph 4.

8. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, supervisor, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.

9. Other matters required to be recorded.

The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be disclosed and declared on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting:

- (1) Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.
- (2) A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of the company. The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of this Corporation. The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and preserved appropriately during the existence of this company. The meeting minutes of paragraph 1 may be produced and distributed in electronic format.

Article 16

(Principles with respect to the delegation of powers by the board)

With the exception of matters required to be discussed at a board meeting pursuant to Article 11, paragraph 1, when the board of directors appoints a party to exercise the powers of the board in accordance with applicable laws and regulations or the company Act, the levels of such delegation and the content or matters it covers shall be definite and specific, and carried out in accordance with the principles below:

1. The matters shall be executed in accordance with company's Procedure for Handling Endorsements/Guarantees with the approved authority level, and report status to board of directors meeting.
2. The matters shall be executed in accordance with company's Procedures for Lending Funds to Other Parties with the approved authority level, and report status to board of directors meeting.
3. The matters shall be executed in accordance with company's Procedures for Acquisition or Disposal of Assets with the approved authority level, and report status to board of directors meeting.

Article 17

(Meetings of board of managing directors)

When the time of a meeting has arrived and one-half all board directors are not present, chair may announce postponement of the meeting time, provided that only two postponements may be made. If the quorum is still not met after two such delays, the chair shall re-call the meeting following the procedures provided in Article 3, paragraph 2. The term "all board directors" as used in the preceding paragraph and in Article 12, and Article 15, paragraph 2, subparagraph 2 shall be calculated as the number of directors then in terms.

Article 18

(Supplementary provisions)

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.

Article 19

These rules were established in June, 2008, the first amendment was in August 2010, the second amendment was in February, 2012, the third amendment was in January, 2013, and the fourth amendment was in December 2017.