

Corporate Governance and Corporate Social Responsibility Handbook

June, 2015

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Taiwan Stock Exchange

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Securities and Exchange Act

Amended Date: 2015.02.04

Article 14-2

A company that has issued stock in accordance with this Act may appoint independent directors in accordance with its articles of incorporation. The Competent Authority, however, shall as necessary in view of the company's scale, shareholder structure, type of operations, and other essential factors, require it to appoint independent directors, not less than two in number and not less than one-fifth of the total number of directors.

Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings and the positions they may concurrently hold. They shall maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the company. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the Competent Authority.

Given any of the following circumstances, a person may not act as an independent director, or if already acting in such capacity, shall be dismissed:

1. Any circumstance set out in a subparagraph of Article 30 of the Company Act.
2. The director is a government agency, juristic person, or representative thereof, and was elected in accordance with Article 27 of the Company Act.
3. The person fails to meet the qualifications for independent director set forth in the preceding paragraph. Transfer of an independent director's shareholdings is not subject to the provisions of the latter part of paragraph 1 or of paragraph 3, Article 197, of the Company Act.

When an independent director is dismissed for any reason, resulting in a number of directors lower than that required under paragraph 1 or the company's articles of incorporation, a by-election for independent director shall be held at the next following shareholders meeting. When all independent directors have been dismissed, the company shall convene a special shareholders meeting to hold a by-election within 60 days from the date on which the situation arose.

Article 14-3

When a company has selected independent directors as set forth in paragraph 1 of the preceding article, then the following matters shall be submitted to the board of directors for approval by resolution unless approval has been obtained from the Competent Authority; when an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:

1. Adoption or amendment of an internal control system pursuant to Article 14-1.
2. Adoption or amendment, pursuant to Article 36-1, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
3. A matter bearing on the personal interest of a director.
4. A material asset or derivatives transaction.
5. A material monetary loan, endorsement, or provision of guarantee.
6. The offering, issuance, or private placement of any equity-type securities.
7. The hiring or dismissal of an attesting CPA, or the compensation given thereto.
8. The appointment or discharge of a financial, accounting, or internal auditing officer.
9. Any other material matter so required by the Competent Authority.

Article 14-4

A company that has issued stock in accordance with this Act shall establish either an audit committee or a supervisor. The Competent Authority may, however, in view of the company's scale, type of operations, or other essential considerations, order it to establish an audit committee in lieu of a supervisor; the relevant regulations shall be prescribed by the Competent Authority.

The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

For a company that has established an audit committee, the provisions regarding supervisors in this Act, the Company Act, and other laws and regulations shall apply mutatis mutandis to the audit committee.

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The following provisions of the Company Act shall apply mutatis mutandis with regard to independent directors who are members of the audit committee: Article 200; Articles 213 - 215; Article 216, paragraphs 1, 3, and 4; Article 218, paragraphs 1 and 2; Article 218-1; Article 218-2, paragraph 2; Article 220; Articles 223 - 226; the proviso of Article 227; and Article 245, paragraph 2.

Regulations governing exercise by the audit committee and its independent director members of the powers set out in the preceding two paragraphs, and matters related thereto, shall be prescribed by the Competent Authority.

A resolution of the audit committee shall have the concurrence of one-half or more of all members.

Article 14-5

For a company that has issued stock in accordance with this Act and established an audit committee, the provisions of Article 14-3 shall not apply to the following matters, which shall be subject to the consent of one-half or more of all audit committee members and be submitted to the board of directors for a resolution:

1. Adoption or amendment of an internal control system pursuant to Article 14-1.
2. Assessment of the effectiveness of the internal control system.
3. Adoption or amendment, pursuant to Article 36-1, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
4. A matter bearing on the personal interest of a director or supervisor.
5. A material asset or derivatives transaction.
6. A material monetary loan, endorsement, or provision of guarantee.
7. The offering, issuance, or private placement of any equity-type securities.
8. The hiring or dismissal of an attesting CPA, or the compensation given thereto.
9. The appointment or discharge of a financial, accounting, or internal auditing officer.
10. Annual and semi-annual financial reports.
11. Any other material matter so required by the company or the Competent Authority.

With the exception of subparagraph 10, any matter under a subparagraph of the preceding paragraph that has not been approved with the consent of one-half or more of all audit committee members may be undertaken upon the consent of two-thirds or more of all directors, without regard to the restrictions of the preceding paragraph, and the resolution of the audit committee shall be recorded in the minutes of the directors meeting.

A company that has established an audit committee is not subject to the provisions of Article 36-1 requiring that its financial reports be recognized by a supervisor.

"All audit committee members" as used in paragraph 1 and the preceding article's paragraph 6, and "all directors" as used in paragraph 2, shall mean the actual number of persons currently holding those positions.

Article 14-6

A company whose stock is listed on the stock exchange or traded over-the-counter shall establish a remuneration committee. Regulations governing the professional qualifications for its members, the exercise of their powers of office, and related matters shall be prescribed by the Competent Authority.

Remuneration referred to in the preceding paragraph shall include salary, stock options, and any other substantive incentive measures for directors, supervisors, and managerial officers.

Article 20

During the public offering, issuing, private placement, or trading of securities, there shall be no misrepresentations, frauds, or any other acts which are sufficient to mislead other persons.

The financial reports or any other relevant financial or business documents filed or publicly disclosed by an issuer in accordance with this Act shall contain no misrepresentations or nondisclosures.

Anyone who violates the provisions of paragraph 1 shall be held liable for damages sustained by bona fide purchasers or sellers of the said securities.

The principal who commissions a securities broker to purchase or sell securities as a commission agent shall be deemed as a "purchaser" or "seller" for the purpose of the preceding paragraph.

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Article 20-1

When the essential content of the financial reports or relevant financial or business documents referred to in paragraph 2 of the preceding article, or financial reports filed or publicly disclosed pursuant to Article 36, paragraph 1 contain misrepresentations or nondisclosures, the persons under the following subparagraphs shall bear liability for damages suffered by the bona fide purchasers, sellers, or holders of securities issued by the issuer:

1. The issuer and its responsible person.
2. Employees of the issuer who placed their signatures or seals on the financial report or the financial or business document in question.

With the exception of the issuer and the issuer's chairman and general manager, a person under any paragraph of the preceding subparagraph shall not be liable for damages when he or she can demonstrate that they exercised all due diligence and had legitimate cause to believe that the reports or documents contained no misrepresentations or nondisclosures.

A CPA who performs attestation of the financial reports or financial and business documents referred to in paragraph 1 shall be liable for the occurrence of any damages as set forth in paragraph 1 that arise out of misconduct, violation or negligence in connection with the performance of his or her duties as CPA.

In respect of the liability of a CPA under the preceding paragraph, a good-faith buyer, seller, or holder of securities may petition a court to requisition the CPA's working papers, and further, to review or make copies of the same. The CPA and the accounting firm may not refuse such action.

With the exception of the issuer and the issuer's chairman and general manager, when the negligence of a person under any subparagraph of paragraph 1 or under paragraph 3 results in the occurrence of the damages set forth in paragraph 1, each such person shall bear liability for damages in proportion to their degree of responsibility.

The provisions of paragraph 4 of the preceding Article shall apply *mutatis mutandis* to paragraph 1.

Article 21

The rights to claim damages prescribed in this Act shall be extinguished if not exercised within two years from the time the claimant learns of the cause which entitles him the right to claim the said damages, or within five years since the date of the offering, the issuance, or the trading.

Article 26-3

The board of directors of a company that has issued stock in accordance with the Act may not number less than five persons.

When the government or a juristic person is a shareholder of a public company, then except with the approval of the Competent Authority, the provisions of Article 27, paragraph 2 of the Company Act shall not apply, and a representative of the government or juristic person may not concurrently be selected or serve as the director or supervisor of the company.

Except where the Competent Authority has granted approval, the following relationships may not exist among more than half of a company's directors:

1. A spousal relationship.
2. A familial relationship within the second degree of kinship.

Except where the Competent Authority has granted approval, a company shall have at least one or more supervisors, or one or more supervisors and directors, among whom no relationship under the preceding subparagraphs exists.

When a company convenes a shareholders' meeting for the election of supervisors or directors and the original selectees do not meet the conditions of the two preceding paragraphs, determination of which directors or supervisors are elected shall be made according to the following provisions:

1. When there are some among the directors who do not meet the conditions, the election of the director receiving the lowest number of votes among those not meeting the conditions shall be deemed invalid.
2. When there are some among the supervisors who do not meet the conditions, the provisions of the preceding subparagraph shall apply *mutatis mutandis*.
3. When there are some among the directors and supervisors who do not meet the conditions, the election of the supervisor receiving the lowest number of votes among those not meeting the conditions shall be deemed invalid.

When a person serving as director or supervisor is in violation of the provisions of paragraph 3 or paragraph 4, that person shall be subject to *ipso facto* dismissal through the *mutatis mutandis* application of the provisions of the preceding paragraph.

When the number of directors falls below five due to the dismissal of a director for any reason,

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the company shall hold a by-election for director at the next following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact to hold a by-election for directors.

A company shall formulate rules for the conduct of directors meetings; regulations governing the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcement, and other matters for compliance shall be prescribed by the Competent Authority.

Article 31

A prospectus shall be delivered to the subscriber of securities prior to public offering.

Any person which violates the preceding paragraph shall be held liable for the compensation of damages sustained by any bona fide counterpart.

Article 32

In the event the prospectus referred to in the preceding Article contains false information or omissions in its material contents, the following persons, within the scope of their responsibilities, shall be held jointly liable with the issuer to any bona fide counterpart for damages resulted therefrom:

1. the issuer and its responsible persons.
2. any employees of the issuer who has signed and affixed his/her seal on the prospectus to certify its accuracy in whole or in part.
3. any underwriter with respect to such securities.
4. any certified public accountant, lawyer, engineer, or any professional or technical person who has signed and affixed his/her seal to certify in whole or in part, or to present his/her opinion, on the correctness of the prospectus.

With the exception of the issuer, the persons referred to in subparagraphs 1 through 3 of the preceding paragraph shall not be held liable if he/she can prove that he/she has exercised reasonable care, and that he/she has just cause to believe that with respect to portions of materials not certified by a person referred to in subparagraph 4, the material contents have no false information nor omissions, or that he/she has just causes to believe that the portion he/she certified was accurate; the persons referred to in subparagraph 4 of the preceding paragraph also shall not be held liable if he/she can prove that reasonable investigation has been exercised and that he/she

has just causes to believe that the certification or the opinions rendered thereto were accurate.

Article 157

In the event that any director, supervisor, managerial officer, or shareholder holding more than ten percent of the shares of a company sells the listed securities within six months after its acquisition, or repurchase the securities within six months after its sale, the company shall claim for the disgorgement of any profit realized from the sale and purchase.

If the board of directors or the supervisors of the company fail to exercise the right of claim for disgorgement under the preceding paragraph on behalf of the company, its shareholders may request the directors or the supervisors to exercise the right of claim within thirty days; upon the expiration of such period, if no action has been taken, such requesting shareholders shall have the right to claim for disgorgement on behalf of the company.

The directors and supervisors shall be jointly and severally liable for damages suffered by the company as a result of their failure to exercise the claim provided under paragraph 1 of this Article.

The right of claim specified in paragraph 1 of this Article shall be extinguished if not exercised within two years after the date on which the profit is realized.

The provisions of paragraph 3 of Article 22-2 hereof shall apply mutatis mutandis to paragraph 1 of this Article.

This Article shall apply mutatis mutandis to other securities with the nature of equity shares issued by a company.

Article 157-1

Upon actually knowing of any information that will have a material impact on the price of the securities of the issuing company, after the information is precise, and prior to the public disclosure of such information or within 18 hours after its public disclosure, the following persons shall not purchase or sell, in the person's own name or in the name of another, shares of the company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the company:

1. a director, supervisor, and/or managerial officer of the company, and/or a natural person designated to exercise powers as representative pursuant to Article 27, paragraph 1 of the Company Act.

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2. shareholders holding more than ten percent of the shares of the company.
3. any person who has learned the information by reason of occupational or controlling relationship.
4. a person who, though no longer among those listed in [one of] the preceding three subparagraphs, has only lost such status within the last six months.
5. any person who has learned the information from any of the persons named in the preceding four subparagraphs.

Upon actually knowing of any information that will have a material impact on the ability of the issuing company to pay principal or interest, after the information is precise, and prior to the public disclosure of such information or within 18 hours after its public disclosure, the persons listed in the preceding paragraph shall not sell, in the person's own name or in the name of another, the non-equity-type corporate bonds of such company that are listed on an exchange or an over-the-counter market:

Persons in violation of the provisions of paragraph 1 or the preceding paragraph shall be held liable, to trading counterparts who on the day of the violation undertook the opposite-side trade with bona fide intent, for damages in the amount of the difference between the buy or sell price and the average closing price for ten business days after the date of public disclosure; the court may also, upon the request of the counterpart trading in good faith, treble the damages payable by the said violators should the violation be of a severe nature. The court may reduce the damages where the violation is minor.

The persons referred to in subparagraph 5 of paragraph 1 shall be held jointly and severally liable with the persons referred to in subparagraphs 1 through 4 of paragraph 1 who provided the information for the damages referred to in the preceding paragraph. However, where the persons referred to in subparagraphs 1 through 4 of paragraph 1 who provided the information had reasonable cause to believe the information had already been publicly disclosed, they shall not be liable for damages.

The phrase "information that will have a material impact on the price of the securities" in paragraph 1 shall mean information relating to the finances or businesses of the company, or the supply and demand of such securities on the market, or tender offer of such securities, the specific content of which will have a material impact on the price of the securities, or will have a material impact on the investment decision of a reasonably prudent investor. Regulations governing the

scope of the information, the means of its disclosure and related matters shall be prescribed by the Competent Authority.

Regulations governing the scope of information that will have a material impact on the ability of the issuing company to pay principal or interest as described in paragraph 2, the means of its disclosure, and related matters shall be prescribed by the Competent Authority.

The provisions of paragraph 3 of Article 22-2 shall apply mutatis mutandis to subparagraphs 1 and 2 of paragraph 1 of this Article; the same shall apply with respect to those who have lost the identity [set out in those provisions] for a period of less than a full six months. The provisions of paragraph 4 of Article 20 shall apply mutatis mutandis to the trading counterpart referred to in paragraph 2 of this Article.

Article 171

A person who has committed any of the following offenses shall be punished with imprisonment for not less than three years and not more than ten years, and in addition thereto, a fine of not less than NT\$10 million and not more than NT\$200 million may be imposed:

1. A person who has violated the provisions of paragraph 1 or paragraph 2 of Article 20, paragraph 1 or paragraph 2 of Article 155, or paragraph 1 or 2 of Article 157-1.
2. A director, supervisor, managerial officer or employee of an issuer under this Act who, directly or indirectly, causes the company to conduct transactions to its disadvantage and not in the normal course of operation, thus causing substantial damage to the company.
3. A director, supervisor, or managerial officer of an issuer under this Act who, with intent to procure a benefit for himself/herself or for a third person, acts contrary to his/her duties or misappropriates company assets, thus causing damage of NT\$5 million or more to the company.

Where the amount gained by the commission of an offense under the preceding paragraph is NT\$100 million or more, a sentence of imprisonment for not less than seven years shall be imposed, and in addition thereto a fine of not less than NT\$25 million and not more than NT\$500 million may be imposed.

A person who commits an offense under paragraph 1, subparagraph 3, causing damage of less than NT\$5 million to the company, shall be punished under Articles 336 and 342 of the Criminal Code.

A person who commits an offense under the preceding 3 paragraphs and subsequently

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voluntarily surrenders himself/herself, if there is criminal gain and he/she voluntarily hands over the gained assets in full, shall have his/her punishment reduced or remitted. Where another principal offender or an accomplice is captured as a result, the punishment shall be remitted.

A person who commits an offense under paragraphs 1 to 3 and confesses during the prosecutorial investigation, if there is criminal gain and he/she voluntarily hands over the gained assets in full, shall have his/her punishment reduced. Where another principal offender or an accomplice is captured as a result, the punishment shall be reduced by one-half.

Where the criminal benefit gained by a person through commission of an offense under paragraph 1 or 2 exceeds the maximum amount of the criminal fine, the fine may be increased within the scope of the benefit gained; if the stability of the securities market is harmed, the punishment shall be increased by one-half.

Any property or property interest obtained from the commission of a crime by an offender committing an offense under paragraphs 1 to 3, other than that which shall be returned to a victim or a third party or from which damages shall be borne, shall be confiscated within the extent that it belongs to the offender. If the whole or a part of such property or property interest cannot be confiscated, the value thereof shall be indemnified either by demanding a payment from the offender or by offsetting such value with the property of the offender.

A person who violates Article 20, paragraph 1 or 2, Article 155, paragraph 1 or 2, or Article 157-1, paragraph 1 or 2, as applied mutatis mutandis under Article 165-1 or 165-2, shall be punished under the provisions of paragraph 1, subparagraph 1, and of paragraph 2 to the preceding paragraph.

The provisions of paragraph 1, subparagraphs 2 and 3, and paragraphs 2 to 7 shall apply to the directors, supervisors, managerial officers, or employees of a foreign company.

Article 174

A person who commits any of the following offenses shall be punished with imprisonment for not less than one year and not more than seven years and in addition thereto a fine of not more than NT\$20 million may be imposed:

1. the making of false statements on the application materials required under Article 30, Article 44, paragraphs 1 to 3, or Article 93, or Article 30 as applied mutatis mutandis under Article 165-1 or 165-2, of this Act.
2. the making and dissemination to the public of false information with regard to the market value

of securities, or with regard to the material aspects of the approved public offering.

3. the violation of paragraph 1 of Article 32 by an issuer, its responsible persons or employees, and the provision of paragraph 2 of the same Article does not apply.
4. the making of false statements on the account books, forms/statements, documents, or other reference or report materials produced by any issuer or public tender offeror or related party thereof, securities firm or its principals, securities dealers association, stock exchange, or any other enterprises referred to in Article 18 pursuant to an order of the Competent Authority to produce such materials.
5. the making of false statements on the account books, forms/statements, vouchers, financial reports or any other business documents by any issuer, public tender offeror, securities firm, securities dealers association, stock exchange, or any other enterprises referred to in Article 18, as required to be produced in compliance with acts or regulations, or orders prescribed by the Competent Authority pursuant thereto.
6. the making of false statements in the content of a financial report under the preceding subparagraph by a managerial officer or accounting officer who signs or chops the financial report; provided, the punishment may be reduced or remitted if the person has submitted a corrective opinion and provided evidence in a report to the Competent Authority before the Competent Authority or a judicial agency has commenced an investigation [ex officio or] upon a complaint filed by another person.
7. the making of any investment advice relating to an issuer or specific securities transactions which was based on false information and disseminating the said advice on any newspapers and magazines, written materials, broadcasts, films or by other means.
8. the loaning of company funds to another person, using company assets to provide security or a guarantee for another person, or endorsing of a negotiable instrument by a director, managerial officer, or employee of an issuer in violation of an act or regulation, or the articles of incorporation, or beyond the scope authorized by the board of directors, causing substantial damage to the company.
9. counterfeiting, altering, destroying, concealing, or obscuring working papers or relevant records or documents with intent to impede inspection by the Competent Authority or investigation by a judicial agency.

A person who commits any of the following offenses shall be punished with imprisonment for not more than five years, or a fine of not more than NT\$15 million may be imposed [in lieu

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thereof] or in addition thereto:

1. issuance of a false or untrue opinion by a lawyer regarding any contract, report, or document of the company or foreign company related to securities offering, issuance, or trading.
2. failure by a certified public account to faithfully fulfill his or her audit duties and issue a report or opinion with respect to any material falsehood or error in a financial report, document, or information reported or published by a company or foreign company; or failure by a certified public accountant to expressly state a material falsehood or error in a company or foreign company financial report due to failure to audit in accordance with applicable laws and regulations and generally accepted audit principles.
3. violation of Article 22, paragraphs 1 to 3.

Where the commission of an offense under the preceding paragraph materially affects shareholders' equity or harms the stability of the securities market, the punishment may be increased by one-half.

Where a personnel member or employee of an issuer commits an offense in subparagraph 6 of paragraph 1, and the offense is slight, the punishment may be reduced.

The Competent Authority shall render a disposition suspending attestation work by a certified public accountant who violates subparagraph 2 of paragraph 2.

If a foreign company is the issuer, any violation of paragraph 1, subparagraphs 1 to 9 by the foreign company or a director, managerial officer, employee, or accounting officer of the foreign company shall be punished under paragraphs 1 and 4.

A person who violates Article 22 as applied mutatis mutandis under Article 165-1 or 165-2 shall be punished under paragraphs 2 and 3.

Article 174-1

When a director, supervisor, managerial officer, or employee of a company with securities issued pursuant to this Act commits a gratuitous act as set forth in Article 171, paragraph 1, subparagraphs 2 or 3 or paragraph 1, subparagraph 8 of the preceding Article prejudicial to the rights and interests of the issuer, the issuer may petition a court for voidance of the act.

If, at the time of commission of a non-gratuitous act by a director, supervisor, managerial officer, or employee of a company as referred to in the preceding paragraph, such person knew the act to be prejudicial to the rights and interests of the issuer, where the beneficiary of the act also

knew of that circumstance at the time of receiving the benefits, the issuer may petition a court for avoidance of the act.

When an application is made to a court for avoidance pursuant to either of the two preceding paragraphs, the court may also be petitioned to order the beneficiary of the act or a party to whom benefits were transferred to restore the status quo ante, provided that this shall not apply where the party to whom the benefit was transferred was not aware of a cause for avoidance at the time of the transfer.

Any disposition of property between a director, supervisor, managerial officer, or employee as referred to in paragraph 1 and such a person's spouse, lineal relative, cohabiting relative, head of household, or family member shall be deemed a gratuitous act.

Any disposition of property between a director, supervisor, managerial officer, or employee as referred to in paragraph 1 and any person other than those set forth in the preceding paragraph shall be presumed to be a gratuitous act.

The right to avoidance under paragraphs 1 and 2 shall be extinguished if not exercised within one year after the time the company learns there is cause for avoidance, or ten years after the time of the act.

The provisions of the preceding 6 paragraphs shall apply to the directors, supervisors, managerial officers or employees of a foreign company.

Article 174-2

The crimes set forth in Article 171, paragraph 1, subparagraphs 2 and 3, and paragraph 1, subparagraphs 2 and 3 as applied under paragraph 9, and Article 174, paragraph 1, subparagraph 8, and paragraph 1, subparagraph 8 as applied under paragraph 6, are serious crimes as defined in Article 3, paragraph 1 of the Money Laundering Control Act and the relevant provisions of the Money Laundering Control Act shall apply.

Article 178

A person who commits any of the following offenses shall be punished with an administrative fine of not less than NT\$240,000 and not more than NT\$2.4 million:

1. Violation of the provisions of Article 22-2, paragraph 1 or 2, Article 26-1, Article 141, Article 144, Article 145, paragraph 2, Article 147, or Article 152; or Article 141, Article 144, Article 145, paragraph 2, or Article 147 as applied mutatis mutandis under Article 165-1 or 165-2; or

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- Article 22-2, paragraph 1 or 2 as applied mutatis mutandis under Article 165-1.
2. Violation of the provisions of Article 14, paragraph 3, Article 14-1, paragraph 1 or 3, Article 14-2, paragraph 1 or 5, Article 14-3, Article 14-4, paragraph 1 or 2, Article 14-5, paragraph 1 or 2, Article 21-1, paragraph 5, Article 25, paragraph 1, 2, or 4, Article 26-3, paragraph 1 or 7, Article 31, paragraph 1, Article 36, paragraph 5 or 7, Article 41, Article 43-1, paragraph 1, Article 43-4, paragraph 1, Article 43-6, paragraphs 5 to 7, Article 58, Article 61, Article 69, paragraph 1, Article 79, or Article 159; or Article 14, paragraph 3, Article 31, paragraph 1, Article 36, paragraph 5, Article 43-4, paragraph 1, or Article 61, as applied mutatis mutandis under Article 165-1 or 165-2; or Article 14-1, paragraph 1 or 3, Article 14-2, paragraph 1 or 5, Article 14-3, Article 14-4, paragraph 1 or 2, Article 14-5, paragraph 1 or 2, Article 25, paragraph 1, 2, or 4, Article 26-3, paragraph 1 or 7, Article 36, paragraph 7, Article 41, Article 43-1, paragraph 1, Article 43-6, paragraphs 5 to 7, as applied mutatis mutandis under Article 165-1.
 3. An issuer or public tender offeror or a related party thereof, a securities firm or a principal thereof, a securities dealers association, a stock exchange, or any other enterprise referred to in paragraph 1 of Article 18 fails to submit account books, forms/statements, documents, or other reference or report materials within the time period specified in this Act or in an order issued by the Competent Authority pursuant to this Act, or any of the above parties refuses, impedes, or evades an examination carried out by the Competent Authority.
 4. If any issuer, public tender offeror, securities firm, securities dealers association, stock exchange, or any other enterprise referred to in Article 18, paragraph 1 fails to comply with relevant rules in the preparation, submission, public announcement, maintenance, or storage of the account books, forms/statements, vouchers, financial reports or other relevant business documents as required by this Act, or as required by orders issued by the Competent Authority pursuant to this Act.
 5. Violation of rules prescribed by the Competent Authority in accordance with Article 25-1 regarding the qualifications of proxy solicitors, proxy agents, or those handling proxy solicitation matters, the methods of solicitation or acquisition of proxy forms, corporate compliance matters in connection with the convening of shareholder meetings, or refusal to comply with a requirement by the Competent Authority for provision of information, or Article 25-1 as applied mutatis mutandis under Article 165-1.
 6. Violation of the shareholding percentage requirements of directors and supervisors of publicly issued companies prescribed by the Competent Authority in accordance with paragraph 2 of

Article 26, and provisions regarding notifications and auditing in the enforcement rules for auditing the shareholdings thereto.

7. Violation of the provisions of Article 26-3, paragraph 8 by failing to formulate rules for the conduct of directors meetings, or violating the regulations prescribed by the Competent Authority pursuant to the same article and paragraph governing the content of deliberations, procedures, matters to be recorded in the meeting minutes, and public announcement, or violation of the rules issued by the Competent Authority pursuant to Article 36-1 regarding the scope, working procedures, required public announcements, and required filings for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, endorsements or guarantees for others, and disclosure of financial forecast information, or violation of Article 26-3, paragraph 8 or Article 36-1 as applied mutatis mutandis under Article 165-1.
8. Violation of the provisions of Article 28-2, paragraphs 2 or 4 to 7 or the matters prescribed by the Competent Authority in accordance with Article 28-2, paragraph 3 regarding procedures, prices, volumes, methods, methods of transfer, and matters that must be filed and publicly announced in relation to repurchase of shares, or violation of Article 28-2, paragraphs 2 to 7 as applied mutatis mutandis under Article 165-1.
9. Violation of the provisions of Article 43-2, paragraph 1, Article 43-3, paragraph 1, or Article 43-5, paragraph 1, or regulations prescribed by the Competent Authority in accordance with Article 43-1, paragraph 4 regarding the scope, conditions, period, related parties, and particulars for filing and public announcement in connection with purchases of securities, or violation of Article 43-1, paragraph 4, Article 43-2, paragraph 1, Article 43-3, paragraph 1, or Article 43-5, paragraph 1, as applied mutatis mutandis under Article 165-1 or 165-2.

Where a person who has committed any of the offenses referred to in subparagraphs 2 through 7 of the preceding paragraph, the Competent Authority shall, in addition to imposing an administrative fine, order the person to comply within a prescribed time period; where the person fails to comply within the specified period, the Competent Authority may order a new period for compliance and impose additional administrative fines of not less than NT\$480,000 and not more than NT\$4.8 million for each successive failure to comply until corrective action has been taken.

A reward shall be offered for the report of a violation of Article 25-1 that leads to successful discovery of a violation; regulations governing such reward shall be prescribed by the Competent Authority.

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When a foreign company is the issuer, any violation of paragraph 1, subparagraphs 3 or 4 by the foreign company shall be punished under paragraphs 1 and 2.

Article 179

If a juristic person violates the provisions of this Act, the individual person responsible for the act will be punished under the articles of this chapter .

If a foreign company violates the provisions of this Act, the individual person responsible for the act will be punished under the articles of this chapter.

Article 180-1

Where a fine assessed for an offense under this Chapter is NT\$50 million or more and the offender lacks the ability to pay it in full, it shall be commuted to labor for a period of not more than two years, to be calculated by the ratio of the total amount of the fine to the number of days in two years; where the fine assessed is NT\$100 million or more and the offender lacks the ability to pay it in full, it shall be commuted to labor for a period of not more than three years, to be calculated by the ratio of the total amount of the fine to the number of days in three years.

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Amended Date: 2013.01.30

Article 8

The term "responsible persons" of a company as used in this Act denotes shareholders conducting the business or representing the company in case of an unlimited company or unlimited company with limited liability shareholders; directors of the company in case of a limited company or a company limited by shares.

The managerial officer or liquidator of a company, the promoter, supervisor, inspector, reorganizer or reorganization supervisor of a company limited by shares acting within the scope of their duties, are also responsible persons of a company.

For a company whose shares have been issued in public, a non-director who de facto conducts business of a director or de facto controls over the management of the personnel, financial or business operation of the company and de facto instructs a director to conduct business shall be liable for the civil, criminal and administrative liabilities as a director in this Act, provided, however, that such liabilities shall not apply to an instruction of the government to the director appointed by the government for the purposes of economic development, promotion of social stability, or other circumstances which can promote public interests.

Article 23

The responsible person of a company shall have the loyalty and shall exercise the due care of a good administrator in conducting the business operation of the company; and if he/she has acted contrary to this provision, shall be liable for the damages to be sustained by the company therefrom.

If the responsible person of a company has, in the course of conducting the business operations, violated any provision of the applicable laws and/or regulations and thus caused damage to any other person, he/she shall be liable, jointly and severally, for the damage to such other person.

In case the responsible person of a company does anything for himself/herself or on behalf of another person in violation of the provisions of Paragraph 1, the meeting of shareholders may, by a resolution, consider the earnings in such an act as earnings of the company unless one year has lapsed since the realization of such earnings.

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Article 27

Where a government agency or a juristic person acts as a shareholder of a company, it may be elected as a director or supervisor of the company provided that it shall designate a natural person as its proxy to exercise, in its behalf, the duties of a shareholder.

Where a government agency or a juristic person acts as a shareholder of a company, its authorized representative may also be elected as a director or supervisor of the company. If there is a plural number of such authorized representatives, each of them may be so elected, but such authorized representatives may not concurrently be selected or serve as the director or supervisor of the company.

Any of the authorized representatives of a company referred to in Paragraphs I and II of this Article may, owing to the change of his/her functional duties, be replaced by a person to be authorized by the company so as to fulfill the unexpired term of office of the predecessor.

Any restriction placed upon the power or authority of the authorized representatives set forth in Paragraph I and Paragraph II of this Article shall not be set up as a defense against any bona fide third party.

Article 172

A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 20 days prior to the scheduled meeting date; while a public notice shall be given to holders of bearer share certificates no later than 30 days prior to the scheduled meeting date.

A notice to convene a special meeting of shareholders shall be given to each shareholder no later than 10 days prior to the scheduled meeting date; while a public notice shall be given to holders of bearer share certificates no later than 15 days prior to the scheduled meeting date.

For a company offering its shares to the public, a notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date, and to the holders of bearer share certificates no later than 45 days prior to the scheduled meeting date. In case a company offering its shares to the public intends to convene a special meeting of shareholders, a meeting notice shall be given to each shareholders no later than 15 days prior to the scheduled meeting date, and to the holders of bearer share certificates no later than 30 days prior to the scheduled meeting date.

The cause(s) or subject(s) of a meeting of shareholders to be convened shall be indicated in the individual notice and the public notice to be given to shareholders; and the notice may, as an

alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof.

Matters pertaining to election or discharge of directors and supervisors, alteration of the Articles of Incorporation, and dissolution, merger, spin-off, or any matters as set forth in Paragraph I, Article 185 hereof shall be itemized in the causes or subjects to be described in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions.

The director who is authorized to represent the company and fails to convene the shareholders' meeting as required in Paragraph I, Paragraph II or Paragraph III under this Article shall be imposed with a fine in an amount not less than NT\$ 10,000 but not more than NT\$ 50,000.

Article 172-1

Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a 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.

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

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

Under any of the following circumstances, the board of directors of the company may exclude the proposal submitted by a shareholder from the list of proposals to be discussed at a regular meeting of shareholders:

1. Where the subject (the issue) of the said proposal cannot be settled or resolved by a resolution to be adopted at a meeting of shareholders;
2. Where the number of shares of the company in the possession of the shareholder making the said proposal is less than one percent (1%) of the total number of outstanding shares at the time when the share transfer registration is suspended by the company in accordance with the

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provisions set out in Paragraph II or Paragraph III, Article 165 of this Act; and

3. Where the said proposal is submitted on a day beyond the deadline fixed and announced by the company for accepting shareholders' proposals.

The company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

The responsible person of a company who violates the provisions set out in Paragraph II or the preceding Paragraph shall be imposed with a fine in an amount not less than New Taiwan Dollar Ten Thousand (NT\$10,000) but not more than New Taiwan Dollar Fifty Thousand (NT\$50,000).

Article 173

Any or a plural number of shareholder(s) of a company who has (have) continuously held 3% or more of the total number of outstanding shares for a period of one year or a longer time may, by filing a written proposal setting forth therein the subjects for discussion and the reasons, request the board of directors to call a special meeting of shareholders.

If the board of directors fails to give a notice for convening a special meeting of shareholders within 15 days after the filing of the request under the preceding Paragraph, the proposing shareholder(s) may, after obtaining an approval from the competent authority, convene a special meeting of shareholders on his/their own.

A special meeting of shareholders convened in accordance with the provisions set out in the preceding two Paragraphs may appoint an inspector to examine the business and financial condition of the company.

When the board of directors fails or can not convene a shareholders' meeting on account of share transfer or any other causes, the shareholder(s) holding 3% or more of the total number of outstanding shares of the company may, after obtaining an approval from the competent authority, convene a shareholders' meeting.

Article 177-1

The voting power at a shareholders' meeting may be exercised in writing or by way of

electronic transmission, provided, however, that 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. The competent authority in charge of securities affairs, however, shall as necessary in view of the company's scale, shareholder number, shareholder structure and other essential factors, require a company to adopt the electronic transmission as one of the methods for exercising the voting power.

A shareholder who exercises his/her/its voting power at a shareholders meeting in writing or by way of electronic transmission as set forth in the preceding Paragraph shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have waived his/her/its voting power in respect of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting.

Article 177-2

In case a shareholder elects to exercise his/her/its voting power in writing or by way of electronic transmission, his/her/its declaration of intention shall be served to the company two 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 declaration of such intention received shall prevail; unless an explicit statement to revoke the previous declaration 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, two 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 his/her/its previous declaration of intention made in exercising the voting power under the preceding Paragraph Two. 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.

In case 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.

Article 178

A shareholder who has a personal interest in the matter under discussion at a meeting, which

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may impair the interest of the company, shall not vote nor exercise the voting right on behalf of another shareholder.

Article 183

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting.

The preparation and distribution of the minutes of shareholders' meeting as required in the preceding Paragraph may be effected by means of electronic transmission.

With regard to a company offering its shares to the public, the distribution of the minutes of shareholders' meeting as required in Paragraph One of this Article may be effected by means of a public notice.

The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the company.

The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the company for a minimum period of at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 hereof, the minutes of the shareholders' meeting involved shall be kept by the company until the legal proceedings of the foregoing lawsuit have been concluded.

The director authorized to represent the company who violates the provisions of Paragraph I, Paragraph IV or the preceding Paragraph of this Article shall be imposed with a fine of not less than NT\$ 10,000 but not more than NT\$ 50,000.

Article 184

The shareholders' meeting may examine the statements and books prepared and submitted by the board of directors and the auditing reports submitted by the supervisors, and may decide, by resolution, the surplus earning distribution and deficit off-setting plan.

In order to conduct the examination set forth in the preceding Paragraph, the shareholders' meeting may select and appoint inspectors as required.

Any person who commits any act of impeding, refusing or evading the examination set forth in the preceding two Paragraphs shall be imposed with a fine of not less than NT\$ 20,000 but not more than NT\$ 100,000.

Article 189

In case the procedure for convening a shareholders' meeting or the method of adopting resolutions thereat is in contrary to any law, ordinance or the company's Articles of Incorporation, a shareholder may, within 30 days from the date of adoption of the said resolution, enter a petition in the court for annulment of such resolution.

Article 189-1

Upon receipt of the petition for annulment of a resolution filed under the preceding Article, if the court considers that the fact of violation described in the said petition is insignificant and will do nothing to the prejudice of the resolution, the court may dismiss such petition.

Article 191

In case the substance of a resolution adopted at a meeting of shareholders is contrary to law or ordinance or the company's Articles of Incorporation, the resolution shall be null and void.

Article 192-1

In case a candidates nomination system is adopted by a company offering its shares to the public for election of the directors of the company, the adoption of such system shall be expressly stipulated in the Articles of Incorporation of the company; and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates.

The company shall, prior to the share transfer suspension date dedicated before the meeting date of a shareholders' meeting, announce in a public notice, the period for accepting the nomination of director candidates, the quota of directors to be elected, the place designated for accepting the roster of director candidates nominated, and other necessary matters. The length of the period for accepting the nomination of director candidates shall not be shorter than ten (10) days.

Any shareholder holding 1% or more of the total number of outstanding shares issued by the company may submit to the company in writing a roster of director candidates, provided that the total number of director candidates so nominated shall not exceed the quota of the directors to be elected. This restrictive condition shall also be applicable to the roster of director candidates

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nominated by the board of directors of the company.

The roster of director candidates submitted by a shareholder as prescribed in the preceding Paragraph shall be annexed with the name, education background and past work experience of the director candidates, the letter of understanding issued by each director candidate to consent to act as director after he/she/it has been elected as such, a written statement issued by each director candidate assuring that he/she/it is not under any of the circumstances set forth in Article 30 of this Act, and other evidential documents executed and provided by each director candidate. If a director candidate is a juristic person shareholder or its representative, additional information and documents reflecting the basic registration information of the said juristic person shareholder and the document certifying the number of shares of the company in its possession.

The board of directors or other authorized conveners of shareholders' meetings shall examine and/or screen the data and information of each director candidate nominated; and shall, unless under any of the following circumstances, include all qualified director candidates in the final roster of director candidates accordingly:

1. Where the roster of director candidates is submitted by the nominating shareholder beyond the deadline fixed for accepting such candidates roster;
2. Where the number of shares of the company being held by the nominating shareholder is less than 1% of the total number of outstanding shares of the company at the time when the share transfer registration is suspended by the company in accordance with the provisions set out in Paragraph II or Paragraph III, Article 165 of this Act;
3. Where the number of director candidates nominated exceeds the quota of the directors to be elected; or
4. Where the relevant evidential documents required in Paragraph IV of this Article are not submitted along with the roster of director candidates.

The processes of the operation for examining and/or screening the director candidates nominated shall be recorded in writing and such records shall be retained in the file for a period of at least one year, provided, however, that if any shareholder has instituted a lawsuit against the result of directors election, the foregoing records shall be retained in the file until the legal proceedings of the foregoing lawsuit have been concluded.

The company shall, no later than 40 days prior to the scheduled meeting date of a regular shareholders' meeting or no later than 25 days prior to the scheduled meeting date of a special shareholders' meeting, have the roster of director candidates and their education background and

past work experience, the number of shares of the company held by them, the name(s) of the government agency or the juristic person shareholder represented by them, and other relevant and essential information published in a public notice; and shall inform the nominating shareholders of the examination /screening results. With regards to the director candidates not included in the list of qualified director candidates, if any, the cause thereof shall also be made known to the nominating shareholders of such disqualified director candidates.

The responsible person of a company who violates the provisions set out in Paragraph II or the preceding two Paragraphs of this Article shall be imposed with a fine of not less than NT\$10,000, but not more than NT\$50,000.

Article 193

The Board of Directors, in conducting business, shall act in accordance with laws and ordinances, the Articles of Incorporation, and the resolutions adopted at the meetings of shareholders.

Where any resolution adopted by the Board of Directors contravenes the preceding Paragraph, thereby causing loss or damage to the company, all directors taking part in the adoption of such resolution shall be liable to compensate the company for such loss or damage; however, those directors whose disagreement appears on record or is expressed in writing shall be exempted from liability.

Article 194

In case the board of directors decide, by resolution, to commit any act in violation of any law, ordinance or the company's Articles of Incorporation, any shareholder who has continuously held the shares of the company for a period of one year or longer may request the board of directors to discontinue such act.

Article 195

The term of office of a director shall not exceed three years; but he/she may be eligible for re-election.

In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office. However, the competent authority may, ex officio, order the company to elect new directors within a given time limit; and if no re-election is effected

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after expiry of the given time limit, the out-going directors shall be discharged ipso facto from such expiration date.

Article 196

The remuneration of directors, if not prescribed in the Articles of Incorporation, shall be determined by a meeting of shareholders and cannot be ratified by a meeting of shareholders.

The provision set forth in Article 29, Paragraph 2 hereof shall apply mutatis mutandis to the directors of a company.

Article 197

Each director shall, after having been elected, declare to the competent authority the number and amount of the shares of the company being held by him/her at the time when he/she is elected. In case a director of a company whose shares are issued to the public that has transferred, during the term of office as a director, more than one half of the company's shares being held by him/her at the time he/she is elected, he/she shall, ipso facto, be discharged from the office of director.

If the number of company's shares held by a director is increased or reduced during his/her term of office as a director, he/she shall declare such change to the competent authority and shall place a public notice of such a fact.

If any director of a company whose shares are issued to the public, after having been elected and before his/her inauguration of the office of director, has transferred more than one half of the total number of shares of the company he/she holds at the time of his/her election as such; or had transferred more than one half of the total number of shares he/she held within the share transfer prohibition period fixed prior to the convention of a shareholders' meeting, then his/her election as a director shall become invalid.

Article 197-1

Upon creation or cancellation of a pledge on the company's shares held by a director, a notice of such action shall be given to the company, and the company shall, in turn and within 15 days after such pledge creation/ cancellation date, have the change of pledge over such shares reported to the competent authority and declared in a public notice; unless otherwise provided for in any rules or regulations separately prescribed by the authority in charge of securities affairs.

In case a director of a 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 not be counted in the number of votes of shareholders present at the meeting.

Article 198

In the process of electing directors at a shareholders' meeting, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect.

The provision of Article 178 hereof shall not apply to the voting power referred to in the preceding Paragraph.

Article 199

A director may be discharged at any time by a resolution adopted at a shareholders' meeting provided, however, that if a director is discharged during the term of his/her office as a director without good cause shown, the said director may make a claim against the company for any and all damages sustained by him/her as a result of such discharge.

A resolution required for discharging a director under the preceding Paragraph may be adopted only by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares by the company.

For a company whose shares are issued to the public, if the total number of shares represented by the shareholders present at a shareholders' meeting is less than the quorum set forth in the preceding Paragraph, the resolution required for discharging a director may be adopted by two-thirds (2/3) of the total votes of the shareholders present at the shareholders' meeting attended by the shareholders representing a majority of the total number of outstanding shares issued by the company.

Where higher requirements of the quorum of a shareholders' meeting and the number of votes are specified in the Articles of Incorporation of a company, such higher requirements shall prevail.

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Article 199-1

Where re-election of all directors is effected, by a resolution adopted by a shareholders' meeting, prior to the expiration of the term of office of existing directors, and in the absence of a resolution that existing directors will not be discharged until the expiry of their present term of office, all existing directors shall be deemed discharged in advance.

The aforesaid resolution of re-election shall be attended by shareholders who represent more than one-half of the total number of issued and outstanding shares.

Article 200

In case a director has, in the course of performing his/her duties, committed any act resulting in material damages to the company or in serious violation of applicable laws and/or regulations, but not discharged by a resolution of the shareholders' meeting, the shareholder(s) holding 3% or more of the total number of outstanding shares of the company may, within 30 days after that shareholders' meeting, institute a lawsuit in the court for a judgment in respect of such matter.

Article 201

When the number of vacancies in the board of directors of a company equals to one third of the total number of directors, the board of directors shall call, within 30 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies. However, in the case of a company whose shares are issued to the public, the special meeting of shareholders for electing succeeding directors shall be convened by the board of directors within 60 days.

Article 202

Business operations of a company shall be executed pursuant to the resolutions to be adopted by the board of directors, except for the matters the execution of which shall be effected pursuant the resolutions of the shareholders' meeting as required by this Act or the Articles of Incorporation of the company.

Article 203

Meetings of the board of directors shall be convened by the chairman of the board of directors, except for the first meeting of each term of the board of directors which shall be convened by the director who received a ballot representing the largest number of votes at the election of directors.

The first meeting of each term of the board of directors shall be convened within 15 days after the re-election. However, in case the re-election of directors was conducted prior to the expiration of the term of office of the directors of the preceding term, and a resolution was adopted not to discharge the directors of the preceding term until the expiration of the term of their offices as directors, the first meeting of the newly elected directors shall be convened within 15 days after expiration of the term of office of the directors of the preceding term.

Where directors are elected prior to the expiration of the term of office of the directors of the preceding term, and a resolution is adopted not to discharge the directors of the preceding term until the expiration of the term of office of the preceding term, the chairman, the vice chairman and the managing directors of the newly elected board of directors may be carried out prior to the expiration of the term of office of the directors of the preceding term, free from the binding of the provisions of the preceding Paragraph.

Where the number of directors attending the first meeting of the newly elected board of directors is less than the minimum quorum of the meeting of the board of directors convened for election of the chairman and the managing directors of the board of directors, then the original convener shall resume the meeting within 15 days to conduct the election, and may apply the resolution adopting method set forth in Article 206 of this Act.

In case the director elect receiving the a ballot representing the largest number of votes fails to convene the meeting of the board of directors within the time limit set out in Paragraph II or the preceding Paragraph of this Article, then one-fifth (1/5) or more of the directors elect may convene the meeting on their own, with a prior permission of the competent authority.

Article 204

In calling a meeting of the board of directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each director and supervisor no later than 7 days prior to the scheduled meeting date. However, in the case of emergency, the meeting may be convened at any time.

The notice set forth in the preceding Paragraph may be effected by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof.

Article 205

Each director shall attend the meeting of the board of directors in person, unless as otherwise provided for in the Articles of Incorporation that a director may be represented by another director.

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In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

In case a director appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting.

A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only.

A director residing in a foreign country may appoint in writing a shareholder residing in the national territory as his/her proxy to attend the meetings of the board of directors on a regular basis.

Appointment of the proxy in accordance with the provisions of the preceding Paragraph shall be registered with the competent authority; and this requirement shall also apply to the change of the proxy.

Article 206

Unless otherwise provided for in this Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

A director who has a personal interest in the matter under discussion at a board meeting shall explain to the board meeting the essential contents of such personal interest.

The provisions of Article 178 and Article 180, paragraph 2 shall apply mutatis mutandis to the resolutions set forth in Paragraph 1.

Article 207

Minutes shall be taken of the proceedings of the meeting of the board of directors.

The provisions of Article 183 shall apply mutatis mutandis to the aforesaid minutes.

Article 208

In case a company has no managing directors, the board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chairman of the board in

accordance with the provisions of the Articles of Incorporation.

In case a company has managing directors, the managing directors shall be elected from among the directors in accordance with the manner set forth in the preceding Paragraph provided that the number of managing directors shall not be less than three persons but not more than one-third of the total number of directors. The chairman or the vice chairman of the board shall be elected from the managing directors in accordance with the same manner set forth in the preceding Paragraph.

The chairman of the board of directors shall internally preside the shareholders' meeting, the meeting of the board of directors, and the meeting of the managing directors; and shall externally represent the company. In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, the vice chairman shall act on his behalf. In case there is no vice chairman, or the vice chairman is also on leave or absent or unable to exercise his power and authority for any cause, the chairman of the board of directors shall designate one of the managing directors, or where there is no managing directors, one of the directors to act on his behalf. In the absence of such a designation, the managing directors or the directors shall elect from among themselves an acting chairman of the board of directors.

During the recess of the board of directors, the managing directors shall regularly exercise the power and authority of the board of directors in accordance with the provisions of laws and regulations and the Articles of Incorporations of the company, and the resolutions adopted by the shareholders' meetings and the meetings of the board of directors by conferences to be called from time to time by the chairman of the board of directors; with the resolutions to be adopted by a majority of managing directors present at such conferences attended by a majority of managing directors.

The provisions set out in Article 57 and Article 58 hereof shall apply *mutatis mutandis* to directors representing the company.

Article 208-1

In case the board of directors fails or is unable to exercise its power and authority to the extent which is likely to cause damage to the company, the court may, at the petition of interested party or parties or a public prosecutor, appoint one or more temporary manager to exercise the power and authority of the chairman of the board of directors and the board of directors instead provided, however, that he/she shall not commit any act unfavorable to the company.

Upon appointment of the temporary manager under the preceding Paragraph, the court shall request the competent authority to make appropriate registration of such appointment.

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Upon discharge of the temporary manager appointed hereunder, the court shall request the competent authority to cancel the registration of his appointment.

Article 209

A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.

The aforesaid approval shall be given upon a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares.

For a company whose share certificates have been publicly issued, if the total number of shares represented by shareholders present at a shareholders' meeting is not sufficient to meet the criteria specified in the preceding paragraph, the resolution may be adopted by a large majority of two thirds of the voting powers of the shareholders present at a shareholders' meeting who present a majority of the total number of issued shares.

Where stricter criteria for the total number of shares represented by the attending shareholders and the required number of votes at the shareholders' meeting set forth in the preceding two paragraphs are specified in the Articles of Incorporation, such stricter criteria shall govern.

In case a director does anything for himself or on behalf of another person in violation of the provisions of Paragraph 1, the meeting of shareholders may, by a resolution, consider the earnings in such an act as earnings of the company unless one year has lapsed since the realization of such earnings.

Article 210

Subject to the provisions otherwise provided for by the authority in charge of securities affairs, the board of directors shall keep at the head office of the company copies of the Articles of Incorporation, the minutes of every meeting of the shareholders and the financial statements, and shall keep at the head office of the company or the business office of its securities agent the shareholders roster and the counterfoil of corporate bonds issued by the company.

Any shareholder and any creditor of a company may request at any time, by submitting evidentiary document(s) to show his/her interests involved and indicating the scope of interested matters, an access to inspect and to make copies of the Articles of Incorporation and accounting

books and records.

The director(s) authorized to represent the company who has(have) violated the provisions set out in Paragraph I hereinabove by not making the financial statements and the Articles of Incorporation available at the office of the company, or has(have) violated the provisions of the preceding Paragraph by refusing the examination or copying of relevant information without good cause shown shall be imposed with a fine not less than NT\$ 10,000 but not more than NT\$ 50,000.

Article 211

In case the loss incurred by a company aggregates to one half of its paid-in capital, the board of directors shall convene and make a report to a meeting of shareholders.

Subject to the provisions set out in Article 282 of this Act, in case the assets of a company is insufficient to set off its liabilities, the board of directors shall apply to the court for pronouncement of its bankruptcy.

The director(s) authorized to represent the company who has (have) violated the provisions of the preceding two Paragraphs shall be imposed with a fine of not less than NT\$ 20,000 but not more than NT\$ 100,000.

Article 212

In case the shareholders' meeting of a company resolves to institute an action against a director, the company shall, within 30 days from the date of such resolution, institute the action.

Article 213

In case of a lawsuit between the company and a director, the supervisor shall act on behalf of the company, unless otherwise provided by law; and the meeting of shareholders may also appoint some other person to act on behalf of the company in a lawsuit.

Article 216

Supervisors of a company shall be elected by the meeting of shareholders, among them at least one supervisor shall have a domicile within the territory of the Republic of China.

For a company whose shares are issued to the public, there must be two or more supervisors to be elected in accordance with the provision of the preceding Paragraph, and the total shareholdings of all supervisors shall meet the requirement as separately specified by the authority in charge of

Company Act

securities affairs, if any.

The relation between the company and its supervisors shall be subject to the provisions governing the mandate as stipulated in the Civil Code.

The provisions set out in Article 30, and Paragraph I and Paragraph III regarding the disposing capacity, Article 192 of this Act shall apply *mutatis mutandis* to the supervisors.

Article 216-1

Where the candidates nomination system is adopted by a company which has issued shares to the public in its Articles of Incorporation for election of supervisors, the provisions set out in Article 192-1 of this Act shall apply *mutatis mutandis*.

Article 217

The term of office of a supervisor shall not exceed three years, but he may be eligible for re-election.

In case election of new supervisors can not be effected in time after expiration of the term of office of existing supervisors, the existing supervisor shall continue to perform their duties until the new supervisors elect has assumed their office as supervisors. However, the competent authority may order, *ex officio*, the company to conduct the re-election of supervisors within a given time limit. If election of new supervisors is still not effected, the existing supervisors shall be discharged, *ipso facto*, upon expiry of the time limit hereinabove fixed by the competent authority.

Article 217-1

In case all supervisors of a company are discharged, the board of directors shall, within 30 days, convene a special meeting of shareholders to elect new supervisors. However, for a company whose shares are issued to the public, the special meeting of shareholders for election of supervisors shall be convened by the board of directors within 60 day.

Article 218

Supervisors shall supervise the execution of business operations of the company, and may at any time or from time to time investigate the business and financial conditions of the company, examine the accounting books and documents, and request the board of directors or managerial personnel to make reports thereon.

In performing their functional duties under the preceding Paragraph, the supervisors may appoint, on behalf of the company, a practicing lawyer and a certified public accountant to conduct the examination.

Any person who violated Paragraph I by hindering, refusing or evading the examination to be conducted by supervisors shall be imposed with a fine of not less than NT\$ 20,000 but not more than NT\$ 100,000.

Article 218-1

When a director discovers the possibility that the company will suffer substantial damage, he shall report to the supervisor immediately.

Article 218-2

Supervisors of a company may attend the meeting of the board of directors to their opinions.

In case the board of directors or any director commits any act, in carrying out the business operations of the company, in a manner in violation of the laws, regulations, the Articles of Incorporation or the resolutions of the shareholders' meeting, the supervisors shall forthwith advise, by a notice, to the board of directors or the director, as the case may be, to cease such act.

Article 219

Supervisors shall audit the various statements and records prepared for submission to the shareholders' meeting by the board of directors, and shall make a report of their findings and opinions at the meeting of shareholders.

In performing their functional duties under the preceding Paragraph, the supervisors may appoint a certified public accountant to conduct the auditing in their behalf.

Supervisors who violated the preceding Paragraph by making false report shall each be imposed with a fine in an amount not more than NT\$ 60,000.

Article 220

Subject to the condition that the board of directors does not or is unable to convene a meeting of shareholders, the supervisors may, for the benefit of the company, call a meeting of shareholders when it is deemed necessary.

Company Act

Article 221

Supervisor may each exercise the supervision power individually.

Article 222

A supervisor shall not be concurrently a director, a managerial officer or other staff/employee of the company.

Article 223

In case a director of a company transacts a sales with, or borrows money from or conducts any legal act with the company on his own account or for any other person, the supervisor shall act as the representative of the company.

Article 224

In case a supervisor has, in performing his functional duties, violated the provisions of any law, regulations, or the Articles of Incorporation of the company, or was negligent of his duties and thus causing any damage to the company, he shall be liable for indemnifying the company for such damage.

Article 225

When a meeting of shareholders resolves to institute an action against a supervisor, the company shall institute such action within 30 days from the date of adoption of such resolution.

The person who represents the company in the action instituted under the preceding Paragraph may be appointed by the shareholders' meeting from the persons other than the directors of the company.

Article 226

In case supervisor is liable to compensate the company or a third party and a director is also liable, such supervisor and director shall be joint debtors.

Article 227

The provisions set out in Article 196 to 200, Article 208-1, Article 214 and Article 215 hereof shall apply mutatis mutandis, to the supervisors provided, however, that the request to be

submitted to supervisors under Article 214 hereof shall be submitted to the board of director.

Article 228

At the close of each fiscal year, the board of directors shall prepare the following statements and records and shall forward the same to supervisors for their auditing not later than the 30th day prior to the meeting date of a general meeting of shareholders:

1. the business report;
2. the financial statements; and
3. the surplus earning distribution or loss off-setting proposals.

The financial statements and records as required in the preceding Paragraph shall be prepared in accordance with the rules prescribed by the central competent authority.

Supervisors may request the board of directors to provide in advance the financial statements and records for auditing as required in Paragraph I hereinabove.

Article 229

The statements and records of accounts prepared by the Board of Directors and the report made by the supervisors shall be made available at the head office for inspection at any time by the shareholders, ten days prior to the regular meeting of shareholders. The shareholders may bring their lawyers or certified public accountants for such an inspection.

Article 230

The board of directors shall submit the various financial statements and records prepared by it to the general meeting of shareholders for its ratification; and after the ratification thereof by the general meeting of shareholders, shall distribute to each shareholder the copies of ratified financial statements and the resolutions on the surplus earning distribution and/or loss offsetting.

For a company offering its shares to the public, the distribution of the ratified financial statements and the resolutions on the surplus earning distribution and/or the loss offsetting set forth in the preceding Paragraph may be effected by way of a public notice.

Any creditor of the company may request the company to provide him the financial statements and records and the resolutions set forth in Paragraph I hereinabove or to allow him to make copies thereof.

Company Act

The director authorized to represent the company who has violated the provisions of Paragraph I of this Article by failing to distribute the financial statement and records and the resolutions shall be imposed with a fine of not less than NT\$ 10,000 but not more than NT\$ 50,000.

Article 231

Only after all the statements and records of accounts have been approved by the meeting of shareholders shall directors and supervisors be deemed to have been discharged from their liabilities, except in the event of any unlawful conduct on the part of directors or supervisors.

Article 232

A company shall not pay dividends or bonuses, unless its losses shall have been covered and a legal reserve shall have been set aside in accordance with the provisions of this Act.

A company shall not pay dividends or bonuses, if there is no surplus earnings.

The responsible person(s) of a company who violates the provisions of the preceding two Paragraphs by making distribution of dividends and bonuses shall (each) be punished with imprisonment of not more than one year, detention, and a fine in lieu thereof or in addition thereto in an amount of not more than NT\$ 60,000.

Article 233

If a company pays dividends and bonuses in violation of the provisions of the preceding article, creditors of the company may request rescission and may also claim for compensation for loss or damage resulted there-from.

Article 237

A company, when allocating its surplus profits after having paid all taxes and dues, shall first set aside ten percent of said profits as legal reserve. Where such legal reserve amounts to the total authorized capital, this provision shall not apply. Aside from the aforesaid legal reserve, the company may, under its Articles of Incorporation or by resolution of the meeting of shareholders, set aside another sum as special reserve. Responsible persons of the company who fail to set aside legal reserve, in violation of the provisions of Paragraph 1, shall be severally subject to a fine not exceeding NT\$60,000.

Regulations Governing Procedure for Board of Directors Meetings of Public Companies

Amended Date:2012.08.22

Article 1

These Regulations are adopted pursuant to Article 26-3, paragraph 8, of the Securities and Exchange Act (the "Act").

Article 2

A public company shall adopt rules of procedure for meetings of its board of directors; the main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements for board meetings shall be handled in accordance with these Regulations.

Article 3

A board of directors shall meet at least quarterly, which shall be set out in the rules of procedure.

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

The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.

All matters set out in the subparagraphs of Article 7, 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.

Article 4

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

Regulations Governing Procedure for Board of Directors Meetings of Public Companies

Article 5

The board of directors of a company shall appoint an agenda working group, which shall be specified in the rules of procedure.

The agenda working group shall prepare agenda items for board of directors meetings and provide comprehensive pre-meeting materials, to be sent together with the notice of the meeting.

A director of the opinion that the pre-meeting materials provided are insufficiently comprehensive may request the agenda working group to supplement the materials. If a director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the board of directors.

Article 6

Agenda items for regular board of directors meetings shall include at least the following:

1. Reports:
 - A. Minutes of the last meeting and actions arising.
 - B. Reporting on important financial and business matters.
 - C. Reporting on internal audit activities.
 - D. Other important matters to be reported.
2. Discussions:
 - A. Items discussed and continued from the last meeting.
 - B. Items for discussion at this meeting.
3. Extraordinary motions.

Article 7

A company shall submit the following items for discussion by the board of directors:

1. Corporate business plan.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA).
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Act.
4. Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal

Regulations Governing Procedure for Board of Directors Meetings of Public Companies

of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.

5. The offering, issuance, or private placement of any equity-type securities.
6. The 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 for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
8. Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant 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 any 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.

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.

For foreign companies whose stock has no par value or a par value other than NTD10, the "5 percent of paid-in capital" in paragraph 2 above shall be calculated instead as 2.5 percent of shareholder equity.

If a company has an independent director or directors, each independent director shall attend in person any meeting concerning a matter that requires a resolution by the board of directors under Article 14-3 of the Act, or shall appoint another independent director to attend as his or her proxy. If an independent director objects to or expresses reservations about the matter, it shall be recorded in the board meeting minutes; an independent director intending to express objection or reservations but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

Regulations Governing Procedure for Board of Directors Meetings of Public Companies

Article 8

Apart from matters referred to in paragraph 1 of the preceding article, which are required to be submitted for discussion by the board of directors, when the board of directors delegates any exercise of its powers pursuant to laws or regulations or the company's articles of incorporation, matters such as the level and substance of the delegation shall be concretely and specifically set out.

Article 9

When a meeting of the board of directors is held, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.

All board directors shall attend board meetings in person; if attendance in person is not possible, they may, pursuant to the company's articles of incorporation, appoint another director to attend as their proxy. Attendance via tele- or video-conference is deemed as attendance in person.

A director appointing another director to attend a board meeting in his or her place shall in each case give to that director a written proxy stating the scope of authorization with respect to the reasons for meeting.

A proxy under paragraph 2 may accept a proxy from one person only.

Article 10

Meetings of the board of directors shall be called and chaired by the chairperson of the board. However, the first meeting of each newly elected board of directors shall be called and chaired by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to do so.

When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairperson shall do so in place of the chairperson, or, if there is no vice chairperson or the vice chairperson also is on leave or for any reason is unable to act, by a managing director designated by the chairperson, or, if there is no managing director, by a director designated thereby, or, if the chairperson does not make such a designation, by a managing director or director elected by and from among themselves.

Regulations Governing Procedure for Board of Directors Meetings of Public Companies

Article 11

When holding a meeting of the board of directors, a company may, as necessary for the agenda items of the meeting, notify personnel of relevant departments or subsidiaries to attend the meeting as nonvoting participants.

When necessary, the company may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

Article 12

When the time of a meeting has arrived and one-half all board directors are not present, the meeting 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 17, paragraph 2, subparagraph 2 shall be calculated as the number of directors then in office.

Article 13

A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.

The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting.

If at any time during the proceeding of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case paragraph 1 of the preceding article shall apply mutatis mutandis.

Article 14

When the chair at a board of directors meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chair may announce the discussion closed and bring the matter to vote.

When a proposal comes to a vote at a board of directors meeting, if the chair puts the matter

Regulations Governing Procedure for Board of Directors Meetings of Public Companies

before all directors present at the meeting and none voices an objection, the matter is deemed approved.

The method of voting on matters at board of directors meetings shall be specified in the rules of procedure. Except for the case of unanimous consent of all directors present at the meeting upon inquiry [by the chair], the methods of vote monitoring and counting shall also be specified.

"All directors present at the meeting" in the preceding two paragraphs does not include directors prohibited from exercising voting rights pursuant to Article 16, paragraph 1.

Article 15

Except as otherwise stated in the Act or in the Company Act, a resolution on a matter at a board of directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors.

Article 16

If any director or a juristic person represented by a director is an interested party with respect to any 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 interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.

The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 3 of that Act, apply to resolutions of board of directors meetings when a board director is prohibited by the preceding paragraph from exercising voting rights.

Article 17

Minutes shall be prepared of the discussions at board of directors meetings. The meeting minutes shall record the following:

1. Session (or year), time, and place of meeting.
2. Name of the meeting chair.
3. Attendance of directors at the meeting, specifying the names and number of members present, excused, and absent.

Regulations Governing Procedure for Board of Directors Meetings of Public Companies

4. Names and titles of those attending the meeting as nonvoting participants.
5. Name of minutes taker.
6. Matters reported on.
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 under Article 7, paragraph 5.
8. Extraordinary motions: the name of the mover; the method of resolution and the result for each motion; 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.
9. Other matters required 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 attendance book forms a part of the minutes for each board of directors meeting and shall be well preserved during the existence of the company.

The minutes of a board of directors meeting shall bear the signature or seal of both the meeting chair and the minutes taker; a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting and well preserved as important company records

Regulations Governing Procedure for Board of Directors Meetings of Public Companies

during the existence of the company.

The production and distribution of the meeting minutes referred to in paragraph 1 may be done in electronic form.

Article 18

A company shall record on audio or video tape the entire proceedings of a board of directors 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 of directors meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.

Where a board of directors meeting is held via tele- or video conferencing, the audio and visual documentation of the meeting form a part of the meeting minutes and shall be well preserved during the existence of the company.

Article 19

If there is one or more managing director on the board of directors, the provisions of Article 2, paragraph 2 of Article 3, Articles 4 to 6, Article 9, and Articles 11 to 18 shall apply *mutatis mutandis* to the procedure for meetings of the managing directors, provided that if a meeting of managing directors is scheduled to be convened within seven days, the notice to each managing director may be made two days in advance.

Article 20

These Regulations shall come into force from the date of issuance.

Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies

Amended Date: 2009.12.11

Article 1

These Regulations are adopted under 177-3, paragraph 2, of the Company Act.

Article 2

The agenda handbook for the shareholders' meeting of a public company (hereinafter "company") shall be prepared and publicly announced in accordance with these Regulations.

The public announcement referred to in the preceding paragraph shall be made on the Market Observation Post System.

Article 3

The shareholders' meeting agenda handbook shall contain the following information as well as a table of contents and page numbers:

1. The name of the company;
2. The year and type of the shareholders' meeting;
3. The date and location of the shareholders' meeting;
4. The shareholding status of the directors and supervisors:
The minimum numbers of shares required to be held by the entire bodies of directors and supervisors in accordance with Article 26 of the Securities and Exchange Act, and the numbers of shares held by the directors and supervisors individually and by the entire bodies thereof respectively as recorded in the shareholders' register as of the book closure date for that shareholders' meeting.
5. Meeting agenda.
6. Content of any proposals to be put forward at the meeting and the persons putting them forward.
7. Shareholders' meeting procedure rules, articles of incorporation, and other reference materials.

Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies

Article 4

Except as otherwise provided by other applicable acts or regulations, the shareholders' meeting agenda handbook shall include the following information in accordance with the circumstances stated below:

1. When elections are to be held for directors or supervisors, the number of persons to be elected, the duration of their terms, start and end dates, and election procedures.
2. If a candidate nomination system is to be adopted for an election of directors or supervisors in accordance with Article 192-1 and Article 216-1 of the Company Act, the candidate list and the educational background, professional experience, and number of shares held by each candidate shall be specified; if a candidate is a representative of a juristic person, the name of the juristic person and the number of shares held by the juristic person shall also be specified.
3. When a director or supervisor is dismissed, the name of that director or supervisor, the number of shares held, and the reasons for the dismissal.
4. The reasons for exclusion from the shareholders' meeting agenda of any proposals raised by shareholders in accordance with Article 172-1 of the Company Act.
5. When the board of directors reports to the shareholders' meeting on an offer to subscribe to corporate bonds under Article 246 of the Company Act, the reason for the offer, the amount of bonds offered, and other related matters.
6. When the board of directors reports to the shareholders' meeting on a resolution to buy back shares of the company under Article 28-2 of the Securities and Exchange Act, the purpose of the buyback, the number of shares intended to be bought back, price range, and other related matters, as well as the status of actual execution by the company or the reasons why the buyback did not proceed in accordance with the board of directors resolution.
7. In the case of any amendment to the articles of incorporation, the content of the pre- and post-amendment versions and the reasons for the amendment.
8. In the case of a capital increase, the amount of the increase, the share subscription rate or share distribution rate, the basis and reasonableness of the price of the issue or private placement, the plan for use of the funds, and the schedule for, and anticipated benefits from, use of the funds.
9. In the case of a capital decrease, the reason for, and amount of, the decrease, and the share exchange ratio.
10. When there is any of the acts under Article 185, paragraph 1, of the Company Act:

Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies

- A. State the location and general condition of the business or assets;
 - B. The name and address of the counterparty and the counterparty's relation to the company;
 - C. Other important content of the contract or the transaction.
11. All annual final accounting books and statements submitted for ratification.
12. When distribution of profits or covering of losses is submitted for ratification:
- A. The business report for the most recent fiscal year;
 - B. The balance sheet for the most recent fiscal year;
 - C. The income statement for the most recent fiscal year;
 - D. The circumstances of distribution of profits or covering of losses;
 - E. If all or a portion of the surplus is allocated for a capital increase and issuance of new shares, it shall be noted.

In subparagraphs 11 and 12 of the preceding paragraph, the relevant financial tables shall be included in the shareholders' meeting agenda handbook, and may not be replaced with the annual report or other meeting materials.

Article 5

Thirty days before a company convenes a regular shareholders' meeting or 15 days before a special shareholders' meeting, the company shall prepare electronic files of the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors or supervisors, and other matters on the shareholders' meeting agenda, and upload them to the Market Observation Post System.

Where voting powers at a shareholders' meeting are to be exercised in writing, a print version of the materials referred to in the preceding paragraph and a printed ballot shall also be sent to the shareholders.

Article 6

Fifteen days before a company is to convene a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and supplemental materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the company and its stock registrar and transfer agent, and distributed on-site at the meeting.

Twenty-one days before a company is to convene an ordinary shareholders' meeting, or 15 days before it convenes an extraordinary shareholders' meeting, it shall prepare an electronic file

Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies

of the shareholders' meeting agenda handbook and the supplemental materials referred to in the preceding paragraph, and upload it to the Market Observation Post System.

Article 7

These regulations shall enter into force from the date of issuance.

Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies

Amended Date: 2011.08.04

Article 1

These Regulations are adopted pursuant to Article 14-2, paragraph 2, of the Securities and Exchange Act (the "Act").

Article 2

An independent director of a public company shall meet one of the following professional qualification requirements, together with at least five years work experience:

1. An instructor or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company in a public or private junior college, college, or university;
2. A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company.
3. Have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company.

A person to whom any of the following circumstances applies may not serve as an independent director, or if already serving in such capacity, shall ipso facto be dismissed:

1. Any of the circumstances in the subparagraphs of Article 30 of the Company Act.
2. Elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act.
3. Any violation of the independent director qualification requirements set out in these Regulations.

Article 3

During the two years before being elected or during the term of office, an independent director of a public company may not have been or be any of the following:

1. An employee of the company or any of its affiliates.

Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies

2. A director or supervisor of the company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary in which the company holds, directly or indirectly, more than 50 percent of the voting shares.
3. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
4. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs.
5. A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company or that holds shares ranking in the top five in holdings.
6. A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
7. A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, provided that this restriction does not apply to any member of the remuneration committee who exercises powers pursuant to Article 7 of the Regulations Governing the Establishment and Exercise of Powers of Remuneration Committees of Companies Whose Stock is Listed on the TWSE or Traded on the GTSM.

The requirement of the preceding paragraph in relation to "during the two years before being elected" does not apply where an independent director of a public company has served as an independent director of the company or any of its affiliates, or of a specified company or institution that has a financial or business relationship with the company, as stated in subparagraph 2 or 6 of the preceding paragraph, but is currently no longer in that position.

The term "specified company or institution" as used in paragraph 1, subparagraph 6, means a company or institution that has one of the following relationships with the company:

1. It holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company;

Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies

2. It holds shares, together with those held by any of its directors, supervisors, and shareholders holding more than 10 percent of the total number of shares, in an aggregate total of 30 percent or more of the total number of issued shares of the public company, and there is a record of financial or business transactions between it and the public company. The shareholdings of any of the aforesaid persons include the shares held by the spouse or any minor child of the person or by the person under others' names.
3. It, together with any of its affiliates, serves as a source of 30 percent or more of the operating revenue of the public company.
4. It, together with any of its affiliates, serves as a source of 50 percent or more of the total volume or total purchase amount of principal raw materials (those that account for 30 percent or more of total procurement costs, and are indispensable and key raw materials in product manufacturing) or principal products (those accounting for 30 percent or more of total operating revenue) of the public company.

For the purposes of paragraph 1 and the preceding paragraph, the terms "parent" and "affiliate" shall have the meaning given in Statement of Financial Accounting Standards No. 5 and 7 issued by the Accounting Research and Development Foundation of the Republic of China.

Article 4

No independent director of a public company may concurrently serve as an independent director of more than three other public companies.

Article 5

The election of independent directors at a public company is subject to the provisions of Article 192-1 of the Company Act in that a candidate nomination system shall be adopted, that such system shall be expressly stated in the articles of incorporation of the company, and that shareholders shall elect independent directors from among the those listed in the slate of independent director candidates.

The public company shall, prior to the book closure date before the convening of the shareholders' meeting, publish a notice specifying a period for receiving nominations of independent director candidates, the number of independent directors to be elected, the place for receiving such nominations, and other necessary matters; the period for receiving nominations shall be not less than 10 days.

Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies

The public company may present a slate of independent director candidates nominated by the methods set out below, and, upon evaluation by the board of directors that all candidates so nominated are qualified independent director candidates, submit it to the shareholders' meeting for elections:

1. A shareholder holding one percent or more of the total number of issued shares may present a slate of independent director candidates in writing to the company; the number of nominees may not exceed the number of independent directors to be elected.
2. The board of directors presents a slate of independent director candidates; the number of nominees may not exceed the number of independent directors to be elected.
3. Otherwise as designated by the competent authority.

When providing a recommended slate of independent director candidates under the preceding paragraph, a shareholder or the board of directors shall include in the documentation attached thereto each nominee's name, educational background, work experience, a written undertaking indicating the nominee's consent to serve as an independent director if elected as such, a written statement that none of the circumstances in Article 30 of the Company Act exists, and other relevant documentary proof.

When calling a shareholders' meeting for the purpose of independent director elections, the board of directors, or other person having the authority to call a shareholders' meeting, shall review the qualifications of each independent director nominee; except under any of the following circumstances, all qualified nominees shall be included in the slate of independent director candidates:

1. Where the nominating shareholder submits the nomination at a time not within the published period for receiving nominations.
2. Where the shareholding of the nominating shareholder is less than one percent at the time of book closure by the company under Article 165, paragraph 2 or 3 of the Company Act.
3. Where the number of nominees exceeds the number of independent directors to be elected.
4. Where the relevant documentary proof required under the preceding paragraph is not attached.

The directors of the public company shall be elected in accordance with Article 198 of the Company Act, with independent and non-independent directors elected at the same time, but in separately calculated numbers. If the public company has established an audit committee under the Act, at least one of its independent directors is required to have accounting or financial expertise.

Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies

Article 6

If an independent director elected at a shareholders' meeting, or appointed by a financial holding company, the government, or a corporate shareholder under Article 7, is required to be dismissed during the term of office for reason of a violation of Article 2 or 3, it is prohibited to change the status of the person from independent director to non-independent director. A non-independent director elected at a shareholders' meeting, or appointed by a financial holding company, the government, or a corporate shareholder under Article 7, likewise may not be arbitrarily changed from a non-independent director to an independent director during the term of office.

Article 7

In the case of a subsidiary whose issued shares are held entirely by the parent financial holding company, or a public company constituted by the government or by one sole corporate shareholder, the independent directors of the company may be appointed by the financial holding company, government, or corporate shareholder, as the case may be, provided that such appointment shall be made in compliance with the provisions of these Regulations, excluding Article 5.

Article 8

Where a company that has created independent director positions under the Act has also created managing director positions on the board of directors, the managing directors shall include not less than one independent director member, and not less than one-fifth of the managing director seats shall be held by independent directors.

Article 9

A public company that has created independent director positions under the Act is excused from application of the provisions hereof before the expiration of the term of office of the incumbent directors.

Article 10

These Regulations shall enter into force from 1 January 2007.

The amendments to these Regulations shall enter into force from the date of issuance.

Regulations Governing the Exercise of Powers by Audit Committees of Public Companies

Announced Date: 2006.03.28

Article 1

These Regulations are adopted pursuant to Article 14-4, paragraph 5, of the Securities and Exchange Act (the "Act").

Article 2

A public company establishing an audit committee shall do so in accordance with the provisions of the Act and of these Regulations; provided, where another law provides otherwise, the provisions of such law shall prevail.

Article 3

A public company establishing an audit committee under the Act shall adopt an audit committee charter that shall at least include the following:

1. Number and term of office of audit committee members.
2. Powers of the audit committee.
3. Rules of procedure for meetings of the audit committee.
4. Resources to be provided by the company when the audit committee exercises its powers.

The charter under the preceding paragraph, and any amendment thereto, shall be adopted by resolution of the board of directors.

Article 4

The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be committee convenor, and at least one of whom shall have accounting or financial expertise.

Article 5

Powers conferred by the Act, the Company Act, and any other law to be exercised by

Regulations Governing the Exercise of Powers by Audit Committees of Public Companies

supervisors, excepting those powers set out in Article 14-4, paragraph 4, of the Act, shall be exercised by the audit committee by resolution adopted with the approval of one-half or more of the entire membership of the audit committee; the committee convener shall represent the audit committee to the public.

The provisions of Article 14-4, paragraph 4, of the Act concerning provisions of the Company Act concerning acts done by supervisors, and the role of supervisors as representatives of the company, shall apply mutatis mutandis to the independent director members on the audit committee.

The term "entire membership" as used in these Regulations shall be calculated as the number of members actually in office.

Article 6

The matters set out in the subparagraphs of Article 14-5, paragraph 1, of the Act shall be subject to the consent of one-half or more of the entire membership of the audit committee and be submitted to the board of directors for a resolution.

If a matter set out in the subparagraphs of Article 14-5, paragraph 1, of the Act excepting subparagraph 10, has not been consented to by one-half or more of the entire membership of the audit committee, it may be adopted with the consent of two-thirds or more of the entire board of directors.

Article 7

An audit committee shall meet at least quarterly, which shall be set out in the audit committee charter.

The reasons for calling a meeting of the audit committee shall be notified to each independent director member at least seven days in advance. In emergency circumstances, however, this requirement does not apply.

One member shall be elected as the convener and meeting chair by and from among the entire membership of the audit committee. When the convener goes on leave or otherwise for any reason whatsoever is unable to convene a meeting, the meeting shall be convened by another independent director member designated by the convener, or if no such designation is made, by another member elected by and from among the independent director members of the committee.

Regulations Governing the Exercise of Powers by Audit Committees of Public Companies

The audit committee may by resolution request relevant department officers, internal auditors, certified public accountants, legal counsels, or other personnel to provide pertinent and necessary information.

Article 8

When an audit committee meeting is held, the company shall have an attendance book ready for signature by the independent director members attending the meeting and thereafter keep it available for future reference.

All independent director members on the audit committee shall attend committee meetings in person; a member who cannot attend in person may appoint another independent director member to attend as their proxy. Attendance via tele- or video-conference is deemed attendance in person.

A member of the audit committee appointing another independent director member to attend a committee meeting shall in each instance give to that director a written proxy stating the scope of authorization with respect to the items on the meeting agenda.

Resolutions at meetings of the audit committee shall be adopted with the consent of one-half or more of the entire membership. The result of a vote shall be made known immediately and recorded in writing.

If for a legitimate reason it is impossible to hold an audit committee meeting, matters on the meeting agenda shall be adopted with the consent of two-thirds or more of the entire board of directors. Notwithstanding the foregoing, with respect to the matters in Article 14-5, paragraph 1, subparagraph 10, of the Act, a written opinion shall be obtained from each independent director member indicating approval or disapproval.

A proxy under paragraph 2 may accept a proxy from one person only.

Article 9

An independent director member of the audit committee shall recuse himself or herself from participating in agenda items that involve personal interest where such participation is likely to prejudice the interest of the company.

Where a matter is unable to be resolved at a committee meeting for the reason stated in the preceding paragraph, the fact shall be reported to the board of directors and the matter shall be resolved by the board instead.

Regulations Governing the Exercise of Powers by Audit Committees of Public Companies

Article 10

Discussions at an audit committee meeting shall be included in the meeting minutes, which shall faithfully record the following:

1. Session, time, and place of meeting.
2. Name of meeting chair.
3. Attendance of independent director members at the meeting, specifying names and number of members present, excused, and absent.
4. Names and titles of those attending the meeting as a nonvoting participant.
5. Name of minutes taker.
6. Matters reported.
7. Agenda items: Specify the resolution method and result of each proposal, and summarize the comments made by, and specify any objections or reservations expressed by, the independent director members on the audit committee and the experts and any other persons present at the meeting.
8. Extraordinary motions: Specify the name of the mover, the resolution method and result of each proposal, and summarize the comments made by, and specify any objections or reservations expressed by, the independent director members on the audit committee and the experts and any other persons present at the meeting.
9. Other matters required to be recorded.

The attendance book forms a part of the minutes of each audit committee meeting and shall be preserved permanently.

The minutes of a audit committee meeting shall bear the signature or seal of both the meeting chair and the minutes taker, and a copy shall be distributed to each independent director member on the committee within 20 days after the meeting and be carefully preserved as important company records during the existence of the company. The production and distribution of the meeting minutes referred to in paragraph 1 may be made in electronic form.

Article 11

The audit committee or any independent director member thereof may, on behalf and at the cost of the company, engage an attorney, certified public accountant, or other professional to conduct

Regulations Governing the Exercise of Powers by Audit Committees of Public Companies

a necessary audit or provide advice with respect to any matter related to the exercise of the committee's powers.

Article 12

A public company that has established an audit committee under the Act is exempted from application of the provisions hereof before expiration of the term of office of the current directors or supervisors.

Article 13

These Regulations shall be enforced from 1 January 2007.

Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter

Announced Date: 2011.03.18

Article 1

These Regulations are adopted pursuant to Article 14-6, paragraph 1 of the Securities and Exchange Act ("the Act").

Article 2

A company whose stock is listed on the stock exchange or traded over the counter shall establish a remuneration committee under the Act and these Regulations. However if any other law provides otherwise, its provisions shall prevail.

Article 3

When a company whose stock is listed on the stock exchange or traded over the counter establishes a remuneration committee under the Act, it shall adopt a remuneration committee charter that shall at least include the following:

1. The composition of the remuneration committee members and their number and term of office.
2. Official powers of the remuneration committee.
3. Rules of procedure for meetings of the remuneration committee.
4. Resources to be provided by the company when the remuneration committee exercises its official powers.

The charter under the preceding paragraph, and any amendment thereto, shall be adopted by resolution of the board of directors.

Article 4

The remuneration committee members shall be appointed by resolution of the board of directors. The committee shall not be fewer than three members, one of whom shall be the

Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter

convener.

The term of the remuneration committee members shall end at the same time as that of the board of directors that appointed the members.

When a member of the remuneration committee is dismissed for any reason, resulting in there being less than 3 members, a board of directors meeting shall be held within 3 months counting from the date of occurrence of the event to appoint a replacement.

When there is any appointment of, or change in, a member of the remuneration committee, the company shall, within 2 days counting from the date of occurrence of the event, publicly announce and report it on the information reporting website designated by the competent authority.

Article 5

A remuneration committee member shall meet one of the following professional qualification requirements, together with at least 5 years work experience:

1. An instructor or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company in a public or private junior college, college, or university;
2. A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company.
3. Have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company.

A person to whom any of the following circumstances applies may not serve as a remuneration committee member; if already serving in such capacity, the person shall be dismissed:

1. Any of the circumstances in the subparagraphs of Article 30 of the Company Act.
2. Any violation of the remuneration committee member qualification requirements set out in these Regulations.

Article 6

During the 2 years before being appointed or during the term of office, a remuneration committee member shall not have been or be any of the following:

Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter

1. An employee of the company or any of its affiliates.
2. A director or supervisor of the company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary in which the company holds, directly or indirectly, more than 50 percent of the voting shares.
3. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under any other's name, in an aggregate amount of 1 percent or more of the total number of issued shares of the company or ranking in the top 10 in shareholding.
4. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs.
5. A director, supervisor, or employee of a corporate shareholder that directly holds 5 percent or more of the total number of issued shares of the company or ranks in the top 5 in shareholding.
6. A director, supervisor, managerial officer, or shareholder holding 5 percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
7. A professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, or accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof.

The requirement of the preceding paragraph in relation to "during the two years before being appointed" does not apply where a remuneration committee member has served as an independent director of the company or any of its affiliates, or of a specified company or institution that has a financial or business relationship with the company, as stated in subparagraph 2 or 6 of the preceding paragraph, but is currently no longer in that position.

The term "specified company or institution" as used in paragraph 1, subparagraph 6, means a company or institution that has one of the following relationships with the company:

1. It holds 20 percent or more and no more than 50 percent of the total number of issued shares of the company;
2. It holds shares, together with those held by any of its directors, supervisors, and shareholders

Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter

holding more than 10 percent of the total number of shares, in an aggregate total of 30 percent or more of the total number of issued shares of the company, and there is a record of financial or business transactions between it and the company. The shareholdings of any of the aforesaid persons include shares held by the spouse or minor children of the person or by the person under any other's name.

3. It, together with any of its affiliates, are the source of 30 percent or more of the operating revenue of the company.
4. It, together with any of its affiliates, are the source of 50 percent or more of the quantity or the total purchase amount of principal raw materials (those that account for 30 percent or more of the total purchase amount, and are indispensable and key raw materials in product manufacturing) or principal products (those accounting for 30 percent or more of the total operating revenue) of the company.

For the purposes of paragraph 1 and the preceding paragraph, the terms "parent" and "affiliate" shall have the meaning given in Statement of Financial Accounting Standards No. 5 and 7 issued by the Accounting Research and Development Foundation of the Republic of China.

For within 3 years counting from the date these Regulations enter into force, the applicability of the provision of paragraph 1, subparagraph 2 herein regarding company directors may be exempted for no more than one-third of the remuneration committee members, and such a director may be exempted from the application of paragraph 1, subparagraphs 1 and 5 to 7. However, such a member may not serve as the convenor or as chair of a meeting.

Article 7

The remuneration committee shall exercise the care of a good administrator in faithfully performing the official powers listed below, and shall submit its recommendations for deliberation by the board of directors. However, recommendations in connection with remuneration for supervisors may be submitted for deliberation by the board of directors only to the extent that the board of directors is authorized expressly by the company's articles of incorporation or by a resolution of the shareholders meeting to handle supervisor remuneration:

1. Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors, supervisors and managerial officers.
2. Periodically evaluate and prescribe the remuneration of directors, supervisors, and managerial

Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter

officers.

When performing the official powers of the preceding paragraph, the remuneration committee shall follow the principles listed below:

1. With respect to the performance assessment and remuneration of directors, supervisors and managerial personnel of the company, it shall refer to the typical pay levels adopted by peer companies, and take into consideration the reasonableness of the correlation between remuneration and individual performance, the company's business performance, and future risk exposure.
2. It shall not produce an incentive for the directors or managerial officers to engage in activity to pursue remuneration exceeding the risks that the company may tolerate.
3. It shall take into consideration the characteristics of the industry and the nature of the company's business when determining the ratio of bonus payout based on the short-term performance of its directors and senior management and the time for payment of the variable part of remuneration.

"Remuneration" as used in the preceding two paragraphs includes cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures. Its scope shall be consistent with that of remuneration for directors, supervisors, and managerial officers as set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

When deliberating the recommendations of the remuneration committee, the board of directors shall give comprehensive consideration to matters including amounts of remuneration, payment methods, and the company's future risk.

If the board of directors will decline to adopt, or will 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 give the comprehensive consideration under the preceding paragraph and shall specifically explain whether the remuneration passed by it exceeds in any way the recommendation of the remuneration committee.

If the remuneration passed by the board of directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified in the board meeting minutes, and shall be publicly announced and reported on the information reporting

Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter

website designated by the competent authority within 2 days counting from the date of passage by the board of directors.

If decision-making and handling of any matter relating to the remuneration of directors and managerial officers of a subsidiary is delegated to the subsidiary but requires ratification by the board of directors of the parent company, the parent company's remuneration committee shall be asked to make recommendations before the matter is submitted to the board of directors for deliberation.

Article 8

The remuneration committee shall convene at least twice a year, which requirement shall be expressly provided in the remuneration committee charter.

In calling a meeting of the remuneration committee, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each member at least 7 days in advance. In emergency circumstances, however, the meeting may be convened at any time.

When a company has selected independent directors in accordance with the Act, at least one independent director shall participate on the remuneration committee, and the entire membership shall unanimously elect the independent director to serve as the convener and meeting chair. If there is no independent director, one member shall be elected as the convener and meeting chair by and from among the entire membership. When the convener goes on leave or otherwise for any reason whatsoever is unable to convene a meeting, the meeting shall be convened by another independent director of the committee designated by the convener, or if there is no other independent director on the committee, by another member elected by and from among the other members of the committee.

The remuneration committee may invite directors, managerial officers of relevant departments, internal auditors, certified public accountants, legal consultants, or other personnel to attend meetings as nonvoting participants and provide relevant necessary information.

Article 9

The remuneration committee meeting agenda shall be drawn up by the convener. Other members also may submit motions for deliberation by the committee. The meeting agenda shall be provided to the committee members in advance.

Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter

When the remuneration committee is held, the company shall provide an attendance book for signature by the members attending the meeting and thereafter made available for reference. Remuneration committee members shall attend the committee in person; a member who cannot attend in person may appoint another member to attend as their proxy. Attendance via tele- or video-conference is deemed as attendance in person.

A remuneration committee member appointing another member to attend the committee meeting in his or her place shall in each instance issue a written proxy stating the scope of authorization with respect to the reasons for the meeting.

A resolution of the remuneration committee shall require the approval of one-half or more of all of the members. During voting, if the committee chair solicits and receives no dissents, the motion is deemed passed, with equivalent force as a resolution by vote. The results of voting shall be made known immediately, and recorded in writing.

A proxy under paragraph 3 may accept a proxy from one person only.

Article 10

Minutes shall be prepared of the discussions at the remuneration committee, and the minutes shall record the matters listed below in a detailed and accurate manner:

1. Session, time, and place of the meeting.
2. Name of the meeting chair.
3. Member attendance, specifying the names and number of members in attendance, excused, and absent.
4. Names and titles of those present at the meeting as nonvoting participants.
5. Name of minutes taker.
6. Matters reported on.
7. Agenda items: the resolution method and outcome of each motion, and any objections or reservations expressed by any committee member.
8. Extraordinary motions: the name of the mover, the resolution method and outcome of the motion, and summarize the comments made by, and any objections or reservations expressed by, any committee member, expert, or other person.

Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter

9. Other matters required to be recorded.

If with respect to any resolution of the remuneration committee, any member has a dissenting or qualified opinion that is on record or stated in a written statement, the opinion shall be stated in the meeting minutes, and additionally, within two days counting inclusively from the date of occurrence, shall be publicly disclosed and reported on the information reporting website designated by the competent authority.

The remuneration committee attendance book constitutes an integral part of the minutes of each meeting of the committee.

The meeting minutes shall bear the signature or seal of the chair and the minute taker. The minutes shall be distributed to each committee member within 20 days after the meeting, and shall be submitted to the board of directors and treated as important records of the company, and shall be preserved for 5 years.

If before the end of the preservation period under the preceding paragraph, any litigation arises with respect to any matter in connection with the remuneration committee, the minutes shall be preserved until the litigation is concluded.

The meeting minutes of paragraph 1 may be produced and distributed in electronic form.

If a remuneration committee meeting is convened by video conference, the video conference audiovisual data constitute an integral part of the meeting minutes.

Article 11

The remuneration committee may by resolution, at the cost of the company, engage an attorney, certified public accountant, or other professional to conduct a necessary audit or provide advice with respect to any matter related to the exercise of the committee's powers.

Article 12

The execution of tasks relating to matters resolved by the remuneration committee may be delegated to the convenor or other member or members of the committee for follow-up and handling, and they shall make written reports to the committee during the period in which they are handling such tasks. When necessary, they shall submit them for ratification, or report them, to the committee at the subsequent meeting.

Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter

Article 13

A company whose stock is listed on the stock exchange or traded over the counter shall establish a remuneration committee in accordance with these Regulations by 30 September 2011, and shall convene at least one meeting by 31 December 2011 at the latest. However, a company with paid-in capital of less than NT\$10 billion, may establish the committee by 31 December 2011, and shall be exempted until 31 December 2011 from the provisions of Article 8, paragraph 1 concerning the numbers of meetings convened.

Article 14

These Regulations shall enter into force from the date of issuance.

Taiwan Stock Exchange Corporation Operation Directions for the Appointment of Independent Directors by TWSE Listed Companies

Amended Date: 2014.11.06

Article 1

These Directions are specially adopted to promote corporate governance, and to implement the appointment of independent directors by TWSE listed companies.

Article 2

These Directions are adopted pursuant to Article 9, paragraph 1, subparagraph 9 of the TWSE Rules Governing Review of Securities Listings.

Article 3

The term "TWSE listed company" as used in these Directions means companies that are required by the competent authority to appoint independent directors under the proviso in Article 14-2, paragraph 1 of the Securities and Exchange Act, and companies that apply after 22 February 2002 for securities listing with the TWSE.

Article 4

Any change to an independent director at a TWSE listed company shall be reported in accordance with the TWSE Procedures for the Verification and Disclosure of Material Information of Companies with TWSE Listed Securities.

When the number of independent directors at a TWSE listed company is lower than the requirement in the proviso to Article 14-2, paragraph 1 of the Securities and Exchange Act or the applicable provisions of the TWSE Rules Governing Review of Securities Listings, a by-election for independent directors shall be held at the next shareholders meeting. When all independent directors have been dismissed, the company shall convene a special shareholders meeting to hold a by-election within 60 days from the date on which the fact occurred.

When the number of independent directors at a TWSE listed company is insufficient and a by-election for independent directors cannot be held by the deadline as specified in the preceding

Taiwan Stock Exchange Corporation Operation Directions for the Appointment of Independent Directors by TWSE Listed Companies

paragraph, the TWSE shall impose a penalty of NT\$100,000 on the company, and require it to hold a by-election within 60 days from the date of notification by the TWSE.

If the TWSE listed company fails to hold a by-election for independent directors by the deadline set forth in paragraph 3, the TWSE may classify the company's TWSE listed securities as "securities under an altered trading method." If a by-election is not held within 3 months from the date when the trading method is altered, the TWSE may suspend the trading of the TWSE listed securities and report the suspension to the competent authority for recordation. If a by-election is not held within 6 months from the suspension of trading, the TWSE may delist the company's securities report the delisting to the competent authority for recordation.

If the TWSE listed company violates the information disclosure requirement under paragraph 1, or any of its independent directors resigns due to any reason other than illness or other force majeure, resulting in an insufficient number of independent directors, the TWSE may classify the company as a subject for regulation by exception.

Article 5

These Directions and any amendments hereto shall enter into force following submission to and recordation by the competent authority.

Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies

Amended Date: 2015.03.27

Article 1

These Rules are established according to Paragraph 3, Article 47 of the Operating Rules of the Taiwan Stock Exchange Corporation.

Article 2

Where a listed company is under one of the following circumstances, it shall prepare and file a corporate social responsibility report in Chinese according to these Rules.

1. At the end of the most recent fiscal year, the company falls into the food industry, chemical industry and financial and insurance industry prescribed in the Taiwan Stock Exchange Corporation Key Points for Classifying and Adjusting Categories of Industries of Listed Companies.
2. The financial report for the most recent fiscal year submitted pursuant to Article 36 of the Securities and Exchange Act indicates that no less than 50% of the company's revenue is derived from food and beverage.
3. The financial report for the most recent fiscal year submitted pursuant to Article 36 of the Securities and Exchange Act indicates that the company's common stock has achieved no less than NT\$10 billion.

The term "financial report" referred to in the preceding paragraph means the consolidated financial report prepared in accordance with the "regulations governing the preparation of financial reports by specific industries" made and promulgated by the competent authorities. If a listed company has no subsidiary, the financial report means an individual financial report.

Article 3

A listed company which meets the requirements under Article 2 of the Rules shall prepare a corporate social responsibility report for the preceding year by referring to the newest Sustainability Reporting Guidelines published and Sector Guidance by the Global Reporting

Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies

Initiatives (GRI) and other applicable rules according to its sector features. In accordance with the Sustainability Reporting Guidelines, the company shall apply the core option, and identified material aspects of economic, environmental and social categories, disclosures on management approach, performance indicators and its evaluation method shall be reported.

In the corporate social responsibility report, a listed company shall disclose the GRI Content Index referring to the Sustainability Reporting Guidelines and specify in the index tables whether the disclosure items have been assured, verified or certified by a third party.

The performance indicator referred to in Paragraph 1 shall be evaluated and disclosed by adopting the standards in compliance with the rules of the competent authorities. If the competent authorities have not promulgated the applicable standards, the company shall adopt the approach of evaluation commonly used in practice.

Article 4

In addition to the content referred to in the preceding article, the corporate social responsibility report prepared by a listed company shall emphasize the following matters.

1. Listed companies within the food industry and those prescribed under Subparagraph 2, Paragraph 1, Article 2 of the Rules shall disclose their specific management approach and performance indicators concerning the aspects of supply chain management and procurement practices, protection of customer health and safety, product and service labeling and legal compliance. The performance indicators shall include at least the following items:
 - A. The evaluation and improvement regarding the company's personnel, work environment, hygiene management of facilities and quality control system to improve food sanitation, safety and quality, as well as the significant product categories and the percentage affected.
 - B. The applicable laws relating to the management of food safety and sanitation which the listed company shall observe, as well as the types and number of incidents of violation by the listed company against the aforesaid laws.
 - C. The percentage of the listed company's purchased volume in accordance with internationally recognized responsible production standards.
 - D. The percentage of the production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards.
 - E. The number and percentage of suppliers audited by the listed company, and the audit items and results.

Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies

- F. The product trace and track management conducted by the listed company voluntarily or according to the applicable laws, and the percentage of such relevant products to the whole products.
 - G. The food safety laboratories established by the listed company voluntarily or according to the applicable laws, testing items, testing results, relevant expenses and the percentage of such expenses to the net revenue.
2. Listed companies within the chemical industry shall disclose the specific effective mechanism and actions that the listed companies and their supply chains adopt to decrease the negative impact of their products, activities, or services on the environment, to protect the personnel's vocational health and safety and the interested public's lives and property security. The disclosure shall include at least the management of the production or delivery of the raw material, supplies, end products, emergency response measures against accidents inside and outside the factories and the relevant performance indicator.
3. Listed companies within the financial and insurance industry shall enhance disclosure of the specific management approaches and performance indicators of the economic performance and the environmental and social aspects for financial products or services provided by the listed companies. The aforesaid financial products or services shall include at least the loans, project finance, mutual funds, insurance and the investment by the listed companies themselves. The performance indicators shall at least include the following items:
- A. Within the scope of the listed companies' financial products or services agreements or transactions, processes for encouraging and paying attention to their clients' or other counterparties' compliance with environmental and social requirements and how reasonable conditions are being followed.
 - B. Number of employees in non-supervisory positions, annual employee benefit expenses and difference comparing to those of the preceding year.

Article 5

The corporate social responsibility reports prepared by the food industry and the listed companies prescribed under Subparagraph 2, Paragraph 1, Article 2 of the Rules shall obtain a CPA's letter of opinion issued according to the rules published by the Accounting Research and Development Foundation, ROC; the scope thereof shall include the performance indicators disclosed pursuant to Subparagraph 1, Paragraph 1, Article 4 of the Rules.

Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies

The listed company prescribed under Paragraph 1, Article 2 of the Rules shall disclose the corporate social responsibility report and the link to the file of that report posted on the company's website on the internet information reporting system designated by TWSE by June 30. However, if the listed company does not prepare a corporate social responsibility report in the most recent year or does not prepare the report by referring to the GRI Guidelines, or the corporate social responsibility report has obtained a CPA's letter of opinion according to the rules mentioned in the preceding paragraph, the filing may be completed by December 31.

Article 6

These Rules and any amendments hereto will be implemented after the approval for recordation of the Competent Authority.

Corporate Governance Best Practice Principles for TWSE/ GTSM Listed Companies

Amended Date: 2014.12.31

Chapter I General Principles

Article 1

The Taiwan Stock Exchange Corporation (TWSE) and the GreTai Securities Market (GTSM) hereby jointly adopt these Principles, to be followed by TWSE and GTSM listed companies, to assist them in establishing sound corporate governance systems and promote sound development of the securities market.

TWSE/GTSM listed companies are advised to formulate their own corporate governance principles with reference to these Principles and disclose them through the Market Observatory Post System (MOPS).

Article 2

When setting up the corporate governance system, in addition to complying with relevant laws, regulations, articles of incorporation, contracts signed with the TWSE or GTSM, and other relevant regulations, a TWSE/GTSM listed company shall follow the following principles:

1. Establish an effective corporate governance framework.
2. Protect the rights and interests of shareholders.
3. Strengthen the powers of the board of directors.
4. Fulfill the function of supervisors.
5. Respect the rights and interests of stakeholders.
6. Enhance information transparency.

Article 3

A TWSE/GTSM listed company shall follow the Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies and take into consideration the overall operational activities of itself and its subsidiaries to design and fully implement an internal control system, and shall conduct continuing reviews of the system, in order to ensure the continued

Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies

effectiveness of its design and implementation in light of changes in the company's internal and external environment.

If the company has elected independent directors, the adoption or amendment of its internal control system shall be submitted to the board of directors for approval by resolution unless an approval has been obtained from the competent authority; when an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting; however if the company has established an audit committee in accordance with the Securities and Exchange Act, the adoption or amendment to its internal control system shall be subject to the consent of one-half or more of all audit committee members and be submitted to the board of directors for a resolution.

A TWSE/GTSM listed company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The audit committee or supervisors shall also attend to and supervise these matters. TWSE/GTSM listed companies are advised to establish channels and mechanisms of communication between their independent directors, audit committees or supervisors, and chief internal auditors. Directors and supervisors shall periodically hold discussions with their internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors. If the company has established an audit committee in accordance with the Securities and Exchange Act, the assessment of the effectiveness of the internal control system shall be subject to the consent of one-half or more of all audit committee members and submitted to the board of directors for approval.

The management of a TWSE/GTSM listed company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.

To put the internal control system into effect, strengthen the professional abilities of the agent of the internal auditor and to further improve and maintain the quality and implementing result of the audit, a TWSE/GTSM listed company shall have a deputy in place for the internal auditing personnel.

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The qualification requirements on the internal auditor set out in Article 11, paragraph 6 of the Criteria Governing Establishment of Internal Control System by Public Reporting Companies and Articles 16, 17, and 18 of the same Criteria shall apply mutatis mutandis to the deputy as referred to in the preceding paragraph.

Chapter II Protection of Shareholders' Rights and Interests

Section 1 Encouraging Shareholders to Participate in Corporate Governance

Article 4

When implementing the corporate governance system, a TWSE/GTSM listed company shall take the protection of shareholders' rights and interests as its foremost goal and treat all shareholders fairly.

A TWSE/GTSM listed company shall establish a corporate governance system which ensures shareholders' rights of being fully informed of, participating in and making decisions over important matters of the company.

Article 5

A TWSE/GTSM listed company shall convene shareholders meetings in accordance with the Company Act and relevant laws and regulations, and provide comprehensive rules for such meetings. TWSE/GTSM listed companies shall faithfully implement resolutions adopted by shareholders meetings in accordance with the rules for the meetings.

Resolutions adopted by shareholders meetings of TWSE/GTSM listed companies shall comply with laws, regulations and articles of incorporation.

Article 6

The board of directors of a TWSE/GTSM listed company shall properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder nominations of directors and supervisors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location, with sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary

Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies

documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.

For a shareholders meeting called by the board of directors, it is advisable that the board chairperson chair the meeting, that 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.

Article 7

A TWSE/GTSM listed company shall encourage its shareholders to actively participate in corporate governance. It is advisable that the company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders meetings can proceed on a legal, effective and secure basis. A TWSE/GTSM listed company shall seek all ways and means, including fully exploiting technologies for information disclosure and casting votes, to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with law.

A TWSE/GTSM listed company that employs electronic voting at a shareholders meeting is advised to avoid raising extraordinary motions and amendments to original proposals.

TWSE/GTSM listed companies are advised to arrange for their shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, through the Internet information reporting system designated by the TWSE or the GTSM.

If the company distributes souvenirs at its shareholders meeting, it shall not practice differential treatment or discrimination.

Article 8

A TWSE/GTSM listed company, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders meeting minutes the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of directors and supervisors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected directors or supervisors.

Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies

The shareholders meeting minutes shall be properly and perpetually kept by the company during its legal existence, and should be sufficiently disclosed on the company's website.

Article 9

The chairperson of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the company. The chairperson shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at will.

In order to protect the interests of most shareholders, if the chairperson declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it is advisable for the members of the board of directors other than the chairperson of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a new chairperson of the shareholders meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.

Article 10

A TWSE/GTSM listed company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the company.

To treat all shareholders equally, it is advisable that the company concurrently disclose the information under the preceding paragraph in English.

To protect its shareholders' rights and interests and ensure their equal treatment, a TWSE/GTSM listed company shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.

Article 11

The shareholders shall be entitled to profit distributions by the company. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee or supervisors, and may decide

Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies

profit distributions and deficit off-setting plans by resolution. In order to proceed with the above examination, the shareholders meeting may appoint an inspector.

The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records and assets of the company.

The board of directors, audit committee or supervisors, and managers of the TWSE/GTSM listed company shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any obstruction, rejection or circumvention.

Article 12

In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, a TWSE/GTSM listed company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.

When a TWSE/GTSM listed company is involved in a management buyout, in addition to proceeding in accordance with the applicable laws and/or regulations, it is advisable to establish an objective and independent committee to review the rationality of the acquisition price and the acquisition plan, as well as pay attention to the regulations regarding the information disclosure.

The relevant personnel of a TWSE/GTSM listed company handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflicts of interest and the need for recusal.

Article 13

In order to protect the interests of the shareholders, it is advisable that a TWSE/GTSM listed company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.

A TWSE/GTSM listed company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the company's articles of incorporation, or that such damage was caused by a breach of applicable laws, regulations or the company's articles of incorporation by any directors, supervisors or managers in performing their duties.

Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies

It is advisable that a TWSE/GTSM listed company adopt internal procedures for appropriate handling of matters referred to in the preceding two paragraphs, and that it keep relevant written records for future reference and incorporate the procedures in its internal control system for management purposes.

Section 2 Corporate Governance Relationships Between the Company and Its Affiliated Enterprise

Article 14

A TWSE/GTSM listed company shall clearly identify the objectives and the division of authority and responsibility between it and its affiliated enterprises with respect to management of personnel, assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.

Article 15

Unless otherwise provided by the laws and regulations, a manager of a TWSE/GTSM listed company may not serve as a manager of its affiliated enterprises.

A director who engages in any transaction for himself or on behalf of another person that is within the scope of the company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent.

Article 16

A TWSE/GTSM listed company shall establish sound objectives and systems for management of finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with and customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.

Article 17

When a TWSE/GTSM listed company and its affiliated enterprises enter into inter-company business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness.

Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies

Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions shall be prohibited.

All transactions or contracts made by and between a TWSE/GTSM listed company and its affiliated persons and shareholders shall follow the principles set forth in the preceding paragraph, and improper channeling of profits is strictly prohibited.

Article 18

A corporate shareholder having controlling power over a TWSE/GTSM listed company shall comply with the following provisions:

1. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the company to conduct any business which is contrary to normal business practice or not profitable.
2. Its representative shall follow the rules implemented by its company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director or supervisor.
3. It shall comply with relevant laws, regulations and the articles of incorporation of the company in nominating directors or supervisors and shall not act beyond the authority granted by the shareholders meeting or board meeting.
4. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.
5. It shall not restrict or impede the management or production of the company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.
6. The representative that is designated when a corporate shareholder has been elected as a director or supervisor shall meet the company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.

Article 19

A TWSE/GTSM listed company shall retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders.

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A TWSE/GTSM listed company shall disclose periodically important information about its shareholders holding more than 10 percent of the outstanding shares of the company relating to the pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in the ownership of their shares.

The major shareholder indicated in the first paragraph refers to those who owns 5 percent or more of the outstanding shares of the company or the shareholding stake thereof is on the top 10 list, provided however that the company may set up a lower shareholding threshold according to the actual shareholding stake that may control the company.

Chapter III Enhancing the Function of Board of Directors

Section 1 Structure of Board of Directors

Article 20

The board of directors of a TWSE/GTSM listed company shall be responsible to the shareholders meetings. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.

The structure of a TWSE/GTSM listed company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.

The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. An international market perspective.
7. Ability to lead.
8. Ability to make policy decisions.

Article 21

A TWSE/GTSM listed company shall establish a fair, just, and open procedure for the election of directors, and shall adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.

Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of a TWSE/GTSM listed company.

When the number of directors falls below five due to the discharge of a director for any reason, the company shall hold a by-election for director at the following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s).

The aggregate shareholding percentage of all of the directors of a TWSE/GTSM listed company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 22

A TWSE/GTSM listed company is advised to specify in its articles of incorporation that it adopts the candidate nomination system for elections of directors pursuant to the Company Act. It is advisable that the company review in advance the qualifications, education, working experience,

Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies

background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to the director candidates recommended by shareholders or directors, and the company may not arbitrarily add requirements for documentation of other qualifications. It is advised to provide the results of the review to shareholders for their reference, so that qualified directors will be elected.

Article 23

Clear distinctions shall be drawn between the responsibilities and duties of the chairperson of the board of a TWSE/GTSM listed company and those of its general manager.

It is inappropriate for the chairperson to also act as the general manager. If the chairperson also acts as the general manager or the chairperson and general manager are spouses or relatives within one degree of consanguinity, it is advisable that the number of independent directors be increased. If it is necessary to set up a functional committee, the responsibilities and duties of the committee shall be clearly defined.

Section 2 Independent Director System

Article 24

A TWSE/GTSM listed company shall appoint independent directors in accordance with its articles of incorporation. They shall be not less than two in number and not less than one-fifth of the total number of directors.

Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings and the positions they may concurrently hold. They shall maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the company.

A TWSE/GTSM listed company shall, in accordance with Article 192-1 of the Company Act, adopt a candidate nomination system for election of the independent directors and expressly stipulate such system in the articles of incorporation; and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates. Independent and non-independent directors shall be elected at the same time but on separate ballots pursuant to Article 198 of the Company Act.

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If a TWSE/GTSM listed company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director, supervisor or managerial officer as a candidate for an independent director of the other, the TWSE/GTSM listed company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the TWSE/GTSM listed company shall disclose the number of votes cast in favor of the elected independent director.

The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the TWSE/GTSM listed company, any foundation to which the TWSE/GTSM listed company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the company.

Change of status between independent directors and non-independent directors during their term of office is prohibited.

If an independent director is discharged for any reason, resulting in a number of directors lower than that required under paragraph 1 or the articles of incorporation, a by-election for independent director shall be held at the next shareholders meeting. In the event that all the independent directors have been discharged, the company shall convene a special shareholders meeting to hold a by-election within 60 days from the date on which the vacancies arose.

Where a TWSE/GTSM listed company has created the position of managing director, the managing directors shall include no less than one independent director, and no less than one-fifth of the managing director seats shall be held by independent directors.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the Taiwan Stock Exchange or GreTai Securities Market.

Article 25

A TWSE/GTSM listed company shall submit the following matters to the board of directors for approval by resolution as provided in the Securities and Exchange Act. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:

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1. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
3. A matter bearing on the personal interest of a director or a supervisor.
4. A material asset or derivatives transaction.
5. A material monetary loan, endorsement, or provision of guarantee.
6. The offering, issuance, or private placement of any equity-type securities.
7. The hiring, discharge, or compensation of an attesting CPA.
8. The appointment or discharge of a financial, accounting, or internal auditing officer.
9. Any other material matter so required by the competent authority.

Article 26

A TWSE/GTSM listed company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The company or other board members shall not restrict or obstruct the performance of duties by the independent directors.

A TWSE/GTSM listed company shall stipulate the remuneration of the directors in its articles of incorporation or approve the same in a shareholders meeting. The remuneration of the directors shall fully reflect the personal performance and the long-term management performance of the company, and shall also take the overall operational risks of the company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.

When a TWSE/GTSM listed company, under its articles of incorporation, or by resolution of its shareholders meeting, or by order of the competent authority, sets aside a certain proportion of earnings as special reserve, such allocation shall be made after the allocation of legal reserve and before the distribution of director and supervisor compensation and employee bonuses, and the

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company shall provide in the articles of incorporation the method to be adopted for distributing earnings when reversal of the special reserve is added into the undistributed earnings.

Section 3 Audit Committee and Other Functional Committees

Article 27

For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of a TWSE/GTSM listed company, in consideration of the size of its board and the number of its independent directors, may set up functional committees for auditing, nomination, risk management or any other functions, and based on concepts of corporate social responsibility and sustainable operation, may set up environmental protection, corporate social responsibility, or other committees, and expressly provide for them in the articles of incorporation.

Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval, provided that the performance of supervisor's duties by the audit committee pursuant to Article 14-4, paragraph 4 of the Securities and Exchange Act shall be excluded.

Functional committees shall adopt an organizational charter to be approved by the board of directors. The organizational charter shall contain the numbers, terms of office, and powers of committee members, as well as the meeting rules and resources to be provided by the company for exercise of power by the committee.

Article 28

A TWSE/GTSM listed company shall establish either an audit committee or a supervisor.

The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

For a company that has established an audit committee, the provisions regarding supervisors in the Securities and Exchange Act, the Company Act, other laws and regulations, and these Principles shall apply mutatis mutandis to the audit committee.

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For a TWSE/GTSM listed company that has established an audit committee, Article 25 herein does not apply to the following matters, which shall be subject to the consent of at least one half of all audit committee members and be submitted to the board of directors for a resolution:

1. Adoption or amendment of internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
4. A matter bearing on the personal interest of a director.
5. A material asset or derivatives transaction.
6. A material monetary loan, endorsement, or provision of guarantee.
7. The offering, issuance, or private placement of any equity-type securities.
8. The hiring, discharge, or compensation of an attesting CPA.
9. The appointment or discharge of a financial, accounting, or internal auditing officer.
10. Annual and semi-annual financial reports.
11. Any other material matter so required by the company or the competent authority.

The exercise of power by audit committee and independent directors and related matters shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE or GTSM.

Article 28-1

A TWSE/GTSM listed company shall establish a remuneration committee. The professional qualifications for the committee members, the exercise of their powers of office, the adoption of the organizational charter, and related matters shall be handled pursuant to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.

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The remuneration committee shall exercise the care of a good administrator in faithfully performing the official powers listed below, and shall submit its recommendations for deliberation by the board of directors. However, recommendations regarding remuneration for supervisors may be submitted for deliberation by the board of directors only when the board of directors is expressly authorized to handle supervisor remuneration by the company's articles of incorporation or by a resolution of the shareholders meeting:

1. Prescribing and periodically reviewing the policies, systems, standards, and structures for performance evaluation and remuneration for directors, supervisors and managerial officers.
2. Periodically evaluating and prescribing the remuneration of directors, supervisors, and managerial officers.

When performing the official powers of the preceding paragraph, the remuneration committee shall follow the principles listed below:

1. With respect to the performance assessments and remuneration of directors, supervisors and managerial personnel of the company, it shall refer to the typical pay levels adopted by peer companies, and take into consideration the reasonableness of the correlation between remuneration and individual performance, the company's business performance, and future risk exposure.
2. It shall not produce an incentive for the directors or managerial officers to engage in activity to pursue remuneration exceeding the risks that the company may tolerate.
3. It shall take into consideration the characteristics of the industry and the nature of the company's business when determining the ratio of bonuses for the short-term performance of its directors and senior management and the time at which the variable part of remuneration is paid.

Article 28-2

A TWSE/GTSM listed company is advised to establish channels for anonymous whistleblowing and whistleblower protection mechanisms. The unit that handles complaints shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those procedures into the company's internal control system for management purposes.

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Article 29

To improve the quality of its financial reports, a TWSE/GTSM listed company shall establish the position of deputy to its principal accounting officer.

To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the schedule of the principal accounting officer.

Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses for 6 hours or more each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers.

A TWSE/GTSM listed company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the company shall faithfully implement improvement actions. It is advisable that the company establish channels and mechanisms of communication between the independent directors, the supervisor or audit committee, and the attesting CPA, and to incorporate procedures for that purpose into the company's internal control system for management purposes.

A TWSE/GTSM listed company shall evaluate the independence and suitability of the CPA engaged by the company regularly, and no less frequently than once annually. In the event that the company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.

Article 30

It is advisable that a TWSE/GTSM listed company engage a professional and competent legal counsel to provide adequate legal consultation services to the company, or to assist the directors, the supervisors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed

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procedures.

When, as a result of performing their lawful duties, directors, supervisors or the management are involved in litigation or a dispute with shareholders, the company shall retain a legal counsel to provide assistance as circumstances require.

The audit committee or an independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their power, at the expense of the company.

Section 4 Rules for the Proceedings of Board Meetings and the Decision-Making Procedures

Article 31

The board of directors of a TWSE/GTSM listed company shall meet at least once every quarter, or convene at any time in case of emergency. To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director and supervisor no later than 7 days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the board of directors.

A TWSE/GTSM listed company shall adopt rules of procedure for board meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.

Article 32

Company directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter.

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Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings.

Article 33

When a board meeting is convened to consider any matter submitted to it pursuant to Article 14-3 of the Securities and Exchange Act, an independent director of a TWSE/GTSM listed company shall attend the board meeting in person, and may not be represented by a non-independent director via proxy. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the board of directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the board of directors meeting.

In any of the following circumstances, decisions made by the board of directors shall be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS before the beginning of trading hours on the first business day after the date of the board meeting:

1. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.
2. The matter was not approved by the audit committee (if the company has set up an audit committee), but had the consent of more than two-thirds of all directors.

During a board meeting, managers from relevant departments who are not directors may, in view of the meeting agenda, sit in at the meetings, make reports on the current business conditions of the company and respond to inquiries raised by the directors. Where necessary, a CPA, legal counsel, or other professional may be invited to sit in at the meetings to assist the directors in understanding the conditions of the company for the purpose of adopting an appropriate resolution, provided that they shall leave the meeting when deliberation or voting takes place.

Article 34

Staff personnel of a TWSE/GTSM listed company attending board meetings shall collect and correctly record the meeting minutes in detail, as well as a summary, the method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations.

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The minutes of the board of directors meetings shall be signed by the chairperson and secretary of the meeting and sent to each director and supervisor within 20 days after the meeting. The director attendance records shall be made part of the meeting minutes, treated as important corporate records, and kept safe permanently during the life of the company.

Meeting minutes may be produced, distributed, and preserved by electronic means.

A company shall record on audio or video tape the entire proceedings of a board of directors meeting and preserve the recordings for at least 5 years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph a lawsuit arises with respect to a resolution of a board of directors meeting, the relevant audio or video recordings shall be preserved for a further period, in which case the preceding paragraph does not apply.

Where a board of directors meeting is held via teleconference or video conference, the audio or video recordings of the meeting form a part of the meeting minutes and shall be preserved permanently.

When a resolution of the board of directors violates laws, regulations, the articles of incorporation, or resolutions adopted in the shareholders meeting, and thus causes an injury to the company, dissenting directors whose dissent can be proven by minutes or written statements will not be liable for damages.

Article 35

A TWSE/GTSM listed company shall submit the following matters to its board of directors for discussion:

1. Corporate business plans.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be CPA audited and attested.
3. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.

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5. The offering, issuance, or private placement of any equity-type securities.
6. The performance assessment and the standard of remuneration of the managerial officers.
7. The structure and system of director's remuneration.
8. The appointment or discharge of a financial, accounting, or internal audit officer.
9. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.
10. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or to be submitted to a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.

Except for matters that must be submitted to the board of directors for discussion under the preceding paragraph, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or its articles of incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

Article 36

A TWSE/GTSM listed company shall ask the appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions in a manner consistent with the planned schedule and objectives. It shall also follow up on those matters and faithfully review their implementation.

The board of directors shall remain informed of the progress of implementation and receive reports in subsequent meetings to ensure the actual implementation of the board's management decisions.

Section 5 Fiduciary Duty, Duty of Care and Responsibility of Directors

Article 37

Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the company, they shall exercise

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their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors.

Any resolution of the board of directors that involves the company's business development or a major policy direction shall be carefully considered and may not affect the implementation or effectiveness of corporate governance.

Independent directors shall perform their duties in accordance with relevant laws, regulations and the company's articles of incorporation so as to protect the interests of the company and shareholders.

It is advisable that a TWSE/GTSM listed company formulate rules and procedures for board of directors performance assessments, and that each year it conduct regularly scheduled performance assessments of the board of directors, functional committees, and individual directors through self-assessment, peer-to-peer assessments, engaging outside professional institutions, or in any other appropriate manner. It is advisable that the performance assessment of the board of directors (functional committees) include the following aspects, and that appropriate assessment indicators be developed in consideration of the company's needs:

1. The degree of participation in the company's operations.
2. Improvement in the quality of decision making by the board of directors.
3. The composition and structure of the board of directors.
4. The election of the directors and their continuing professional education.
5. Internal controls.

It is advisable that performance assessments of board members (self-assessments or peer-to-peer assessments) include the following aspects, with appropriate adjustments made on the basis of the company's needs:

1. Their grasp of the company's goals and missions.
2. Their recognition of director's duties.
3. Their degree of participation in the company's operations.
4. Their management of internal relationships and communication.
5. Their professionalism and continuing professional education.
6. Internal controls.

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A TWSE/GTSM listed company's board of directors shall consider adjusting its composition based on the results of performance assessments.

Article 37-1

It is advisable for a TWSE/GTSM listed company to establish a succession plan for the management. The development and implementation of such plan shall be periodically evaluated by the board of directors to ensure sustainable operation.

Article 38

If a resolution of the board of directors violates law, regulations or the company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director, or at the notice of a supervisor to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.

Upon discovering a likelihood that the company would suffer material injury, members of the board of directors shall immediately report to the audit committee, an independent director member of the audit committee, or a supervisor in accordance with the foregoing paragraph.

Article 39

According to the articles of incorporation or a resolution adopted in the shareholders meeting, a TWSE/GTSM listed company may take out liability insurance for directors with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoings or negligence of a director.

Article 40

Members of the board of directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Supervisors of TWSE/GTSM Listed Companies, which cover subjects relating to corporate governance upon becoming directors and throughout their terms of occupancy. They shall also ensure that company employees at all levels will enhance their professionalism and knowledge of the law.

Chapter IV Empowering the Supervisors

Section 1 Functions of Supervisors

Article 41

A TWSE/GTSM listed company shall stipulate a fair, just, and open procedure for the election of supervisors, and shall adopt a cumulative voting mechanism pursuant to the Company Act to fully reflect the opinions of the shareholders.

A TWSE/GTSM listed company shall take into consideration the needs of overall business operations and comply with the rules of the TWSE or GTSM in setting the minimum number of supervisors.

The aggregate shareholding percentage of all of the supervisors of a TWSE/GTSM listed company shall comply with laws and regulations. Restrictions on share transfers by each supervisor and the creation, release, or changes in pledges of shares held by each supervisor shall comply with the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 42

A TWSE/GTSM listed company is advised to specify in its articles of incorporation that it adopts the candidate nomination system for elections of supervisors pursuant to the Company Act, and to review in advance the qualifications, education, working experience, background and the existence of any other matters set forth in Article 30 of the Company Act with respect to the supervisor candidates recommended by the shareholders or directors, and the company may not arbitrarily add requirements for documentation of other qualifications. It is advised to provide the results of the review to the shareholders for their reference, so that qualified supervisors will be elected.

Article 43

Unless otherwise approved by the competent authority, at least one supervisor seat shall have no spousal relationship or familial relationship within the second degree of kinship with another supervisor or a director.

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A TWSE/GTSM listed company is advised to refer to the provisions on independence provided in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and appoint a suitable supervisor to enhance the risk management and financial and operational control of the company.

A supervisor will preferably be domiciled within the territory of the ROC to allow timely performance of supervisory functions.

Section 2 Powers and Obligations of Supervisors

Article 44

A supervisor shall be familiar with the relevant laws and regulations, and shall understand the rights, obligations, and duties of directors of the company and the functions, duties, and operation of each department. A supervisor shall attend meetings of the board of directors to supervise their operations and to state his/her opinions when appropriate so as to grasp or discover any abnormal situation early on.

A TWSE/GTSM listed company shall stipulate the supervisor's remuneration in its articles of incorporation or by an approval in a shareholders meeting.

Article 45

A supervisor shall supervise the implementation of the operations of the company, and the performance of duties by directors and managers, and care the enforcement of the internal control system so as to reduce the financial and operational risks of the company.

Where a director, for himself/herself or on behalf of others, enters into a sale/purchase or loan transaction, or conducts any legal act with the company, a supervisor shall act as the representative of the company. In the event that the company has set up an audit committee, an independent director member of the audit committee shall act as the representative of the company in the above situation.

Article 46

A supervisor shall investigate the operational and financial conditions of the company from time to time, and the relevant departments in the company shall provide the books or documents that will be needed for the supervisor's review.

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When reviewing the finance or operations of the company, a supervisor may retain attorneys or CPAs on behalf of the company to perform the review; however, the company shall inform the relevant persons of their confidentiality obligations.

The board of directors or managers shall submit reports in accordance with the request of the supervisors and shall not for any reason obstruct, circumvent, or refuse the inspection of the supervisor.

When a supervisor performs his/her duties, a TWSE/GTSM listed company shall provide necessary assistance as needed by the supervisor, and the reasonable expenses that the supervisor needs shall be borne by the company.

Article 47

For supervisors to timely discover any possible irregular conduct in the company, a TWSE/GTSM listed company shall establish a channel for supervisors to communicate with the employees, shareholders, and stakeholders.

Upon discovering any irregular conduct, a supervisor shall take appropriate measures timely to curb the expansion of the irregular conduct, and file a report to the relevant regulatory authorities or agencies if necessary.

When an independent director or general manager, an officer of the finance, accounting, research and development, or internal audit department, or a CPA resigns or is removed from his/her position, the supervisors shall investigate the reasons.

In the event that a supervisor neglects his/her duties and therefore causes harm to the company, the supervisor shall be liable to the company.

Article 48

When exercising his/her supervisory power, each supervisor of a TWSE/GTSM listed company may, after taking into consideration the overall interest of the company and shareholders, convene a meeting to exchange opinions among all the supervisors when he or she feels necessary, but in so doing may not obstruct supervisors in exercising their duties.

Article 49

In accordance with the articles of incorporation or a resolution adopted at a shareholders meeting, a TWSE/GTSM listed company may take out liability insurance for supervisors with

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respect to liabilities resulting from the exercise of duties during their terms, so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoing or negligence of a supervisor.

Article 50

Upon becoming supervisors and throughout their terms, supervisors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Supervisors of TWSE/GTSM Listed Companies covering subjects relating to corporate governance.

Chapter V Respecting Stakeholders' Rights

Article 51

A TWSE/GTSM listed company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders, and shall respect and safeguard their legal rights. It is advisable for the company to designate a stakeholders section on its website.

When a TWSE/GTSM listed company is involved in a management buyout, it shall monitor the subsequent soundness of the company's financial structure.

When any of a stakeholder's legal rights or interests is harmed, the company shall handle the matter in a proper manner and in good faith.

Article 52

A TWSE/GTSM listed company shall provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational and financial conditions of the company and its decision-making process. When any of their legal rights or interest is harmed, the company shall respond with a responsible attitude and assist creditors in obtaining compensation through proper means.

Article 53

A TWSE/GTSM listed company shall establish channels of communication with employees

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and encourage employees to communicate directly with the management, directors, or supervisors so as to reflect employees' opinions about the management, financial conditions, and material decisions of the company concerning employee welfare.

Article 54

In developing its normal business and maximizing the shareholders' interest, a TWSE/GTSM listed company shall pay attention to consumers' interests, environmental protection of the community, and public interest issues, and shall give serious regard to the company's social responsibility.

Chapter VI Improving Information Transparency

Section 1 Enhancing Information Disclosure

Article 55

Disclosure of information is a major responsibility of a TWSE/GTSM listed company. A TWSE/GTSM listed company shall perform its obligations faithfully in accordance with the relevant laws and the related TWSE and GTSM rules.

A TWSE/GTSM listed company shall establish an Internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing the information, and establish a spokesperson system so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.

Article 56

In order to enhance the accuracy and timeliness of the material information disclosed, a TWSE/GTSM listed company shall appoint a spokesperson and acting spokesperson(s) who understand thoroughly the company's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the company in making statements independently.

A TWSE/GTSM listed company shall appoint one or more acting spokespersons who shall represent the company, when the spokesperson cannot perform his/her duties, in making statements independently, provided that the order of authority is established to avoid any confusion.

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In order to implement the spokesperson system, a TWSE/GTSM listed company shall unify the process of making external statements. It shall require the management and employees to maintain the confidentiality of financial and operational secrets and prohibit their disclosure of any such information at will.

The company shall disclose the relevant information immediately whenever there is any change to the position of a spokesperson or acting spokesperson.

Article 57

In order to keep shareholders and stakeholders fully informed, a TWSE/GTSM listed company shall utilize the convenience of the Internet and set up a website containing the information regarding the company's finances, operations, and corporate governance. It is also advisable for the company to furnish the financial, corporate governance, and other relevant information in English.

To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed and updated on a timely basis.

Article 58

A TWSE/GTSM listed company shall hold an investor conference in compliance with the regulations of the TWSE and GTSM, and shall keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on the designated Internet information posting system and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE or GTSM rules.

Section 2 Disclosure of Information on Corporate Governance

Article 59

A TWSE/GTSM listed company shall disclose the following information regarding corporate governance in the fiscal year in accordance with laws and regulations and TWSE and GTSM rules:

1. Corporate governance framework and rules.
2. Ownership structure and the rights and interests of shareholders.
3. Structure and independence of the board of directors.

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4. Responsibility of the board of directors and managerial officers.
5. Composition, duties and independence of the audit committee or supervisors.
6. Composition, duties and operation of the remuneration committee.
7. The remuneration paid to the directors, supervisors, general manager and vice general manager in the most recent fiscal year, the analysis of the percentage of total remuneration to net profit after tax, the policy, standard and package of remuneration payment, the procedure for determination of remuneration and the connection with the operation performance. Under special individual circumstances, remuneration of individual directors and supervisors shall be disclosed.
8. The progress of training of directors and supervisors.
9. The rights of and relationships between the stakeholders.
10. Details of the events subject to information disclosure required by law and regulations.
11. The enforcement of corporate governance, differences between the corporate governance principles implemented by the company and these Principles, and the reason for the differences.
12. Other information regarding corporate governance.

A TWSE/GTSM listed company is advised, according to the actual performance of the corporate governance system, to disclose the plans and measures to improve its corporate governance system through appropriate mechanisms.

Chapter VII Supplementary Provisions

Article 60

A TWSE/GTSM listed company shall at all times monitor domestic and international developments in corporate governance as a basis for review and improvement of the company's own corporate governance mechanisms, so as to enhance their effectiveness.

Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies

Amended Date: 2014.11.07

Chapter I General Principles

Article 1

In order to assist companies listed on the Taiwan Stock Exchange Corporation ("TWSE") and GreTai Securities Market ("GTSM") (collectively referred to as "TWSE/GTSM listed companies") to fulfill their corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the TWSE and GTSM hereby jointly adopt the Principles to be followed by TWSE/GTSM listed companies.

TWSE/GTSM listed companies are advised to promulgate their own corporate social responsibility principles in accordance with the Principles to manage their economic, environmental and social risks and impact.

Article 2

The Principles applies to TWSE/GTSM listed companies, including the entire operations of each such company and its business group.

The Principles encourages TWSE/GTSM listed companies to actively fulfill their corporate social responsibility in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.

Article 3

In fulfilling corporate social responsibility initiatives, TWSE/GTSM listed companies shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.

Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies

Article 4

To implement corporate social responsibility initiatives, TWSE/GTSM listed companies are advised to follow the principles below:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of corporate social responsibility information.

Article 5

TWSE/GTSM listed companies shall take into consideration the correlation between the development of domestic and international corporate social responsibility principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility programs, which shall be approved by the board of directors and then reported to the shareholders meeting.

When a shareholder proposes a motion involving corporate social responsibility, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.

Chapter 2 Exercising Corporate Governance

Article 6

TWSE/GTSM listed companies are advised to follow the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the Code of Ethical Conduct for TWSE/GTSM Listed Companies to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 7

The directors of a TWSE/GTSM listed company shall exercise the due care of good

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administrators to urge the company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.

The board of directors of a TWSE/GTSM listed company is advised to include the following matters in the company's performance of its corporate social responsibility initiatives:

1. Identifying the company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines;
2. Making corporate social responsibility the guiding principle of the company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives; and
3. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of a TWSE/GTSM listed company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 8

TWSE/GTSM listed companies are advised to, on a regular basis, organize education and training on the implementation of corporate social responsibility initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 9

For the purpose of managing corporate social responsibility initiatives, TWSE/GTSM listed companies are advised to establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

TWSE/GTSM listed companies are advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.

Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies

It is advised that the employee performance evaluation system be combined with corporate social responsibility policies, and that a clear and effective incentive and discipline system be established.

Article 10

TWSE/GTSM listed companies shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.

Chapter 3 Fostering a Sustainable Environment

Article 11

TWSE/GTSM listed companies shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12

TWSE/GTSM listed companies are advised to endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 13

TWSE/GTSM listed companies are advised to establish proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.

Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies

3. Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation on a regular basis.

Article 14

TWSE/GTSM listed companies are advised to establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for their managerial officers and other employees on a periodic basis.

Article 15

TWSE/GTSM listed companies are advised to take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:

1. Reduce resource and energy consumption of their products and services.
2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve efficiency of products and services.

Article 16

To improve water use efficiency, TWSE/GTSM listed companies shall properly and sustainably use water resources and establish relevant management measures.

TWSE/GTSM listed companies shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

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Article 17

TWSE/GTSM listed companies are advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.
2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.

TWSE/GTSM listed companies are advised to monitor the impact of climate change on their operations and should establish company strategies for energy conservation and carbon and greenhouse gas reduction based upon their operations and the result of a greenhouse gas inventory. Such strategies should include obtaining carbon credits to promote and minimize the impact of their business operations on climate change.

Chapter 4 Preserving Public Welfare

Article 18

TWSE/GTSM listed companies shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

A TWSE/GTSM listed company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handling processes.
3. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
4. In the event of any infringement of human rights, the company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies

TWSE/GTSM listed companies shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

TWSE/GTSM listed companies shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. A company shall respond to any employee's grievance in an appropriate manner.

Article 19

TWSE/GTSM listed companies shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.

Article 20

TWSE/GTSM listed companies are advised to provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

TWSE/GTSM listed companies are advised to organize training on safety and health for their employees on a regular basis.

Article 21

TWSE/GTSM listed companies are advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills.

TWSE/GTSM listed companies shall appropriately reflect the corporate business performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies

Article 22

TWSE/GTSM listed companies shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decisions.

TWSE/GTSM listed companies shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives.

TWSE/GTSM listed companies shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article 23

TWSE/GTSM listed companies shall take responsibility for their products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the company shall ensure the transparency and safety of their products and services. They further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers. .

Article 24

TWSE/GTSM listed companies shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries.

TWSE/GTSM listed companies shall follow relevant laws, regulations and international guidelines when marketing or labeling their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 25

TWSE/GTSM listed companies are advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.

Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies

TWSE/GTSM listed companies are advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 26

TWSE/GTSM listed companies are advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative.

Prior to engaging in commercial dealings, TWSE/GTSM listed companies are advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.

When TWSE/GTSM listed companies enter into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 27

TWSE/GTSM listed companies shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

TWSE/GTSM listed companies are advised to, through commercial activities, non-cash property endowments, volunteering service or other charitable professional services, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

Chapter 5 Enhancing Disclosure of Corporate Social Responsibility Information

Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies

Article 28

TWSE/GTSM listed companies shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to their corporate social responsibility initiatives to improve information transparency.

Relevant information relating to corporate social responsibility which TWSE/GTSM listed companies shall disclose includes:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the board of directors.
2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
3. Goals and measures for realizing the corporate social responsibility initiatives established by the companies, and performance in implementation.
4. Major stakeholders and their concerns.
5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
6. Other information relating to corporate social responsibility initiatives.

Article 29

TWSE/GTSM listed companies shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of their implementation of the corporate social responsibility policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable

Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies

environment, preservation of public welfare and promotion of economic development.

4. Future improvements and goals.

Chapter 6 Supplementary Provisions

Article 30

TWSE/GTSM listed companies shall at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve their established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.

Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

Amended Date: 2014.11.07

Article 1

These Principles are adopted to assist companies listed on the Taiwan Stock Exchange Corporation (TWSE) and GreTai Securities Market (GTSM) (collectively, "TWSE/GTSM listed companies") to foster a corporate culture of ethical management and sound development, and offer a reference framework for establishing good commercial practices.

Each TWSE/GTSM listed company is advised to, in accordance with these Principles, adopt its own ethical corporate management best practice principles applicable to its business groups and organizations of such TWSE/GTSM listed company, which comprise its subsidiaries, any foundation to which the TWSE/GTSM listed company's direct or indirect contribution of funds exceeds 50 percent of the total funds received, and other institutions or juridical persons which are substantially controlled by such company ("business group").

Article 2

When engaging in commercial activities, directors, supervisors, managers, employees, and mandataries of TWSE/GTSM listed companies or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.

Article 3

"Benefits" in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

Article 4

TWSE/GTSM listed companies shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5

TWSE/GTSM listed companies shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6

TWSE/GTSM listed companies shall in their own ethical management policy clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines, and training.

When establishing the prevention programs, TWSE/GTSM listed companies shall comply with relevant laws and regulations of the territory where the companies and their business group are operating.

In the course of developing the prevention programs, TWSE/GTSM listed companies are advised to negotiate with staff, labor unions members, important trading counterparties, or other stakeholders.

Article 7

When establishing the prevention programs, TWSE/GTSM listed companies shall analyze which business activities within their business scope which are possibly at a higher risk of being involved in an unethical conduct, and strengthen the preventive measures.

The prevention programs adopted by TWSE/GTSM listed companies shall at least include preventive measures against the following:

1. Offering and acceptance of bribes.

Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Engaging in unfair competitive practices.
7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

Article 8

TWSE/GTSM listed companies and their respective business group shall clearly specify in their rules and external documents the ethical corporate management policies and the commitment by the board of directors and the management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.

Article 9

TWSE/GTSM listed companies shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.

Prior to any commercial transactions, TWSE/GTSM listed companies shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

When entering into contracts with their agents, suppliers, clients, or other trading counterparties, TWSE/GTSM listed companies shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the TWSE/GTSM listed companies may at any time terminate or rescind the contracts.

Article 10

When conducting business, TWSE/GTSM listed companies and their directors, supervisors,

Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

Article 11

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, TWSE/GTSM listed companies and their directors, supervisors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 12

When making or offering donations and sponsorship, TWSE/GTSM listed companies and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 13

TWSE/GTSM listed companies and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 14

TWSE/GTSM listed companies and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 15

TWSE/GTSM listed companies shall engage in business activities in accordance with

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applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 16

In the course of research and development, procurement, manufacture, provision, or sale of products and services, TWSE/GTSM listed companies and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall, in principle, recall those products or suspend the services immediately.

Article 17

The directors, supervisors, managers, employees, mandataries, and substantial controllers of a TWSE/GTSM listed company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, TWSE/GTSM listed companies shall establish a dedicated unit that is under the board of directors and responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis:

1. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Adopting programs to prevent unethical conduct and setting out in each program the standard

Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

operating procedures and conduct guidelines with respect to the company's operations and business.

3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 18

TWSE/GTSM listed companies and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.

Article 19

TWSE/GTSM listed companies shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, supervisors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company.

When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, supervisors, managers, and other stakeholders attending or present at board meetings of a TWSE/GTSM listed company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

TWSE/GTSM listed companies' directors, supervisors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 20

TWSE/GTSM listed companies shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

The internal audit unit of a TWSE/GTSM listed company shall periodically examine the company's compliance with the foregoing systems and prepare audit reports and submit the same to the board of directors. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

Article 21

TWSE/GTSM listed companies shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, supervisors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
7. Handling procedures for violations of these Principles.
8. Disciplinary measures on offenders.

Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

Article 22

The chairperson, general manager, or senior management of a TWSE/GTSM listed company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.

TWSE/GTSM listed companies shall periodically organize training and awareness programs for directors, supervisors, managers, employees, mandataries, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

TWSE/GTSM listed companies shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 23

TWSE/GTSM listed companies shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:

1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the company to submit reports.
2. Dedicated personnel or unit appointed to handle whistle-blowing system. Any tip involving a director or senior manager shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
3. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
4. Confidentiality of the identity of whistle-blowers and the content of reported cases.
5. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
6. Whistle-blowing incentive measures.

When material misconduct or likelihood of material impairment to the TWSE/GTSM listed company comes to their awareness upon investigation, the dedicated personnel or unit handling

Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

the whistle-blowing system shall immediately prepare a report and notify the independent directors or supervisors in written form.

Article 24

TWSE/GTSM listed companies shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article 25

TWSE/GTSM listed companies shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. They shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on their company websites, annual reports, and prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.

Article 26

TWSE/GTSM listed companies shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 27

The ethical corporate management best practice principles of each TWSE/GTSM listed company shall be implemented after the board of directors grants the approval, and shall be sent to the supervisors and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.

For a TWSE/GTSM listed company that has appointed any independent director, when the ethical corporate management best practice principles are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into

Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objection or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

For a TWSE/GTSM listed company that has established an audit committee, the provisions regarding supervisors in these Principles shall apply mutatis mutandis to the audit committee.

Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings

Amended Date: 2015.01.28

Article 1

To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Article 2

The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3

(Convening shareholders meetings and shareholders meeting notices)

Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, 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 set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5

(Principles determining the time and place of a shareholders meeting)

The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6

(Preparation of documents such as the attendance book)

This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7

(The chair and non-voting participants of a shareholders meeting)

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8

(Documentation of a shareholders meeting by audio or video)

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings

Article 10

(Discussion of proposals)

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair 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 for a vote.

Article 11

(Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt

Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings

unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12

(Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When this Corporation holds a shareholders meeting, it may allow the shareholders to exercise

Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings

voting rights by correspondence or electronic means (in accordance with the proviso of Article 177-1 of the Company Act regarding companies that shall adopt electronic voting: When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence). When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings

When there is an amendment or an 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. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14

(Election of directors and supervisors)

The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of this

Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings

Corporation.

Article 16

(Public disclosure)

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17

(Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18

(Recess and resumption of a shareholders meeting)

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce

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a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

Sample Template for XXX Co., Ltd. Rules of Procedure for Board of Directors Meetings

Amended Date: 2012.11.08

Article 1

(Basis for the adoption of these Rules)

To establish a strong governance system and sound supervisory capabilities for this Corporation's board of directors and to strengthen management capabilities, 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 this Corporation, the main agenda items, working procedures, required content of meeting minutes, 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.

A notice of the reasons for convening a board meeting shall be given to each director and supervisor 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.

All matters set forth under Article 12, paragraph 1 of these Rules shall be specified 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.

Sample Template for XXX Co., Ltd. Rules of Procedure for Board of Directors Meetings

Article 4

(Meeting notification and meeting materials)

The designated unit responsible for the board meetings of this Corporation shall be : _____ . .

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.

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 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.

Article 6

(Principles for determining the place and time of a board meeting)

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.

Sample Template for XXX Co., Ltd. Rules of Procedure for Board of Directors Meetings

Article 7

(Chair and acting chair of a board meeting)

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

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.

Article 8

(Reference materials, non-voting participants, and holding board meetings)

When a board meeting is held, the management (or the designated unit responsible for the board meetings) shall furnish the attending directors with relevant materials for ready reference.

As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants.

When necessary, certified public accountants, attorneys, or other professionals retained by this Corporation may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.

If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements

Sample Template for XXX Co., Ltd. Rules of Procedure for Board of Directors Meetings

may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.

The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.

Article 9

(Documentation of a board meeting by audio or video)

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.

Article 10

(Agenda items)

Agenda items for regular board meetings of this Corporation shall include at least the following:

1. Matters to be reported:
 - A. Minutes of the last meeting and action taken.
 - B. Important financial and business matters.
 - C. Internal audit activities.
 - D. Other important matters to be reported.
2. Matters for discussion:
 - A. Items for continued discussion from the last meeting.
 - B. Items for discussion at this meeting.
3. Extraordinary motions.

Sample Template for XXX Co., Ltd. Rules of Procedure for Board of Directors Meetings

Article 11

(Discussion of proposals)

A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.

The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.

At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 3 shall apply *mutatis mutandis*.

Article 12

(Matters requiring discussion at a board meeting)

The matters listed below as they relate to this Corporation shall be raised for discussion at a board meeting:

1. The Corporation's business plan.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
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.
5. The offering, issuance, or private placement of equity-type securities.
6. The 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.

Sample Template for XXX Co., Ltd. Rules of Procedure for Board of Directors Meetings

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.

With respect to a matter that, under Article 14-3 of the Securities and Exchange Act, must be approved by resolution at a board meeting, any and all independent directors of this Corporation shall attend the meeting in person or 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.

Article 13

(Voting—I)

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.

Sample Template for XXX Co., Ltd. Rules of Procedure for Board of Directors Meetings

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.
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 15, paragraph 1.

Article 14

(Voting—II and methods for vote monitoring and counting)

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.

Article 15

(Recusal system for directors)

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.

Sample Template for XXX Co., Ltd. Rules of Procedure for Board of Directors Meetings

Where a director is prohibited by the preceding paragraph 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 3 of the same Act.

Article 16

(Meeting minutes and sign-in matters)

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

1. The meeting session (or year) and the time and place of the meeting.
2. The name of the chair.
3. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.
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 12, 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.

Sample Template for XXX Co., Ltd. Rules of Procedure for Board of Directors Meetings

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 publicly announced and filed 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 this Corporation.

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 appropriately preserved during the existence of this Corporation.

The meeting minutes of paragraph 1 may produced and distributed in electronic form.

Article 17

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

With the exception of matters required to be discussed at a board meeting under Article 12, 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 this Corporation's articles of incorporation, 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.
- 2.

Article 18

(Meetings of board of managing directors)

The provisions of Article 2, Article 3, paragraph 2, Articles 4 to 6, Articles 8 to 11, and Articles 13 to 16 apply, mutatis mutandis, to this Corporation's meetings of the board of managing

Sample Template for XXX Co., Ltd. Rules of Procedure for Board of Directors Meetings

directors, provided that when meetings of the board of managing directors are held at regular intervals of 7 days or less, notices of such meetings may be given to each managing director before 2 days before the meeting.

Article 19

(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.

Sample Template for XXX Co., Ltd. Procedures for Election of Directors and Supervisors

Amended Date: 2015.01.28

Article 1

To ensure a just, fair, and open election of directors and supervisors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Article 2

Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors and supervisors shall be conducted in accordance with these Procedures.

Article 3

The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.

Sample Template for XXX Co., Ltd. Procedures for Election of Directors and Supervisors

5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.

Article 4

Supervisors of this Corporation shall meet the following qualifications:

1. Integrity and a practical attitude.
2. Impartial judgment.
3. Professional knowledge.
4. Broad experience.
5. Ability to read financial statements.

In addition to the requirements of the preceding paragraph, at least one among the supervisors of this Corporation must be an accounting or finance professional.

Appointments of supervisors shall be made with reference to the provisions on independence contained in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, in order to select appropriate supervisors to help strengthen the corporation's risk management and control of finance and operations.

At least one supervisor position must be held by a person having neither a spousal relationship nor a relationship within the second degree of kinship with any other supervisor or with any director.

A supervisor may not serve concurrently as the director, managerial officer, or any other employee of this Corporation, and at least one of the supervisors must be domiciled in the Republic of China to be able to promptly fulfill the functions of supervisor.

Sample Template for XXX Co., Ltd. Procedures for Election of Directors and Supervisors

Article 5

The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Article 6

Elections of both directors and supervisors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. This Corporation shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and supervisors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors and supervisors will be elected.

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for TPEX Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the TPEX, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of supervisors falls below that prescribed in this Corporation's articles of incorporation due to the dismissal of a supervisor for any reason, a by-election to fill the vacancy

Sample Template for XXX Co., Ltd. Procedures for Election of Directors and Supervisors

should ideally be held at the next shareholders meeting. When the supervisors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 7

The cumulative voting method shall be used for election of the directors and supervisors at this Corporation. Each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 8

The board of directors shall prepare separate ballots for directors and supervisors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 9

The number of directors and supervisors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 10

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 11

If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder

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account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 12

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the board of directors.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 13

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors or supervisors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Sample Template for XXX Co., Ltd. Procedures for Election of Directors and Supervisors

Article 14

The board of directors of this Corporation shall issue notifications to the persons elected as directors or supervisors.

Article 15

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Sample Template for XXX Co., Ltd. Rules Governing the Scope of Powers of Independent Directors

Amended Date: 2010.11.10

Article 1

To ensure good corporate governance and establish a sound independent director system, these Rules are adopted pursuant to Article 26, paragraph 1 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

(Scope of application for these Rules)

Except as otherwise provided by law and regulation or by the articles of incorporation, matters concerning the duties of independent supervisors of this Corporation shall be as set out in these Rules.

Article 3

The following matters shall be submitted to the board of directors for resolution. 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 is but unable to attend the board meeting in person, then 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:

1. This Corporation's business plan.
2. Annual and semi-annual financial reports.
3. Review of the adoption of or amendments to the internal control system of this Corporation.
4. Review of the adoption of or amendments to the procedures for handling material financial or business activities, such as acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
5. Matters in which a director or a supervisor is an interested party.

Sample Template for XXX Co., Ltd. Rules Governing the Scope of Powers of Independent Directors

6. Asset transactions or derivatives trading of a material nature.
7. Loans of funds, endorsements, or provision of guarantees of a material nature.
8. The offering, issuance, or private placement of equity-type securities.
9. The hiring or dismissal of a certified public accountant and their compensation.
10. The appointment or discharge of a financial, accounting, or internal audit officer.
11. Other matters required by law, regulation, or the articles of incorporation to be approved by resolution at a shareholders meeting or a board meeting, or any matter of a material nature as prescribed by the competent authority.

Article 4

(Liability insurance)

This Corporation may take out liability insurance for its independent directors.

Article 5

(Remuneration)

This Corporation shall set the remuneration of the independent directors in its articles of incorporation or by a resolution of a shareholders meeting, and may consider providing a reasonable level of remuneration different from that of ordinary directors and supervisors. This Corporation may also, in accordance with procedures prescribed by law, consider providing remuneration for independent directors in the form of a fixed monthly salary, rather than as distributions from the earnings of the company.

Article 6

(Continuing education)

All independent directors of this Corporation shall pursue continuing education, including attending the relevant training courses as required.

Article 7

Neither this Corporation nor other board members may obstruct, refuse, or evade the actions of independent directors in the performance of their duties. As they deem necessary to performing

Sample Template for XXX Co., Ltd. Rules Governing the Scope of Powers of Independent Directors

those duties, independent directors may request the board to appoint relevant personnel or to hire professionals for assistance.

Any expenses necessary to the hiring of professionals or the exercise of powers by the independent directors under the preceding paragraph shall be borne by this Corporation.

Article 8

These Rules, and any amendments hereto, shall be implemented after adoption by the board of directors.

Sample Template for XXX Co., Ltd. Rules Governing the Scope of Powers of Supervisors

Amended Date: 2010.11.10

Article 1

(Purposes of adoption of these Rules)

To ensure the normal business operation of this Company and to develop an effective, comprehensive, and robust supervisory system for the supervisors, allowing supervisors to fulfill their functions, and for the purpose of strengthening this Company's internal monitoring mechanisms and ensuring sound corporate governance, in order to fulfill the responsibility for safeguarding the rights and interests of this Company and all of its shareholders, these Rules are adopted pursuant to the provisions of Chapter IV of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

(Scope of application for these Rules)

Except as otherwise provided by law or regulation or by the articles of incorporation, the powers and duties of the supervisors of this Company and the matters to be carried out by this Company when the supervisors exercise their powers shall be as set forth in these Rules.

Article 3

(Scope of duties)

The supervisors shall faithfully perform their duties and fulfill the obligation to exercise the due care of a good administrator. They shall maintain a high degree of self-discipline and adopt a prudential attitude in supervising the business and financial conditions of this Company, in order to safeguard the rights and interests of this Company and its shareholders.

If in the course of their duties a supervisor violates a law, regulation, or the articles of incorporation, or if a supervisor neglects his or her supervisory duties, thereby causing damage to this Company, the supervisor shall be legally held liable to this Company for damages.

Sample Template for XXX Co., Ltd. Rules Governing the Scope of Powers of Supervisors

Article 4

(Exercise of supervisory powers)

A supervisor shall be familiar with the relevant laws and regulations, shall understand the rights, obligations, and duties of the directors of this Company and the respective functions, duties, and operations of each department. Supervisors shall attend meetings of the board of directors to oversee its operation and to state their opinions when appropriate so as to control or discover any irregularity as early as possible.

In the exercise of supervisory powers by each respective supervisor, a supervisor that deems it necessary may convene a meeting, in consideration the overall interest of this Company and the shareholders, to exchange opinions with other supervisors, provided that in so doing the independent exercise of powers by other supervisors is not obstructed.

Article 5

(Supervision of business operations, the management team, and the internal control system of this Company)

The supervisors shall monitor the business operations of this Company, examine its financial and business conditions from time to time, and review its books and records. They may request reports to be presented by the board of directors or any of the managerial officers in order to understand the status of performance of their respective duties, and shall attend to the effectiveness and implementation of the internal control system so as to reduce the financial and operational risks of this Company.

Article 6

(Notification of meetings of the board of directors)

When a meeting of the board of directors is held, each supervisor shall be notified of the meeting in accordance with the provisions of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, and the meeting notice and sufficient meeting materials shall be delivered to all supervisors.

Sample Template for XXX Co., Ltd. Rules Governing the Scope of Powers of Supervisors

Article 7

(Recusal)

The supervisors shall maintain a high degree of self-discipline; when a proposal put forward at a meeting bears on the personal interest of a supervisor, and such relationship is likely to prejudice the interest of this Company, the supervisor shall enter into recusal.

Article 8

(Limiting violations of law by the board or a director in the course of duties)

Upon discovering any violation of a law or regulation, the articles of incorporation, or a shareholders meeting resolution by the board of directors or by a director in the course of their duties, a supervisor shall immediately notify the board of directors or the director to cease such conduct.

Article 9

(Reviewing the books and records of this Company)

The supervisors shall thoroughly review and issue a report on the various books and records (including business reports, financial statements, proposals for distribution of earnings or for covering of losses) compiled by the board of directors and presented at shareholders meetings, and shall state their opinion at the shareholder meeting.

Article 10

(Review of the business and finances of this Company)

A supervisor may at any time investigate the financial and business conditions of this Company, and the relevant departments in this Company shall provide the books and documents that may be required by the investigation.

When reviewing the financial or business conditions of this Company, a supervisor may retain attorneys or accountants on behalf of this Company to perform the review, provided that they shall inform the relevant persons of their confidentiality obligations.

The board of directors or managerial officers shall submit reports at the request of a supervisor and may not for any reason obstruct, evade, or refuse the inspections of the supervisors.

When a supervisor performs his or her duties, this Company shall provide the necessary

Sample Template for XXX Co., Ltd. Rules Governing the Scope of Powers of Supervisors

assistance in accordance with the needs of the supervisor, and any reasonable expenses required for such assistance shall be borne by this Company.

Article 11

(Communication channels with relevant personnel in this Company)

The supervisors shall conduct periodic discussions with the internal auditors regarding their examination of deficiencies in the internal control system, and shall make a record of the discussions.

This Company shall establish a channel for communication between its employees, shareholders, and interested parties and the supervisors in order to facilitate the supervisory duties of the supervisors.

Upon discovering any misconduct, a supervisor shall take timely measures to curb its expansion, and if necessary shall file a report with the competent authority or relevant regulatory agencies.

If any of a TSWE or GTSM listed company's independent directors, general managers, heads of finance, accounting, research and development, or internal audit departments, or CPAs resigns or is removed from their position, the supervisors shall closely investigate the reasons and make necessary recommendations or take necessary measures.

Article 12

(Liability insurance for supervisors)

It is advisable that this Company, in accordance with the articles of incorporation or the resolution of a shareholders meeting, take out liability insurance for the supervisors with respect to liabilities resulting from the performance of duties during their terms of office, so as to reduce and spread the risk of material damage to the rights and interests of this Company and the shareholders as a result of error or negligence on the part of a supervisor.

Article 13

(Continuing education for supervisors)

Upon becoming a supervisor and throughout their term in that position, a supervisor is advised to participate in training courses covering subjects related to corporate governance, such as

Sample Template for XXX Co., Ltd. Rules Governing the Scope of Powers of Supervisors

finance, risk management, business, commerce, accounting, law, or corporate social responsibility, offered by the institutions designated in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and GTSM Listed Companies.

Article 14

(Supplementary provisions)

These Rules, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Sample Template for XXX Co., Ltd. Audit Committee Charter

Amended Date: 2006.09.27

Article 1

This Charter is adopted pursuant to Article 3 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.

Article 2

Matters concerning the number, term of office, powers, rules of procedure for meetings, and resources to be provided by this Corporation when the Audit Committee ("the Committee") exercises its powers shall be handled in accordance with this Charter.

Article 3

The main function of the Audit Committee is to supervise the following matters:

1. Fair presentation of the financial reports of this Corporation.
2. The hiring (and dismissal), independence, and performance of certificated public accountants of this Corporation.
3. The effective implementation of the internal control system of this Corporation.
4. Compliance with relevant laws and regulations by this Corporation.
5. Management of the existing or potential risks of this Corporation.

Article 4

The Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise.

The independent director members of the Committee shall serve a 3-year term, and may be re-elected to further terms. When the number of the independent director members on the Committee falls below that prescribed in the preceding paragraph or in the articles of incorporation due to an independent director's dismissal for any reason, a by-election shall be held at the next shareholders

Sample Template for XXX Co., Ltd. Audit Committee Charter

meeting to fill the vacancy. When the independent directors are dismissed en masse or all of their positions are vacant, a special shareholders meeting shall be called within 60 days from the date of the occurrence to hold a by-election to fill the vacancies.

Article 5

Powers conferred by the Securities and Exchange Act, the Company Act, and any other law to be exercised by supervisors, excepting those set forth in Article 14-4, paragraph 4 of the Securities and Exchange Act, shall be exercised by the Committee.

The provisions of Article 14-4, paragraph 4 of the Securities and Exchange Act, in regard to the Company Act as concerns the actions of supervisors or their role as representatives of a company, apply mutatis mutandis to the independent director members of the Committee.

Article 6

The powers of the Committee are as follows:

1. The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
4. Matters in which a director is an interested party.
5. Asset transactions or derivatives trading of a material nature.
6. Loans of funds, endorsements, or provision of guarantees of a material nature.
7. The offering, issuance, or private placement of equity-type securities.
8. The hiring or dismissal of a certified public accountant, or their compensation.
9. The appointment or discharge of a financial, accounting, or internal audit officer.
10. Annual and semi-annual financial reports.
11. Other material matters as may be required by this Corporation or by the competent authority.

Sample Template for XXX Co., Ltd. Audit Committee Charter

The matters under the preceding paragraph shall be subject to the approval of one half or more of the entire membership of the Committee and shall be submitted to the board of directors for a resolution.

Any matter in the paragraph 1, with the exception of subparagraph 10, that has not been approved by one half or more of the entire membership of the Committee may be adopted with the approval of two thirds or more of the entire board of directors.

"The entire membership," as used herein, shall be counted as the number of members actually in office at the given time.

The convener of the Committee shall represent the Committee to the public.

Article 7

The Committee shall convene at least once quarterly, and may call a meeting at its discretion whenever necessary.

In calling a meeting of the Committee, a notice of the reasons for convening the meeting shall be given to each independent director member at least 7 days in advance. In emergency circumstances, however, the meeting may be called on shorter notice.

A member of the Committee shall be elected as the convener and meeting chair by and from the entire membership of the Committee. When the convener is on leave or unable to convene a meeting for any reason, the convener shall appoint another independent director member on the Committee as acting convener; if the convener does not make such an appointment, one independent director member of the Committee shall be elected by and from the other independent director members of the Committee to serve as convener.

The Committee may request the managers of relevant departments, internal audit officers, certified public accountants, attorneys, or other personnel of this Corporation to attend the meeting as non-voting participants and provide pertinent and necessary information.

When the Committee calls a meeting, it shall furnish the members of the Committee present at the meeting with relevant materials for reference as necessary.

Article 8

When a meeting of the Committee is held, an attendance book shall be made available for signing-in by the independent director members in attendance, and thereafter made available for

Sample Template for XXX Co., Ltd. Audit Committee Charter

reference.

Independent director members shall attend meetings of the Committee in person; if an independent director member is unable to attend in person, the independent director member may appoint another independent director member as proxy to attend the meeting. Attendance via telecommunications is deemed as attendance in person.

A member of the Committee that appoints another independent director member as proxy to attend a meeting of the Committee shall in each instance issue a written proxy stating the scope of authorization with respect to the items on the meeting agenda.

Resolutions at meetings of the Committee shall be adopted with the approval of one half or more of the entire membership. The result of a vote shall be made known immediately and recorded in writing.

If for a legitimate reason it is impossible to hold a meeting of the Committee, matters on the meeting agenda shall be adopted with the consent of two thirds or more of the entire board of directors. Nevertheless, a written opinion indicating approval or disapproval shall be obtained from each independent director member with respect to the matters under Article 6, paragraph 1, subparagraph 10.

The proxy under paragraph 2 may accept a proxy from one person only.

Article 9

Discussions at a meeting of the Committee shall be included in the meeting minutes, which shall faithfully record the following:

1. The session, time, and place of the meeting.
2. The name of the meeting chair.
3. Attendance by the independent director members, including the names and the number of members present, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.
7. Agenda items: For each proposal, the method of resolution and the result; a summary of the

Sample Template for XXX Co., Ltd. Audit Committee Charter

comments of the independent director members of the Committee and experts and other persons present at the meeting; and any objections or reservations expressed.

8. Extraordinary motions: The name of the mover; the method of resolution and the result for each motion; a summary of the comments of the independent director members of the Committee and experts and other persons present at the meeting; and any objections or reservations expressed.

9. Other matters required to be recorded.

The attendance book constitutes part of the minutes for each meeting of the Committee and shall be preserved permanently.

The minutes of a Committee 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 appropriately preserved during the existence of this Corporation.

The meeting minutes of paragraph 1 may produced and distributed in electronic form.

Article 10

The Committee's meeting agenda shall be drafted by the convener. Other members may also put forward proposals for discussion by the Committee.

Article 11

An independent director member of the Committee shall recuse himself or herself when they are an interested party with respect to a given agenda item, when such a relationship is likely to prejudice the interests of this Corporation.

If, for the reason stated in the preceding paragraph, an agenda item cannot be resolved at a meeting of the Committee, it shall be reported to the board of directors, which shall resolve on the item.

Article 12

The Committee may resolve to retain the service of an attorney, certified public accountant, or other professionals to provide advice with respect to matters in connection with Article 6. The costs of their services shall be borne by this Corporation.

Sample Template for XXX Co., Ltd. Audit Committee Charter

Article 13

The Committee members shall exercise the due care of a good administrator and faithfully perform the duties prescribed in this Charter; they shall be accountable to the board of directors and shall submit their proposals to be resolved by the board.

Article 14

The Committee shall conduct periodic reviews of matters relating to this Charter and present the results for amendment by the board of directors.

The execution of tasks relating to resolutions adopted by the Committee may be delegated to the convener or other Committee members for follow-up, with a written or verbal report to be presented to the Committee during the implementation period. When necessary, the matter shall be presented for ratification or a report made at the next meeting of the Committee.

Article 15

This Charter, and any amendments hereto, shall come into in force after adoption by a resolution of the board of directors.

Sample Template for XXX Co., Ltd. Remuneration Committee Charter

Announced Date: 2011.09.08

Article 1

(Purpose and basis for adoption)

To ensure a sound system for compensation of the directors, supervisors and managerial officers of this Corporation, this Remuneration Committee Charter (hereinafter, "this Charter") is adopted pursuant to Article 3 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter (hereinafter, "the Regulations").

Article 2

(Scope of application)

Except as otherwise provided by law or regulation or by the articles of incorporation, matters in connection with the official powers of the Remuneration Committee (hereinafter, "the Committee") shall be handled in accordance with this Charter.

Article 3

(Disclosure for public reference)

This Corporation shall upload the content of this Charter to its website and the Market Observation Post System (MOPS) for public reference.

Article 4

(Functions of the Committee)

The functions of the Committee are to professionally and objectively evaluate the policies and systems for compensation of the directors, supervisors, and managerial officers of this Corporation, and submit recommendations to the board of directors for its reference in decision making.

Sample Template for XXX Co., Ltd. Remuneration Committee Charter

Article 5

(Committee composition)

The Committee shall consist of ___ members appointed by resolution of the board of directors. One of the members shall serve as convener.

The professional qualifications and degree of independence of the members of the Committee shall meet the requirements set out in Articles 5 and 6 of the Regulations.

Article 6

(Terms of Committee members and appointments to fill vacancies)

The term of the Committee members shall be the same as that of the board of directors by whom they were appointed.

When a member of the Committee is dismissed for any reason, resulting in there being less than three members, a board meeting to make a new appointment shall be held within 3 months from the date of occurrence.

Article 7

(Scope of duties)

The Committee shall exercise the care of a good administrator to faithfully perform the following duties and present its recommendations to the board of directors for discussion. However, recommendations regarding compensation for supervisors may be submitted to the board of directors for discussion only when the board of directors is expressly authorized to resolve on that matter by the articles of incorporation or by a resolution of the shareholders meeting:

1. Periodically reviewing this Charter and making recommendations for amendments.
2. Establishing and periodically reviewing the annual and long-term performance goals for the directors, supervisors, and managerial officers of this Corporation and the policies, systems, standards, and structure for their compensation.
3. Periodically assessing the degree to which performance goals for the directors, supervisors, and managerial officers of this Corporation have been achieved, and setting the types and amounts of their individual compensation.

The Committee shall perform the duties under the preceding paragraph in accordance with the

Sample Template for XXX Co., Ltd. Remuneration Committee Charter

following principles:

1. Ensuring that the compensation arrangements of this Corporation comply with applicable laws and regulations and are sufficient to recruit outstanding talent.
2. Performance assessments and compensation levels of directors, supervisors, and managerial officers shall take into account the general pay levels in the industry, the time spent by the individual and their responsibilities, the extent of goal achievement, their performance in other positions, and the compensation paid to employees holding equivalent positions in recent years. Also to be evaluated are the reasonableness of the correlation between the individual's performance and this Corporation's operational performance and future risk exposure, with respect to the achievement of short-term and long-term business goals and the financial position of this Corporation.
3. There shall be no incentive for the directors or managerial officers to pursue compensation by engaging in activities that exceed the tolerable risk level of this Corporation.
4. For directors and senior managerial officers, the percentage of bonus to be distributed based on their short-term performance and the time for payment of any variable compensation shall be decided with regard to the characteristics of the industry and the nature of this Corporation's business.
5. No member of the Committee may participate in discussion and voting when the Committee is deciding on that member's individual compensation.

"Compensation" as used in the preceding two paragraphs includes cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures. Its scope shall be consistent with the compensation for directors, supervisors, and managerial officers as set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

If the decision-making and handling of any matter relating to the remuneration of directors and managerial officers of a subsidiary is delegated to the subsidiary but requires ratification by the board of directors of this Corporation, the Committee shall be asked to make recommendations before the matter is submitted to the board of directors for deliberation.

Article 8

(Convening and holding of meetings)

Meetings of the Committee shall be held at least _____ times a year. In convening a meeting of

Sample Template for XXX Co., Ltd. Remuneration Committee Charter

the Committee, a notice setting forth the subjects to be discussed at the meeting shall be given to each member at least 7 days in advance. In emergency circumstances, however, the meeting may be convened on shorter notice.

Among the Committee members there are _____ independent directors. One of the independent directors shall be elected by all members the Committee as the convener and meeting chair. If the convener takes leave or is unable to convene a meeting for any reason, the convener shall appoint another independent director on the Committee to act in his or her place. If there is no other independent director on the Committee, the convener shall appoint another Committee member to act on his or her behalf. If the convener does not make such an appointment, a member of the Committee shall be elected by and from among the other members on the Committee to serve as convener.

(In the case of a company not having the position of independent director, a member of the Committee shall be elected as the convener and meeting chair by and from among the entire membership of the Committee. When the convener is on leave or unable to convene a meeting for any reason, the convener shall appoint another member on the Committee to act in his or her place. If the convener does not make such an appointment, a member of the Committee shall be elected by and from among the other members on the Committee to serve as convener.)

Article 9

(Drafting of meeting agendas)

The Committee's meeting agenda shall be drafted by the convener. Other members may submit motions to the Committee for discussion.

Meeting agendas shall be forwarded to the Committee members in advance.

When a meeting of the Committee is held, an attendance book shall be made available for sign-in by the Committee members in attendance and thereafter made available for reference.

The Committee members shall attend the meeting in person. If a member is unable to attend the meeting in person, the member may appoint another member to attend as his or her proxy. Attending a meeting via telecommunications will be deemed attendance in person.

A member of the Committee that appoints another member as proxy to attend a meeting shall in each instance issue a written proxy stating the scope of authorization with respect to the items on the meeting agenda.

The proxy under paragraph 3 may accept a proxy from one person only.

Sample Template for XXX Co., Ltd. Remuneration Committee Charter

Article 10

(Resolution method)

Resolutions at meetings of the Committee shall be adopted with the consent of one half or more of the entire membership. When a matter comes to a vote at a Committee meeting, if upon inquiry by the meeting chair no member voices an objection, the matter will be deemed approved, with the same effect as approval by vote.

The result of the vote under the preceding paragraph shall be made known immediately and recorded in writing.

Article 11

(Meeting minutes)

Discussions at a meeting of the Committee shall be included in the meeting minutes, which shall faithfully record the following:

1. The session, time, and place of the meeting.
2. The name of the meeting chair.
3. Attendance of the Committee members at the meeting, specifying the names and the number of members present, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.
7. Agenda items: For each proposal, the method of resolution and the result, and any objections or reservations expressed by the Committee members.
8. Extraordinary motions: The name of the mover; the method of resolution and the result for each motion; a summary of the comments of the independent director members of the Committee and experts and other persons present at the meeting; and any objections or reservations expressed.
9. Other matters required to be recorded.

The attendance book constitutes part of the minutes for each meeting of the Committee; if the meeting is held via telecommunications, the audio and video materials also constitute part of the meeting minutes.

Sample Template for XXX Co., Ltd. Remuneration Committee Charter

The minutes of each meeting of the Committee shall bear the signature or seal of both the meeting chair and the minute taker. A copy of the minutes shall be distributed to each member on the Committee within 20 days after the meeting, and shall be presented to the board of directors and retained as important corporate records for 5 years. The meeting minutes may be produced and distributed in electronic form.

If, before the expiration of the retention period under the preceding paragraph, any litigation arises in connection with any matter relating to the Committee, the meeting minutes shall be preserved until the conclusion of the litigation.

Article 12

(Implementation of meeting resolutions)

The execution of tasks relating to resolutions adopted by the Committee in accordance with its duties under Article 7, or subsequent work resolved to be delegated to professionals pursuant to Article 13, paragraph 2, may be delegated to the convener or other Committee members for follow-up, with a written or verbal report to be presented to the Committee during the implementation period. When necessary, the matter shall be presented for ratification or a report made at the next meeting of the Committee.

Article 13

(Resources to be provided when the Committee exercises its powers)

When the Committee calls a meeting, it may request directors, managers of relevant departments, internal audit officers, certified public accountants, attorneys, or other personnel of this Corporation to attend the meeting as non-voting participants and to provide pertinent and necessary information.

The Committee may, at the expense of this Corporation, resolve to retain the service of an attorney, certified public accountant, or other professional to conduct a necessary audit or to provide advice on matters relating to the exercise of the Committee's powers.

Article 14

(Enforcement)

This Charter, and any amendments hereto, shall enter into force after adoption by the board of directors.

Sample Template of XXX Co., Ltd. Charter of the Nominating Committee

Amended Date: 2015.01.26

Article 1

(Basis for adoption)

To ensure the soundness of the board and strengthen the management mechanism of this Company, the Organizational Charter of the Nominating Committee (below, "this Charter") is adopted pursuant to Article 27, Paragraph 3 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

(Scope of application)

Except as otherwise provided by law and regulation or by the articles of incorporation, matters relating to the official powers of the Nominating Committee (below, "the Committee") shall be handled in accordance with this Charter.

Article 3

This Company shall make the content of this Charter available on its website and the Market Observation Post System for public reference.

Article 4

The Committee shall be composed of at least three directors selected by the board of directors from among themselves; a majority of the Committee members shall be independent directors.

The term of a Committee member, except as otherwise provided by law and regulation or this Company's articles of incorporation or bylaws, shall extend from the date of the director's selection as Committee member by the board to the date of expiration of the director's term, the director's resignation from the committee or the directorship, or the director's replacement by another director selected as Committee member by the board.

Sample Template of XXX Co., Ltd. Charter of the Nominating Committee

Article 5

(Functions of the Committee)

With authorization from the board of directors (below, "the board"), the Committee shall exercise the due care of a good administrator to faithfully perform the following duties and shall submit its proposals to the board for discussion:

1. Laying down the standards of independence and a diversified background covering the expertise, skills, experience, gender, etc. of members of the board, supervisors and senior executives, and finding, reviewing, and nominating candidates for directors, supervisors, and senior executives based on such standards.
2. Establishing and developing the organizational structure of the board and each committee, and evaluating the performance of the board, each committee, and each director and senior executive and the independence of the independent directors.
3. Establishing and reviewing on a regular basis programs for director continuing education and the succession plans of directors and senior executives.
4. Establishing corporate governance guidelines of the Company.

If a member of the Committee has a stake in performing the duties in the preceding paragraph, he/she shall state the important aspects of its stake in the meeting of the Committee concerned, and where there is a likelihood that the interests of this Company would be prejudiced, he/she may not participate in discussion or voting, shall recuse himself/herself from any such discussion and voting, and may not exercise voting rights as proxy on behalf of another member of the Committee.

To decline to adopt a recommendation of the Committee, the board of directors shall require the agreement of a majority of the directors in attendance at a meeting attended by two-thirds or more of all of the directors. In such event, the Company shall specify the details and cause of the discrepancy in the board meeting minutes, and within two days counting inclusively from the date of the board meeting resolution, shall furthermore carry out public announcement and reporting on the Market Observation Post System.

Article 6

(Scope of duties)

Pursuant to the preceding Article, Paragraph 1, Subparagraph 1, the Committee shall undertake

Sample Template of XXX Co., Ltd. Charter of the Nominating Committee

the following tasks:

1. Prescribing and reviewing on a regular basis the number and qualifications of the directors, supervisors and senior executives based on the scale and business nature of the Company, taking into account the expertise, skills, experience, gender and independence required of them.
2. Identifying qualified candidates for director and supervisor positions based on the number and qualifications prescribed pursuant to the preceding subparagraph and presenting a list of such candidates to the board, and, with respect to candidates proposed by the shareholders or directors, conducting reviews in advance of their qualifications, education, working experience, background, and the existence of any matters set forth in Article 30 of the Company Act, after which the Committee presents the results, along with the list of suggested candidates, to the board for approval of a slate of director/supervisor nominees, later providing the slate of director/supervisor nominees as shareholders' reference in the election of directors and supervisors.
3. In nominating independent directors, the Committee shall take note of the experience, professional qualifications, and integrity of the nominee (compared to other candidates), any concurrent position of director, supervisor, committee member or chairperson that the nominee may hold in another company, as well as whether the nominee meets the requirements for independent director set out in the Securities and Exchange Act and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and as set by the Taiwan Stock Exchange Corporation or GreTai Securities Market; the prime consideration shall be that the nominee will act in the long-term interests of shareholders.
4. Based on the number and qualifications set forth in Subparagraph 1, identifying competent candidates for senior executives, conducting review in advance, and present the results of the review and a recommended slate of senior executives to the board for approval.

Article 7

(Scope of duties)

The Committee shall undertake the following tasks pursuant to Article 5, Paragraph 1, Subparagraph 2:

1. Prescribing standards for establishment and qualifications for members and recommending an organizational charter for each committee under the board of directors, reviewing these standards and charters at least once every year, and presenting timely recommendations to the

Sample Template of XXX Co., Ltd. Charter of the Nominating Committee

board regarding amendments.

2. Reviewing the qualifications of member candidates for each board committee and any potential conflict of interests, and recommending to the board new members and candidates for the conveners of each committee.
3. Evaluating the performance of each director, the convener and the members of each board committee, and the senior executives every year and providing recommendations to the board on the necessity of replacements. The terms of the convener and the members of each board committee shall be consistent with the terms of the directors and supervisors, and in principle shall be three-year terms.

Article 8

(Committee convener and procedures for calling meetings)

The Committee shall convene at least twice a year, and may call a meeting at its discretion whenever necessary.

In calling a Committee meeting, a notice setting out the reasons for the meeting shall be given to the Committee members earlier than seven days in advance of the meeting. In emergency circumstances, however, the meeting may be called on shorter notice.

The convener and chairperson of a Committee meeting shall be an independent director. If the Committee convener is on leave, unable to convene a meeting for any reason, or required to recuse himself/herself pursuant to Article 5, Paragraph 2, the convener shall appoint another independent director on the Committee to act as a convener, or, when necessary, may appoint another member of the Committee to act as a convener. If the convener does not make such an appointment, the other Committee members shall select one independent director to serve as a convener.

The Committee may request management-level personnel of relevant departments, internal auditors, accountants, legal consultants or other personnel of the Company to attend the meeting and provide related information as required, provided such delegates shall leave upon any discussion or voting being conducted.

Article 9

(Drafting meeting agendas)

The Committee's meeting agenda shall be drafted by the convener. Other members may also propose motions to the Committee for discussion. The meeting agenda shall be provided to

Sample Template of XXX Co., Ltd. Charter of the Nominating Committee

members of the Committee in advance.

When a Committee meeting is convened, the Company shall make available an attendance book for attending members to sign and also for reference.

Committee members shall attend meetings in person. If a Committee member is unable to do so, it may appoint another member to do so as its proxy. Attendance via videoconferencing is deemed attendance in person.

A Committee member appointing another member to attend a meeting as its proxy shall issue a letter of authorization for each such appointment setting out the authorization in regard to matters for which the meeting is convened.

The proxy mentioned in Paragraph 3 above may accept the appointment by one person only.

Article 10

(Resolution method and meeting minutes)

Except as otherwise provided by law and regulation or by this Company's articles of incorporation and bylaws, a resolution of the Committee requires the approval of a majority of the members present at the meeting attended by two-thirds or more of all Committee members.

The proceedings of a Committee meeting shall be recorded in minutes, which shall specify the following matters in detail:

1. Session, time, and place of the meeting
2. Chairperson's name
3. Attendance of members, including names and numbers of members who are present at the meeting, on leave or absent from the meeting
4. Names and titles of nonvoting delegates at the meeting
5. Name of minutes taker
6. Matters reported on
7. Matters for discussion: the resolution method and outcome of each motion, and any objections or reservations expressed by any Committee member
8. Extempore motions: the name of the person submitting the motion, the resolution method and outcome of the motion, and summary of statements and objections or reservations expressed by

Sample Template of XXX Co., Ltd. Charter of the Nominating Committee

members of the Committee, experts and other persons

9. Other matters required to be recorded.

The attendance book of the meeting, and the video and audio record in the event of a videoconference convened, are an integral part of the minutes of the proceedings.

Minutes of the proceedings must be signed or sealed by the chairperson and the minute taker of the meeting, and copies thereof shall be distributed to all Committee members within 20 days after the meeting. The minutes shall also be submitted to the board and be deemed important files of the Company, and shall be retained for five years. Preparation and distribution of the minutes of the proceedings may be done electronically.

In the event of a suit in respect of a matter concerning the Committee before the retention period in the preceding paragraph expires, the minutes shall be retained until the conclusion of the litigation.

Article 11

(Resources for the exercise of the Committee's powers)

The Committee may resolve to retain the service of an attorney, professional human resources agency, investment bank, certified public accountant, or other professionals to provide advice with respect to matters in connection with Articles 5 and 6. The costs of their services shall be borne by this Company.

In the event of retention of a professional individual or institution mentioned in the preceding paragraph to assist with the performance of duties, the relationship between such appointee and the Company and the costs arising out of the retention shall be disclosed in the corporate governance and operation report contained in the annual report.

Article 12

The Company shall disclose, in the annual report, information relevant to the Committee, including procedure of recommending slates of nominees, standards which nominees shall meet, board diversity policy, and the accomplishment of such procedure, standards and policy, as well as the operation of the Committee, including the composition of the Committee, number of meetings held, and attendance of members.

The operation of the Committee as mentioned in the preceding paragraph shall be disclosed on

Sample Template of XXX Co., Ltd. Charter of the Nominating Committee

the Market Observation Post System.

Article 13

(Delegation of powers by the Committee)

The execution of tasks relating to resolutions adopted by the Committee may be delegated to the convener or other Committee members for follow-up, with a written or verbal report to be presented to the Committee during the implementation period. When necessary, the matter shall be presented for ratification or a report made at the next meeting of the Committee.

Article 14

(Enforcement)

This Charter, and any amendments hereto, shall come into force after approval by the board of directors.

Sample Template of "Self-Evaluation or Peer Evaluation of the Board of Directors of XX Co., Ltd."

Announced Date: 2014.12.31

Article 1

To implement corporate governance and enhance the Company's board functions, and to set forth performance objectives to improve the operation efficiency of the board of directors, this template is established pursuant to Article 37 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies for compliance.

The Company shall establish regulations governing the board performance evaluation with reference to this template and other applicable rules, and may create different evaluation methods appropriate to individual units subject to evaluation.

Article 2

The general evaluation cycles, evaluation periods, scope and method of evaluation, the unit conducting evaluations, evaluation procedures and other matters for compliance under the Company's regulations governing the board performance evaluation shall be subject to this template.

The board committees charters shall be subject to review at least once a year as part of the Company's regulations governing performance evaluation for internal committees.

Article 3

The Company shall conduct an internal board performance evaluation at least once a year. The internal board performance evaluation for the current year shall be conducted at the end of each year according to the evaluation procedures and the evaluation indexes in Articles 6 and 8.

The Company's board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years. The performance evaluation for the current year shall be conducted at the year-end.

Internal and external board performance evaluations shall be completed before the first board meeting held in the following year.

Sample Template of "Self-Evaluation or Peer Evaluation of the Board of Directors of XX Co., Ltd."

Article 4

The Company's board evaluation scope may cover the evaluation of the board as a whole, individual directors and functional committees.

Methods of evaluations include the internal evaluation of the board, self-evaluation by individual board members, peer evaluation, and evaluation by appointed external professional institutions, experts, or other appropriate methods.

Article 5

The unit conducting internal evaluations of the Company's board of directors shall have an adequate understanding of the operation of the unit subject to evaluation and shall play a fair, impartial and independent role.

Adjustments may be made to assign different units to perform evaluations of the functional committees in view of the slight difference in their operations, depending on the organizational structure of each company. The unit conducting evaluations shall be fair and impartial, and no individual or unit conducting evaluations shall have any direct interest in the operation of the units subject to evaluation. In cases where the company has a corporate governance committee or nomination committee made up of independent directors, it is advisable for these committees to serve as the unit performing the evaluations.

Article 6

The procedures for the Company's board performance evaluation are as follows:

1. Determine the units to be subject to evaluation and the scope of evaluation in the current year, e.g. the board of directors as a whole (functional committees), individual board members, each functional committee, etc.
2. Determine the method of evaluation, e.g. internal evaluation of the board, self-evaluation by the board members of themselves or peers, peer evaluation, and evaluation by an appointed external professional institution and experts, etc.
3. Select the units appropriate to conduct the evaluations.
4. At the end of a year, the units performing evaluations will collect information about the activities of the board of directors and distribute self-evaluation questionnaires such as the Questionnaire of Self-Evaluation of Performance of the Board (Functional Committee) in

Sample Template of "Self-Evaluation or Peer Evaluation of the Board of Directors of XX Co., Ltd."

Annex 1, or the Questionnaire of Self-Evaluation of Performance of Board Members (for Themselves or Peers) in Annex 2, to be completed. The unit responsible for evaluation or the secretariat of the board will then collect all information, give scores based on the evaluation indexes in Article 8, record the evaluation results in a report, and submit the report to the board of directors for discussion and improvement.

Article 7

When appointing an external evaluation institution or panel of external experts and scholars to conduct evaluations of board performance, the Company shall act in accordance with the following guidelines:

The external evaluation institution shall be an institution or management consulting firm mainly engaging in the provision of services for educational and training programs for board of directors and improvement of corporate governance of enterprises.

The panel of external experts and scholars shall appoint at least three experts or scholars specialized in the fields of board of directors or corporate governance to conduct evaluations of board performance of the company and prepare external evaluation analysis reports.

Article 8

The Company shall take into consideration its condition and needs when establishing the criteria for evaluating the performance of the board of directors (functional committees), which should cover, at a minimum, the following five aspects:

1. Participation in the operation of the company;
2. Improvement of the quality of the board of directors' decision making;
3. Composition and structure of the board of directors;
4. Election and continuing education of the directors; and
5. Internal control.

The criteria for evaluating the performance of the board members (on themselves or peers), should cover, at a minimum, the following six aspects:

1. Familiarity with the goals and missions of the company;
2. Awareness of the duties of a director;
3. Participation in the operation of the company;

Sample Template of "Self-Evaluation or Peer Evaluation of the Board of Directors of XX Co., Ltd."

4. Management of internal relationship and communication;
5. The director's professionalism and continuing education; and
6. Internal control.

The indexes of board performance evaluation shall be determined based on the operation and needs of the Company and suitable and appropriate for evaluations by the company.

Scoring criteria may be modified and adjusted based on the company's needs. The weighted scoring method may be adopted based on the aspects of evaluation.

Article 9

When electing members of the board of directors or nominating independent directors, the Company shall base its election on the evaluation results of the performance of individual directors as reference.

Article 10

It is advisable that the Company disclose in its annual report whether regulations governing the board performance evaluation have been established as well as how the board performance evaluation has been conducted each year, with a description of the evaluation method provided.

In cases where an external institution or experts are appointed to conduct evaluations of board performance, the Company shall, in the annual report, disclose the names of the external evaluation institution, names of the experts, and specialties of the experts, and indicate if the external institution and experts have business dealings with the Company and if they are independent.

Article 11

The performance evaluation regulations established by the Company shall be fully disclosed on the Market Observation Post System (MOPS) and the Company's website at all times, to be made available for consultation.

Article 12

The Company's regulations shall take effect after having been discussed and approved by the board of directors. Subsequent amendments thereto shall be effected in the same manner.

Sample Template for XXX Co., Ltd. Rules Governing the Exercise of Rights and Participation in Resolutions by Juristic Person Shareholders With Controlling Power

Amended Date: 2010.11.10

Article 1

(Basis for adoption)

To build a strong corporate governance system, and to further compliance by juristic person shareholders with controlling power in this Corporation when exercising their rights and participating in resolutions, these Rules are adopted pursuant to Article 18 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

In exercising rights and participating in resolutions, a juristic person shareholder with controlling power in this Corporation shall act in good faith and in the best interest of all shareholders, and, except as otherwise provided by law and regulation or by the articles of incorporation, shall act in accordance with the provisions of these Rules.

Article 3

(Definitions)

The term "juristic person shareholder with controlling power" as used herein means a juristic person which, with respect to this Corporation, has any type of controlling relationship set out in Articles 369-2, 369-3, and 369-9 of the Company Act.

Article 4

(Appointment of representatives)

A juristic person shareholder with controlling power that serves as a director or supervisor of this Corporation shall appoint in writing a natural person representative, or representatives, to perform duties or to attend and exercise rights at shareholders meetings on its behalf; the same requirement applies when there is a change in any of the representatives.

Sample Template for XXX Co., Ltd. Rules Governing the Exercise of Rights and Participation in Resolutions by Juristic Person Shareholders With Controlling Power

Article 5

(Required qualifications for representatives)

Under any of the following circumstances, a natural person may not serve as a representative of a juristic person shareholder with controlling power:

1. The person has received a final and unappealable sentence for violating the Organized Crime Prevention Act, and 5 years have not yet elapsed since completion of the sentence.
2. The person has received a sentence of imprisonment for 1 year or more for committing the crime of fraud, breach of trust, or misappropriation, and 2 years have not yet elapsed since completion of the sentence.
3. The person has received a final and unappealable sentence for embezzlement in his or her service as civil servant, and 2 years have not yet elapsed since completion of the sentence.
4. The person has been declared bankrupt and his or her rights have not been reinstated.
5. The person currently remains blacklisted after the dishonoring of a negotiable instrument.
6. The person has no legal capacity to act, or has limited legal capacity to act.

Article 6

(Reporting obligations)

After performing duties and participating in resolutions, a representative shall report to the juristic person shareholder with controlling power on the exercise of rights.

Article 7

(Prohibition of misconduct)

Neither the juristic person shareholder with controlling power nor any of its representatives may engage in any of the following conduct:

1. Directly or indirectly engaging in securities transactions using information gained in the course of duties.
2. Disclosing any secret learned in the course of duties, except in an inquiry conducted pursuant to relevant laws or regulations.
3. Soliciting, agreeing to accept, or accepting any improper benefit for an action performed in the course of duties or in breach of duties.

Sample Template for XXX Co., Ltd. Rules Governing the Exercise of Rights and Participation in Resolutions by Juristic Person Shareholders With Controlling Power

4. Failure to enter recusal when performance of duties makes them an interested party.
5. Improperly intervening in policymaking or obstructing the management activities of this Corporation.
6. Restricting or impeding this Corporation's production management through unfair competitive practices such as monopolizing procurement or foreclosing sales channels.
7. Directly or indirectly causing this Corporation to engage in business operations contrary to normal business practice or for illegal profit.
8. Other conduct violating any law or regulation.

Article 8

(Prohibition of short-swing trading—Right to disgorgement)

If a juristic person shareholder with controlling power that serves as a director or supervisor of this Corporation, or a representative of the juristic person, or the representative's spouse or minor child, or any other person in whose name shares are held profits from selling TWSE or GTSM listed shares or other equity-type securities of this Corporation within 6 months after their purchase, or from a purchase of such securities within 6 months after transacting a sale of such securities, any profit so obtained shall be disgorged to this Corporation.

Article 9

(Prohibition of insider trading)

When a juristic person shareholder with controlling power that serves as a director or supervisor of this Corporation, or a representative of the juristic person, or the representative's spouse or minor child, or any other person in whose name shares are held has obtained information that will have a material impact on the price of the securities of this Corporation, that person may not purchase or sell any TWSE or GTSM listed shares or other equity-type securities of this Corporation either prior to or within 18 hours after the public disclosure of the information.

Article 10

(Restriction on the sale of acquired treasury shares)

When a juristic person shareholder with controlling power serves as a director or supervisor of this Corporation, the shares of this Corporation that are held by the juristic person shareholder, or

Sample Template for XXX Co., Ltd. Rules Governing the Exercise of Rights and Participation in Resolutions by Juristic Person Shareholders With Controlling Power

its representative, or the representative's spouse or minor child, or any other person in whose name shares are held may not be sold during the period in which this Corporation repurchases its own shares under the circumstances set forth in Article 28-2 of the Securities and Exchange Act.

Article 11

(Approval for competition)

If a juristic person shareholder with controlling power or a representative of that juristic person shareholder serves as a director or supervisor of this Corporation and intends to engage in any activity, on its own behalf or on behalf of another party, falling within the business scope of this Corporation, the juristic person shareholder or its representative shall give an explanation of the key aspects of the activity and obtain prior approval at a shareholders meeting.

Article 12

(Notice of changes in shareholdings and the creation and cancellation of pledges on shares)

When a juristic person shareholder with controlling power serves as a director or supervisor of this Corporation, the change in the number of shares of this Corporation held during the preceding month by the juristic person shareholder itself, or by any representative of the juristic person shareholder, or the representative's spouse or minor child, or any other person in whose name shares are held, shall be reported to this Corporation by the fifth day each month.

When a juristic person shareholder with controlling power serves as a director or supervisor of this Corporation, if a pledge is created or cancelled on shares of this Corporation held by the juristic person, the pledgor shall immediately notify this Corporation.

Article 13

(Attendance at board meetings by representative in person or by proxy)

If a juristic person shareholder with controlling power serves as a director of this Corporation, a representative of the juristic person shareholder shall in principle attend all board meetings in person. However, this requirement does not apply when it is practically difficult for a representative to attend a board meeting in person, and another director is therefore appointed to attend as his or her proxy in accordance with applicable laws and regulations or this Corporation's articles of incorporation.

Sample Template for XXX Co., Ltd. Rules Governing the Exercise of Rights and Participation in Resolutions by Juristic Person Shareholders With Controlling Power

Article 14

(Attendance at shareholders meetings)

When a shareholders meeting is held, a juristic person shareholder with controlling power shall appoint in writing a representative or representatives to attend the meeting in person, and except as otherwise provided by law or regulation, no other persons may be appointed as proxy for such representatives.

At shareholders meetings, a representative of a juristic person shareholder with controlling power shall exercise voting rights in accordance with the express written opinion of the juristic person shareholder with regard to each proposal.

Article 15

(Calculation of representative's voting rights)

When a juristic person shareholder with controlling power is represented by two or more representatives in attendance at a shareholders meeting, the voting rights exercised will be calculated on the basis of the total number of shares held by the juristic person.

Article 16

(Policy governing the exercise of voting rights)

A juristic person shareholder with controlling power shall perform its duties and exercise its voting rights in the best interest of all shareholders of this Corporation.

When a representative is appointed by a juristic person shareholder with controlling power to act as a director of this Corporation or to represent the juristic person shareholder at a shareholders meeting, the representative shall perform duties and exercise voting rights in accordance with the following principles:

1. The representative shall exercise rights in accordance with the juristic person shareholder's opinion in regard to each proposal.
2. When exercising voting rights on any extraordinary motion, procedural motion, or amendment to a proposal, the representative shall act in the best interest of this Corporation.
3. When the juristic person shareholder with controlling power is represented by two or more representatives, the representatives shall arrive at a common opinion before exercising voting rights.

Sample Template for XXX Co., Ltd. Rules Governing the Exercise of Rights and Participation in Resolutions by Juristic Person Shareholders With Controlling Power

4. The representative shall maintain a high degree of self-discipline, and may not have a relationship of inappropriate mutual support with another director or shareholder.

When a juristic person shareholder with controlling power is an interested party with respect to a given agenda item, and that relationship is likely to prejudice the interest of this Corporation, the juristic person shareholder may neither vote on that item nor exercise voting rights as proxy for any other director or shareholder.

Article 17

(Liability for damages)

If a juristic person shareholder having controlling power engages in any of the following activities in violation of law or regulation when performing duties or exercising voting rights, thereby causing damage to this Corporation, the juristic person shareholder shall be liable for damages:

1. Directly or indirectly causing this Corporation to engage in any business operation that is contrary to normal business practice or for other illegal profit, and failing to adequately compensate this Corporation by the end of the fiscal year in which it occurs.
2. When it is the responsible person of the juristic person shareholder with controlling power that causes this Corporation to engage in the business operation of the preceding subparagraph, the responsible person shall bear joint and several liability with the juristic person shareholder for compensation with respect to the damage of the preceding subparagraph.
3. When a juristic person shareholder with controlling power causes this Corporation to engage in the business operation of subparagraph 1, thereby causing another company controlled by the juristic person shareholder to obtain benefits, that controlled company shall bear joint and several liability, within the scope of the benefits so obtained, for the compensation under subparagraph 1 for which the juristic person shareholder with controlling power is liable.

Article 18

(Prohibition of offset against damages)

Pursuant to Article 369-7 of the Company Act, when a juristic person shareholder with controlling power that is a company limited by shares directly or indirectly causes this Corporation to engage in any business operation contrary to normal business practice or for other illegal profit,

***Sample Template for XXX Co., Ltd. Rules Governing the Exercise of
Rights and Participation in Resolutions by Juristic Person Shareholders
With Controlling Power***

the juristic person shareholder may not use any of its claims on this Corporation to offset any damages for which it shall be liable to this Corporation.

Article 19

(Enforcement)

These Rules, and any amendments hereto, shall come into force after deliberation and adoption by the board of directors.

Sample Template for XXX Co., Ltd. Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises

Amended Date: 2014.02.21

Article 1

To ensure sound financial and business interactions between this Corporation and its affiliated enterprises and to prevent non arm's-length transactions and improper channeling of interests with respect to the purchase and sale of goods, the acquisition and disposal of assets, the provision of endorsements and guarantees, and loans of funds between this Corporation and its affiliated enterprises, these Rules are adopted pursuant to Article 17 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

Except as otherwise provided by law and regulation or by the articles of incorporation, financial and business matters between this Corporation and any of its affiliated enterprises shall be handled in accordance with the provisions of these Rules.

Article 3

The term "affiliated enterprise" as used herein means an enterprise that, in accordance with Article 369-1 of the Company Act, exists independently and has either of the following relationships with this Corporation:

1. A relationship of control or subordination.
2. A relationship of mutual investment. In determining whether a relationship of control or subordination under the preceding subparagraph exists, the substance of the relationship shall be considered in addition to the legal form.

Article 4

This Corporation shall establish an effective internal control system in regard to its own and its affiliated enterprises' overall operational activities, and shall continue to review the system in order to adapt to changes in the internal and external environment and ensure that the system's

Sample Template for XXX Co., Ltd. Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises

design and operation remain effective.

This Corporation shall ensure that any subsidiary develops an effective internal control system, taking into account the laws and regulations of the jurisdiction in which the subsidiary is located and the nature of its operations. For any affiliated enterprise that is not a public company, this Corporation shall still, in consideration of the degree of influence it has on this Corporation's business and finances, require that it develop effective systems for internal control and for managing financial, business, and accounting matters.

Article 5

In addition to implementing the adopted internal control system, this Corporation shall pay close attention to the following matters when exercising supervision over the operation and management of its affiliated enterprises:

1. This Corporation shall obtain an appropriate number of director and supervisor seats in the affiliated enterprise in accordance with the percentage of the shares it holds.
2. A director that this Corporation assigns to an affiliated enterprise shall regularly attend the affiliate's board meetings, and in order to monitor its operation, shall carefully review its corporate objectives and strategy, financial position, business performance, cash flows, and important contracts, as reported by the various members of the affiliate enterprise's management. The director assigned to the affiliated enterprise shall ascertain the cause of any irregularity found, compile a record, and report the matter to the chairperson or general manager of this Corporation.
3. A supervisor assigned to an affiliated enterprise by this Corporation shall supervise the affiliate's business operations, investigate its financial and business conditions, and review its books, records and audit reports, and may also request reports from the affiliate's board of directors or managerial officers. For any irregularity that may be found, the supervisor assigned to the affiliate shall ascertain the cause, compile a record, and report to the chairperson or general manager of this Corporation.
4. This Corporation shall assign competent personnel to assume important positions at its affiliated enterprise, such general manager, financial officer, or internal audit officer, in order to assume the duties and responsibilities of management, decision-making, and supervision and evaluation.
5. This Corporation, in consideration of the type of business, scale of operations, and number

Sample Template for XXX Co., Ltd. Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises

of personnel of a subsidiary, shall instruct the subsidiary in the procedures and methods for establishing an internal audit unit and adopting internal control system self-inspection operations.

6. In addition to reviewing the audit reports or self-inspection reports submitted by each subsidiary, the internal audit personnel of this Corporation must also carry out audits of the subsidiaries on a scheduled or unscheduled basis. After audit findings and recommendations have been presented, they shall instruct the audited subsidiaries to make any necessary corrections, and shall prepare follow-up reports on a regular basis to ensure that the subsidiaries have taken appropriate corrective measures in a timely manner.
7. Subsidiaries of this Corporation shall regularly (e.g., before the 15th day of each month) submit monthly financial statements for the preceding month, including balance sheets, income statements, statements of expenses, statements of cash flow and cash flow forecasts, accounts receivable aging schedules and statements of delinquent accounts receivable, aging inventory analyses, and statements of loans to others and endorsements/guarantees. In the event of irregularities, analysis reports shall also be submitted to allow management and control by this Corporation. Other affiliated enterprises shall also regularly (e.g., before the 15th day of each quarter) submit financial statements for the preceding quarter, including balance sheets and income statements, for analysis and review by this Corporation.

Article 6

A managerial officer of this Corporation may not concurrently serve as a managerial officer of any affiliated enterprise of this Corporation, and shall not operate the same type of business as this Corporation, either on the officer's own behalf or with another party, unless otherwise approved by a resolution of the board of directors. The division of powers and responsibilities between this Corporation and its affiliated enterprises with respect to personnel management shall be clearly identified, and personnel transfers between the two shall be avoided. However, where personnel support or transfer is indeed necessary, the scope of work, division of powers and responsibilities, and allocation of costs shall be specified in advance.

Article 7

This Corporation shall establish an effective system of communication with each affiliated enterprise with respect to financial and business matters, and to mitigate credit risks, shall regularly conduct comprehensive risk assessments of their banks, principal clients, and suppliers.

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With respect to an affiliated enterprise with which it has financial and business interactions, this Corporation shall especially maintain close control over material financial and business items for the purpose of risk management.

Article 8

Any loans or endorsements/guarantees between this Corporation and an affiliated enterprise shall be carefully assessed and carried out in compliance with the provisions of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies and with the procedures prescribed by this Corporation regarding loans to others and provision of endorsements/guarantees.

With respect to the provision of loans, endorsements, or guarantees between this Corporation and an affiliated enterprise, the matters set out below shall be closely reviewed, and results of the assessment submitted to the board of directors. Any loan of funds shall be made only by a resolution of the board of directors, and no other party may be authorized to decide on the matter. The board of directors, in accordance with the preceding paragraph, may authorize the chairperson to provide an endorsement or guarantee within a specific limit, provided it is subsequently submitted to and ratified by the next board meeting:

1. The necessity and the reasonableness of the loan or the endorsement or guarantee. When funds are loaned or an endorsement or guarantee is made because of business dealings, an assessment shall be made of whether the amount of the loan or amount of the endorsement or guarantee is commensurate with the total amount of the business involved. When short-term financing is needed, the reasons for and the circumstances surrounding the loan shall be set out.
2. A credit check and a risk assessment of the counterparty requesting the loan or the endorsement or guarantee.
3. The effects on this Corporation's operational risk and financial position and the rights and interests of its shareholders.
4. Whether collateral must be obtained, and an appraisal of its value.

Any endorsement or guarantee provided pursuant to Article 5, paragraph 2 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies between any subsidiaries in which this Corporation directly or indirectly holds 90 percent or more of the voting shares shall first be submitted for a resolution by the board of directors of this Corporation, except when an endorsement or guarantee is provided between companies in which

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this Corporation directly or indirectly holds 100 percent of the voting shares.

Any proposed loan between this Corporation and its parent or a subsidiary, or between its subsidiaries, shall be submitted for a resolution by the board of directors. The chairperson may also be authorized, with respect to a specific borrowing counterparty, and within a limit resolved by the board of directors and a period not to exceed 1 year, to provide an accreting loan or to make available a revolving line of credit.

If this Corporation has established independent director positions, the board of directors shall give full consideration to each independent director's opinion with respect to loans, endorsements, or guarantees between this Corporation and any of its affiliated enterprises. Specific opinions by independent directors expressing assent or dissent, and the reasons for dissent, shall be included in the minutes of board meetings.

When a loan of funds for short-term financing is necessary between any two foreign companies in which this Corporation directly or indirectly holds 100 percent of the voting shares, the loan amount is not subject to the restriction of 40 percent of the net worth of the company making the loan. The amount of an endorsement or guarantee between two companies in which this Corporation directly or indirectly holds 90 percent or more of the voting shares may not exceed 10 percent of this Corporation's net worth, except for endorsements or guarantees between two companies in which this Corporation directly or indirectly holds 100 percent of the voting shares.

This Corporation shall properly implement subsequent control measures with respect to loans or endorsements or guarantees. When there is a likelihood of overdue claims or the occurrence of loss, this Corporation shall adopt appropriate conservatory measures to safeguard its rights and interests.

Article 9

Price terms and payment methods shall be expressly stipulated for any business interaction between this Corporation and any affiliated enterprise. The purpose, pricing, and terms of a transaction, and its formal and substantive nature and the related handling procedures, shall not differ markedly from those of a normal transaction with a non-related party, nor may they be obviously unreasonable.

When business needs require the purchase of finished products, semi-finished products, or materials from an affiliated enterprise, purchasing personnel shall thoroughly evaluate the reasonableness of the price quoted by the affiliated enterprise based on market prices and other transaction terms and conditions. Except in special circumstances, or given advantageous

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conditions that differ from those of ordinary suppliers, under which the granting of preferential pricing or terms of payment can be reasonably stipulated, any other prices and payment terms shall be commensurate with those offered to ordinary suppliers.

Price quotes for the sale of any finished products, semi-finished products, or materials to an affiliated enterprise shall be made with reference to current market prices. Except in cases of long-term cooperation or other special factors that are different from ordinary clients, under which reasonable stipulations may be made to grant preferential pricing or terms of payment, any other prices and payment terms shall be commensurate with those offered to ordinary clients.

For professional or technical services provided between this Corporation and an affiliated enterprise, both parties shall enter into a contract stipulating the scope of the services, fees charged, time period, payment terms, and after-sales service. The contract shall be implemented after approval by the general manager or the chairperson of this Corporation, and all contract terms and conditions shall comply with normal business practice.

By the end of each month, the accounting personnel of both this Corporation and its affiliated enterprises shall perform cross checks of the purchases and sales of goods between them for the preceding month and the related balances of accounts payable and receivable. If any discrepancies are found, accounting personnel shall identify the cause and prepare a reconciliation statement.

Article 10

Any asset transaction, derivative trading, merger, demerger, acquisition, or share transfer between this Corporation and an affiliated enterprise shall be conducted in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and the procedures for acquisition and disposal of assets prescribed by this Corporation.

When this Corporation makes an acquisition of securities from or a disposition of securities to an affiliated enterprise, or an acquisition from an unaffiliated enterprise of securities whose underlying is the stock of an affiliated enterprise, it shall first obtain the financial statements of the issuing company for the most recent period, audited and attested or reviewed by a certified public accountant (CPA), for reference in appraising the transaction price. If the amount of the transaction is 20 percent or more of this Corporation's paid-in capital, 10 percent of its total assets, or NT\$300 million or more, it shall also request a CPA to provide an opinion on the reasonableness of the transaction price, except for securities quoted on an active market or that meet any of the following requirements:

1. Securities acquired through cash contribution in an incorporation by promotion or by public

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offering.

2. Securities issued at face value by an issuing company carrying out a cash capital increase in accordance with relevant laws and regulations, with this Corporation as a sponsor of the issue.
3. Securities issued by an investee company wholly invested by this Corporation that is carrying out a cash capital increase, with this Corporation as a sponsor of the issue.
4. Securities listed and traded on the Taiwan Stock Exchange (TWSE) or on the GreTai Securities Market (GTSM) and emerging stocks.
5. Government bonds or bonds in repurchase or reverse purchase agreements.
6. Domestic funds or overseas funds.
7. TWSE or GTSM listed securities acquired or disposed of in accordance with the TWSE or GTSM rules governing the purchase of listed securities by reverse auction or rules governing the auction of listed securities.
8. Securities acquired through this Corporation's sponsorship of a cash capital increase by a public company, when the securities acquired are not privately placed.
9. Subscription to fund shares before the establishment of a fund in accordance with Article 11, paragraph 1 of the Securities Investment Trust and Consulting Act and the Financial Supervisory Commission's 1 November 2004 Order No. Financial-Supervisory-Securities-IV-0930005249.
10. Subscription or redemption of domestic private placement funds, provided that the trust agreement for the fund specifies an investment strategy in which, aside from securities margin transactions and open positions held in securities-related products, the investment scope of the remaining portion is the same as that of a publicly offered fund.

When this Corporation engages in the acquisition of memberships or intangible assets from or their disposition to any of its affiliated enterprises, if the amount of the transaction is 20 percent or more of this Corporation's paid-in capital, 10 percent of its total assets, or NT\$300 million or more, it shall request a CPA to provide an opinion on the reasonableness of the transaction price.

Article 11

When this Corporation intends to conduct any acquisition or disposal of real property from or to any of its affiliated enterprises, or to conduct an acquisition or disposal of assets other than real property from or to any of its affiliated enterprises in which the transaction amount is furthermore

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20 percent or more of this Corporation's paid-in capital, 10 percent of its total assets, or NT\$300 million or more, with the exception of the purchase or sale of government bonds, repo or reverse repo bond transactions, or subscription to or redemption of domestic money market funds, it shall have the following matters approved by the board of directors and recognized by the supervisors before it may enter into a contract for the transaction and pay the required monies:

1. An appraisal issued by a professional appraiser as required by regulations, or a CPA opinion.
2. The purpose, necessity, and projected benefits of the acquisition or disposal of real property.
3. The reason for choosing the affiliated enterprise as a trading counterparty.
4. Information relating to appraisal of the reasonableness of the preliminary transaction terms when acquiring real property from an affiliated enterprise.
5. The date and price at which the real property was originally acquired by the affiliated enterprise, the trading counterparty, and the trading counterparty's relationship with this Corporation and its affiliated enterprises.
6. Monthly cash flow forecasts for a full year commencing from the scheduled month of contract signing, and an evaluation of the necessity of the transaction and the reasonableness of the utilization of funding.
7. Any restrictions on the transaction and other important stipulations.
8. An opinion issued by a CPA engaged to review whether the transaction with the affiliated enterprise conforms with ordinary commercial terms and whether it is not damaging to the interests of this Corporation and its minority shareholders.

When the amount of the transaction under the preceding paragraph is 20 percent or more of this Corporation's paid-in capital, 10 percent of its total assets, or NT\$300 million or more, this Corporation shall obtain an appraisal report issued by a professional appraiser. If the discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount, this Corporation shall additionally request a CPA to provide a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price, and it shall be approved by a majority of the directors in attendance at a board of directors meeting attended by two-thirds or more of the directors.

In an acquisition of real property from an affiliated enterprise, if the actual transaction price is higher than the appraised transaction cost, and no objective evidence can be presented and no concrete opinion that the transaction is reasonable can be obtained from a professional appraiser

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and a CPA, the board of directors shall thoroughly review the transaction and determine whether it may prejudice the rights and interests of this Corporation and its shareholders, and when necessary, shall refuse to enter into the transaction. The supervisors shall also exercise their supervisory powers in respect of such a transaction, and when necessary shall notify the board of directors to stop the transaction.

When a transaction as described under the preceding paragraph has been approved by the board of directors and recognized by the supervisors, this Corporation shall set aside a special reserve against the difference between the transaction price and the appraised cost, and may not distribute the difference or use it for capital increase or for issuance of bonus shares. In addition, this Corporation shall report the handling of the above transaction to the shareholders meeting and shall disclose the details of the transaction in the annual report and any prospectus.

When [any of] the following circumstances is present in a transaction with an affiliated enterprise, after passage by the board of directors, the matter shall also be submitted to the shareholders meeting for passage of a resolution, and neither the affiliated enterprise nor any persons connected with the affiliated enterprise may participate in the voting:

1. There is a discrepancy of 20 percent or more between the amount of the transaction and the appraised amount.
2. The amount or the terms of the transaction will have a material effect on this Corporation's operations.
3. The transaction will have a material effect on shareholder equity.
4. Other circumstances in which the board of directors deems that the matter should be submitted for a resolution by a shareholders meeting.

Article 12

With respect to any financial or business interaction between this Corporation and any affiliated enterprise that requires a resolution of the board of directors, full consideration shall be given to each independent director's opinion. Specific opinions by independent directors expressing assent or dissent, and the reasons for dissent, shall be included in the minutes of board meetings.

When a director is an interested party with respect to a particular agenda item, that director shall enter into recusal and may neither vote on that item nor exercise voting rights as proxy for another director. Directors shall maintain self-discipline among themselves and may not enter into relationships of inappropriate mutual support with other directors.

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Upon discovering that, in the course of their duties, the board of directors or a director has committed a violation of law or regulation, the articles of incorporation, or a shareholders meeting resolution, a supervisor shall immediately notify the board of directors or the individual director to cease the misconduct, and shall take appropriate measures to curb expansion of the misconduct. When necessary, a supervisor shall also file a report with the relevant regulatory authority or agency.

Article 13

This Corporation, in compliance with the requirements of laws and regulations regarding matters that must be publicly disclosed or filed and the deadlines for so doing, shall make timely arrangements for the provision by each subsidiary of required financial and business information, or to retain CPAs to audit or review the financial reports of each subsidiary.

This Corporation shall publicly disclose the consolidated balance sheets, consolidated statements of comprehensive income, and CPA secondary review reports covering affiliated enterprises by the deadlines for the filing of the annual financial reports under applicable laws and regulations. Information on any increase, decrease, or other change in affiliated enterprises shall be filed with the TWSE or GTSM within 2 days of the change.

Information on any material transaction between this Corporation and an affiliated enterprise shall be fully disclosed in the annual report, financial statements, the three reporting forms for affiliated enterprises, and prospectuses.

If an affiliated enterprise experiences financial difficulties, this Corporation shall obtain its financial statements and related materials in order to assess the resulting effect on the finances, business, or operations of this Corporation, and when necessary, appropriate conservatory measures shall be adopted to safeguard this Corporation's rights as a creditor. Under the above circumstances, in addition to specifying the resulting effect on this Corporation's financial position in its annual report and prospectus, this Corporation shall also make a timely announcement of material information on the Market Observation Post System (MOPS).

Article 14

When any of the following circumstances applies to an affiliated enterprise, this Corporation shall make a public disclosure and regulatory filing on its behalf:

1. For a subsidiary whose shares have not been publicly issued domestically, the dollar amount of the subsidiary's acquisition or disposal of assets, endorsements or guarantees for others, and

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loans of funds to others meets the criteria for public disclosure and regulatory filing.

2. The parent or the subsidiary undergoes bankruptcy or reorganization proceedings pursuant to applicable laws and regulations.
3. A major policy is adopted by resolution of the affiliated enterprise's board of directors that has a material effect on the rights and interests of the shareholders or the securities prices of this Corporation.
4. Any matter regarding a subsidiary or the unlisted (neither TWSE nor GTSM listed) parent of this Corporation constitutes material information required to be announced under the provisions of the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities and of the GreTai Securities Market Procedures for Verification and Disclosure of Material Information of Companies with GTSM Listed Securities.

If the parent of this Corporation is a foreign company, this Corporation shall make a filing of the following information on its behalf before the opening of trading hours on the first business day following the day on which this Corporation becomes aware of the information or on which there is media reporting of the information:

1. A material change in shareholder equity.
2. A material change in business policy.
3. A material disaster resulting in serious reduction or complete cessation of production.
4. A material effect on the rights and interests of shareholders or the parent's operations resulting from a change in the laws, regulations, or rules of the parent's home country.
5. Mass media reporting about the parent sufficient to affect the securities prices of this Corporation.
6. The occurrence of any other material event that, pursuant to the laws or regulations of the foreign company's home country, must be filed immediately.

Article 15

These Rules, and any amendments hereto, shall be implemented after adoption by the board of directors.

XXX Co., Ltd. Self-Regulatory Rules on Disclosure of Merger and Acquisition Information, Template Version

Amended Date: 2010.11.10

Chapter 1 General Principles

Article 1

(Statutory basis)

These Rules are adopted by the Company in accordance with Article 55 of the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies, for the purpose of establishing a sound information disclosure system with respect to corporate mergers, demergers, acquisitions, and transfer of shares from others (hereinafter collectively as "merger and acquisition"), promoting the transparency and fairness of information disclosure, thereby safeguarding the rights and interest of shareholders.

Article 2

(Applicability of laws, regulations, and these Rules to merger and acquisition activities)

When carrying out merger and acquisition activities, the Company shall disclose the information and observe the procedures required by applicable laws and regulations and these Rules.

Chapter II Information Disclosure

Article 4

(Principles of information disclosure)

When carrying out a merger and acquisition activity, the company shall disclose information in the spirit of the following principles:

1. Fair treatment.
2. Prudence and responsibility.

XXX Co., Ltd. Self-Regulatory Rules on Disclosure of Merger and Acquisition Information, Template Version

3. No misrepresentation or concealment.
4. Information transparency.

Article 5

(Confidentiality obligation)

The company shall enter into a confidentiality agreement (as per attachment) with an outside institution or individual falling within the meaning given by Article 3 or any other individual having knowledge of the relevant information, and require any individual from within the company who falls within the meaning given by Article 3 to provide a written confidentiality undertaking (as per attachment) and to keep in strict confidence all relevant information coming to his or her knowledge. In addition, the company shall preserve all meeting notes and sign-in books relevant to the merger and acquisition activity and make them available for future auditing or verification.

An institution or individual involved in a merger and acquisition project of the Company, prior to the public release of the news about the merger and acquisition activity, may neither disclose to outside parties any information relating the merger and acquisition activity, nor buy or sell stock or other equity securities of any company related to the merger and acquisition activity, either in its own name or in the name of another.

For the purpose of safeguarding the rights and interest of shareholders, where it is suspected that information pertaining to a merger and acquisition project of the Company has been leaked out prior to the public release of news regarding the project, the Company shall take appropriate measures and designate one or more internal auditors or other appropriate individuals to hold an inquiry, and, when necessary, to report to the supervisors.

Article 6

(Prudence and responsibility)

Any institution or individual involved in a merger and acquisition project of the Company shall exercise prudence in matters relating to the actual or potential merger and acquisition project, and, except as otherwise stated in laws, regulations, or these Rules, when an outside party inquires about the issue, may not divulge any information about the merger and acquisition activity; all matters related to the merger and acquisition activity shall be the sole responsibility of the statutory

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representative, spokesperson, or deputy spokesperson of the Company, so as to avoid misleading shareholders and public investors into wrong expectation or resulting in price fluctuation of the stock of any company concerned.

Article 7

(Implementation of the spokesperson system)

Any public disclosure or clarification of information relating to a merger and acquisition activity shall be the responsibility of the Company's statutory representative, spokesperson, or deputy spokesperson, and the information thus given shall be within the scope authorized by the Company; such a person, when an outside party inquires about the issue, may not make unauthorized disclosure of the consultant hired, potential subject, possible terms and conditions, or any other matters with respect to the merger and acquisition, and shall further do as required in Articles 6 and 8 herein.

Article 8

(Manner of response to outside rumors or inquiries)

Where there are inquiries or rumors from outsiders indicating the Company is involved in a merger and acquisition activity, the Company shall respond as follows:

1. Information on the merger and acquisition activity may not be disclosed to the public unless and until approved by resolution of the boards of directors of the companies involved. In response to inquiries or rumors from outsiders, the Company shall state "no comment."
2. If there is no merger and acquisition project going on between the Company and any other company, the Company shall issue a denial and explain that the information contained in rumors or inquiries from outsiders is at variance with the facts.
3. If the Company has discussed a merger and acquisition activity with another company, but the merger and acquisition project has been terminated due to unfeasibility, the Company shall provide adequate clarification to that effect in response to rumors or inquiries from outsiders.

Article 9

(Requisite conditions for voluntary disclosure of merger and acquisition activity)

On the condition that all of the following conditions are satisfied the Company may, in order to

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safeguard the rights and interest of shareholders, make voluntary disclosure to the public of an in-progress merger and acquisition activity upon which the board of directors has not adopted any resolution, but careful consideration must be given to the necessity of such information disclosure, the accuracy of the information disclosed, and the resultant legal responsibility:

1. All parties to a corporate merger and acquisition activity have reached an agreement-in-principle and entered into an agreement related to the merger and acquisition activity.
2. There is evidence indicating the ability to consummate the merger and acquisition activity, and it is determined that the event is significant and public disclosure is thus necessary.
3. Mass media reports or outside rumors are roughly consistent with the facts.

Article 10

(Information disclosure platform)

The Company shall publish, in accordance with applicable information disclosure requirements, information on a merger and acquisition activity through an Internet-based information reporting system designated by the competent authority, and from time to time shall update the information to reflect any change to the merger and acquisition activity with respect to subject, progress, or any other relevant information.

Article 11

(Information disclosure in merger and acquisition through public tender offer)

When carrying out a merger and acquisition activity with another company through a public tender offer, the Company shall publish information in accordance with the Regulations Governing Tender Offers for Purchase of the Securities of a Public Company and the provisions of Article 2 herein relating to disclosure of relevant information. The Company may not release information on any equity interest under its control unless and until such publication of information has been made, so as to avoid unusual fluctuation in the price of the stock of the company concerned.

Chapter III Supplementary Provisions

XXX Co., Ltd. Self-Regulatory Rules on Disclosure of Merger and Acquisition Information, Template Version

Article 12

(Violations)

In any of the following circumstances, the Company shall take action or appropriate legal measures against the violator concerned:

1. The statutory representative, spokesperson, or deputy spokesperson provides to outside parties any information beyond the scope authorized by the Company or otherwise violates these Rules or any other applicable requirements.
2. A relevant individual from within the Company makes an unauthorized release of information on a merger and acquisition activity to outside parties or otherwise violates these Rules or any other applicable requirements.
3. An institution or individual involved in a merger and acquisition project of the Company violates these Rules or any other applicable requirements.

Article 13

(Internal Controls)

To further the purpose of implementing self-regulation on information disclosure, these Rules shall be incorporated by reference into all relevant control activities in the Company's internal control system.

Article 14

(Education Agenda)

The Company conducts educational and awareness-raising activities for its directors, supervisors, managerial officers, and employees regarding these Rules and applicable laws and regulations at minimum on a yearly basis.

Educational and awareness-raising activities shall also be provided in a timely manner for newly appointed directors, supervisors, managerial officers, and employees.

Article 15

These Rules, and any amendments hereto, shall be implemented after adoption by the board of directors.

Sample Template for XXX Co., Ltd. Procedures for Handling Material Inside Information

Announced Date: 2008.11.12

Chapter I General Principles

Article 1

(Purpose of these Procedures)

These Procedures are specially adopted to establish sound mechanisms for the handling and disclosure of material inside information by this Corporation, in order to prevent improper information disclosures and to ensure the consistency and accuracy of information released by this Corporation to the public.

Article 2

(Material inside information shall be handled in accordance with applicable laws and regulations and these Procedures)

This Corporation shall implement its handling and disclosure of material inside information in accordance with applicable laws and regulations, the rules and regulations of the Taiwan Stock Exchange Corporation or the GreTai Securities Market, and these Procedures.

Article 3

(Scope of application)

These Procedures shall apply to all directors, supervisors, managerial officers, and employees of this Corporation.

This Corporation shall ensure that any other person who acquires knowledge of this Corporation's material inside information due to their position, profession, or relationship of control shall comply with the applicable provisions of these Procedures.

Article 4

(Scope of material inside information)

Sample Template for XXX Co., Ltd. Procedures for Handling Material Inside Information

For the purposes of these Procedures, the term "material inside information" refers to information that, with reference to the Securities and Exchange Act, other applicable laws and regulations, and the applicable rules and regulations of the Taiwan Stock Exchange Corporation or the GreTai Securities Market, is defined as material inside information by the responsible unit in charge of handling of such information and is further approved by a resolution of the board of directors.

Article 5

(Responsible unit in charge of the handling of material inside information)

This Corporation shall establish a unit charged with handling material inside information. The responsible unit shall be composed of an adequate number of competent members in accordance with the size, business conditions, and management needs of this Corporation and shall be approved by the board of directors. The unit shall have the following functions and authorities:

1. Responsibility for formulating the drafts of these Procedures and any amendments to them.
2. Responsibility for receiving inquiries in connection with the methods of handling material inside information, and for consultation, review, and recommendations relating to these Procedures.
3. Responsibility for receiving reports on unauthorized disclosures of material inside information and formulation of corresponding measures.
4. Responsibility for designing a system for preserving all documents, files, electronic records, and other materials related to these Procedures.
5. Other activities related to these Procedures.

Chapter II Procedures for Maintaining Confidentiality of Material Inside Information

Article 6

(Confidentiality firewall operations - Personnel)

This Corporation's directors, supervisors, managerial officers, and employees shall exercise the due care and fiduciary duty of a good administrator and act in good faith when performing their duties, and shall sign confidentiality agreements.

Sample Template for XXX Co., Ltd. Procedures for Handling Material Inside Information

No director, supervisor, managerial officer, or employee with knowledge of material inside information of this Corporation may divulge the information to others.

No director, supervisor, managerial officer, or employee of this Corporation may inquire about or collect any non-public material inside information of this Corporation not related to their individual duties from a person with knowledge of such information, nor may they disclose to others any non-public material inside information of this Corporation of which they become aware for reasons other than the performance of their duties.

Article 7

(Confidentiality firewall operations - Documents and information)

Proper protection of confidentiality shall be given to files and documents containing this Corporation's material inside information when transmitted in written form. When transmitted by e-mail or other electronic means, such files and documents must be processed with appropriate security technology such as encryption or electronic signatures.

Files and documents containing this Corporation's material inside information shall be backed up and stored in a secure location.

Article 8

(Operation of confidentiality firewalls)

This Corporation shall ensure that the firewalls specified in the preceding two articles are established, and take the following additional steps:

1. Adopt adequate control measures for the firewalls and perform periodic testing.
2. Enhance measures for custody and maintaining the secrecy of files and documents containing non-public material inside information of this Corporation.

Article 9

(Confidentiality obligations of outside organizations and persons)

Any organization or person outside of this Corporation that is involved in any corporate action of this Corporation relating to a merger or acquisition, major memorandum of understanding, strategic alliance, other business partnership plans, or the signing of a major contract shall be required to sign a confidentiality agreement, and may not disclose to another party any material

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inside information of this Corporation's thus acquired.

Chapter III Procedures for Handling the Disclosure of Material Inside Information

Article 10

(Principles of disclosure of material inside information)

This Corporation shall comply with the following principles when making external disclosures of material inside information:

1. The information disclosed shall be accurate, complete, and timely.
2. There shall be a well-founded basis for the information disclosure.
3. The information shall be disclosed fairly.

Article 11

(Implementation of the spokesperson system)

Any disclosure of this Corporation's material inside information, except as otherwise provided by law or regulation, shall be made by this Corporation's spokesperson, or by a deputy spokesperson acting in such capacity in a confirmed sequential order. When necessary, the disclosure may be made directly by a responsible person of this Corporation.

This Corporation's spokesperson or deputy spokesperson shall communicate to outside parties only information within the scope authorized by this Corporation, and no personnel of this Corporation other than those serving as this Corporation's responsible person, spokesperson, or deputy spokesperson may disclose any material inside information of this Corporation to outside parties without authorization.

Article 12

(Record of disclosure of material inside information)

This Corporation shall keep records of the following in respect of any disclosure of information to outside parties:

1. The person who discloses the information, the date, and the time.

Sample Template for XXX Co., Ltd. Procedures for Handling Material Inside Information

2. How the information is disclosed.
3. What information is disclosed.
4. What written material is delivered.
5. Any other relevant details.

Article 13

(Response to false media coverage)

If a media agency releases information that is in any respect inconsistent with material information disclosed by this Corporation, this Corporation shall promptly issue a clarification on the Market Observation Post System (MOPS) and request the media agency to correct the information.

Chapter IV Handling of Unusual Events

Article 14

(Reporting of unusual events)

Any director, supervisor, managerial officer, or employee of this Corporation that becomes aware of any unauthorized disclosure of this Corporation's material inside information shall report to the responsible unit and the internal audit department of this Corporation as soon as practicable.

Upon receipt of a report made pursuant to the preceding paragraph, the responsible unit shall formulate corresponding measures. When necessary, it may invite members from the internal audit and other departments to meet for discussion of the measures, and shall keep a record of the results of the measures for future reference. The internal auditors shall also perform such audits as their duties may require.

Article 15

(Disciplinary measures)

This Corporation shall take measures to discover those responsible and take appropriate legal action against any personnel under either of the following circumstances:

1. Personnel of this Corporation disclose material inside information without authorization to any

Sample Template for XXX Co., Ltd. Procedures for Handling Material Inside Information

outside party, or otherwise violate these Procedures or any other applicable law or regulation.

2. A spokesperson or deputy spokesperson of this Corporation communicates to any outside party any information beyond the scope authorized by this Corporation, or otherwise violates these Procedures or any other applicable law or regulation.

If any person outside this Corporation divulges any material inside information of this Corporation, thereby causing damage to any property or interest of this Corporation, this Corporation shall pursue appropriate measures to hold the person divulging the information legally liable.

Chapter V Internal Controls and Awareness Campaigns

Article 16

(Internal controls)

These Procedures shall be incorporated into this Corporation's internal control system. The internal auditors shall keep themselves regularly informed of the status of compliance with these Procedures and shall prepare related audit reports, so as to ensure full implementation of the procedures for handling material inside information.

Article 17

(Awareness campaigns)

At least once per year, this Corporation shall conduct educational campaigns to promote awareness among all directors, supervisors, managerial officers, and employees with respect to these Procedures and related laws and regulations.

This Corporation shall also provide educational campaigns to new directors, supervisors, managerial officers, and employees in a timely manner.

Chapter VI Supplementary Provisions

Article 18

These Procedures, and any amendments to them, shall be implemented upon approval by the board of directors.

Sample Template for XXX Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct

Amended Date: 2015.01.28

Article 1

(Purpose of adoption and scope of application)

This Corporation engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the applicable laws and regulations of the places where this Corporation and its business groups and organizations operate, with a view to providing all personnel of this Corporation with clear directions for the performance of their duties.

The scope of application of these Procedures and Guidelines includes the subsidiaries of this Corporation, any incorporated foundation in which this Corporation's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by this Corporation.

Article 2

(Applicable subjects)

For the purposes of these Procedures and Guidelines, the term "personnel of this Corporation" refers to any director, supervisor, managerial officer, employee, mandatary or person having substantial control, of this Corporation or its group enterprises and organizations.

Any provision, promise, request, or acceptance of improper benefits by any personnel of this Corporation through a third party will be presumed to be an act by the personnel of this Corporation.

Article 3

(Unethical conduct)

For the purposes of these Procedures and Guidelines, "unethical conduct" means that any

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personnel of this Corporation, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

Article 4

(Types of benefits)

For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

Article 5

(Responsible unit)

This Corporation shall designate the _____ as the solely responsible unit (hereinafter, "responsible unit") under the board of directors and in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports to the board of directors:

1. Assisting in incorporating ethics and moral values into this Corporation's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to this Corporation's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.

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6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures

Article 6

(Prohibition against providing or accepting improper benefits)

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of this Corporation shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
2. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
3. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
4. Attendance at folk festivals that are open to and invite the attendance of the general public.
5. Rewards, emergency assistance, condolence payments, or honorariums from the management.
6. Money, property, or other benefits with a market value of NT\$_____ or less offered to or accepted from a person other than relatives or friends; or gifts of property with a total market value of NT\$_____ or less given by another party to the majority of the personnel of this Corporation, provided that the total market value of the property offered to the same counterparty or coming from the same source within a single fiscal year shall be limited to NT\$_____.
7. Property with a market value of NT\$_____ or less received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative.

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8. Other conduct that complies with the rules of this Corporation.

Article 7

(Procedures for handling the acceptance of improper benefits)

Except under any of the circumstances set forth in the preceding article, when any personnel of this Corporation are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:

1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of this Corporation's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of this Corporation's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

"A relationship of interest between the party providing or offering the benefit and the official duties of this Corporation's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. Other circumstances in which a decision regarding this Corporation's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of this Corporation shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved.

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Article 8

(Prohibition of and handling procedure for facilitating payments)

This Corporation shall neither provide nor promise any facilitating payment.

If any personnel of this Corporation provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

Article 9

(Procedures for handling political contributions)

Political contributions by this Corporation shall be made in accordance with the following provisions, reported to the supervisor in charge for approval, and a notification given to the responsible unit, and when the amount of a contribution is NT\$ _____ or more, it shall be made only after being reported to and approved by the board of directors:

1. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.
2. A written record of the decision-making process shall be kept.
3. Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
4. In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of this Corporation with the related government agencies shall be avoided.

Article 10

(Procedures for handling charitable donations or sponsorships)

Charitable donations or sponsorships by this Corporation shall be provided in accordance with the following provisions and reported to the supervisor in charge for approval, and a notification shall be given to the responsible unit. When the amount is NT\$ _____ or more, the donation

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or sponsorship shall be provided only after it has been submitted for adoption by the board of directors:

1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where this Corporation is doing business.
2. A written record of the decision making process shall be kept.
3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
4. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of this Corporation's commercial dealings or a party with which any personnel of this Corporation has a relationship of interest.
5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 11

(Recusal)

When a Company director, supervisor, officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting, that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of this Corporation would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

If in the course of conducting company business, any personnel of this Corporation discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of this Corporation may use company resources on commercial activities other than those of this Corporation, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of this Corporation.

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Article 12

(Special unit in charge of confidentiality regime and its responsibilities)

This Corporation shall set up a special unit charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of this Corporation's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

All personnel of this Corporation shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of this Corporation of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of this Corporation unrelated to their individual duties.

Article 13

This Corporation shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 14

This Corporation shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of this Corporation to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.

This Corporation shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.

Where there are media reports, or sufficient facts to determine, that this Corporation's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, this Corporation shall, within ____ days, recall those products or suspend the

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services, verify the facts and present a review and improvement plan.

The responsible unit of this Corporation shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the board of directors.

Article 15

(Non-disclosure agreement)

All Company personnel shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

Any organization or person outside of this Corporation that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by this Corporation shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of this Corporation acquired as a result, and that they may not use such information without the prior consent of this Corporation.

Article 16

(Announcement of policy of ethical management to outside parties)

This Corporation shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

Article 17

(Ethical management evaluation prior to development of commercial relationships)

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, this Corporation shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and

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transparent manner and will not request, offer, or take bribes.

When this Corporation carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

1. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
2. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
3. Whether enterprise's business operations are located in a country with a high risk of corruption.
4. Whether the business operated by the enterprise is in an industry with a high risk of bribery.
5. The long-term business condition and degree of goodwill of the enterprise.
6. Consultation with the enterprise's business partners on their opinion of the enterprise.
7. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

Article 18

(Statement of ethical management policy to counterparties in commercial dealings)

Any personnel of this Corporation, when engaging in commercial activities, shall make a statement to the trading counterparty about this Corporation's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

Article 19

(Avoidance of commercial dealings with unethical operators)

All personnel of this Corporation shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement this Corporation's ethical management policy.

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Article 20

(Stipulation of terms of ethical management in contracts)

Before entering into a contract with another party, this Corporation shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of this Corporation part of the terms and conditions of the contract, stipulating at the least the following matters:

1. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, the party may claim from the other party ____ percent of the contract price as damages, and may also deduct the full amount of the damages from the contract price payable.
2. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
3. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

Article 21

(Handling of unethical conduct by personnel of this Corporation)

As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, this Corporation will grant a reward of not more than NT\$_____ depending the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

This Corporation shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for Company insiders and outsiders to submit reports. A whistleblower shall at least furnish the following information:

1. the whistleblower's name and I.D. number, and an address, telephone number and e-mail

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address where it can be reached.

2. the informed party's name or other information sufficient to distinguish its identifying features.
3. specific facts available for investigation.

Company personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. This Corporation also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing.

The responsible unit of this Corporation shall observe the following procedure:

1. An information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director or a senior executive.
2. The responsible unit of this Corporation and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.
3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or this Corporation's policy and regulations of ethical management, this Corporation shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, this Corporation will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
5. With respect to a confirmed information, this Corporation shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.
6. The responsible unit of this Corporation shall submit to the board of directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.

Article 22

(Actions upon event of unethical conduct by others towards this Corporation)

If any personnel of this Corporation discovers that another party has engaged in unethical conduct towards this Corporation, and such unethical conduct involves alleged illegality, this Corporation shall report the relevant facts to the judicial and prosecutorial authorities; where a

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public service agency or public official is involved, this Corporation shall additionally notify the governmental anti-corruption agency.

Article 23

(Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures)

The responsible unit of this Corporation shall organize _____ awareness sessions each year and arrange for the chairperson, general manager, or senior management to communicate the importance of ethics to its directors, employees, and mandataries.

This Corporation shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of this Corporation seriously violates ethical conduct, this Corporation shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of this Corporation.

This Corporation shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 24

(Enforcement)

These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be delivered to each supervisor and reported to the shareholders meeting.

When these Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.

Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/TPEX Listed Companies

Amended Date: 2015.01.28

1. Purpose of and basis for adoption

In recognition of the necessity to assist the companies in Taiwan in their establishment of codes of ethical conduct, these Guidelines are adopted for the purpose of encouraging directors, supervisors, and managerial officers of TWSE listed and TPEX listed companies (including general managers or their equivalents, assistant general managers or their equivalents, deputy assistant general managers or their equivalents, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of a company) to act in line with ethical standards, and to help interested parties better understand the ethical standards of such companies.

It is advisable that a TWSE or TPEX listed company establish a code of ethical conduct with reference to these Guidelines, and it may develop respective codes of ethical conduct for different managerial officers.

2. Content of the code

Taking its individual circumstances and needs into consideration, a TWSE or TPEX listed company shall adopt a code of ethical conduct that addresses at least the following eight matters:

1. Prevention of conflicts of interest:

Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the company, as for example when a director, supervisor, or managerial officer of the company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of kinship. The company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works. The company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors, supervisors, and managerial officers to voluntarily explain whether there is any potential conflict between them and the company.

Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/TPEX Listed Companies

2. Minimizing incentives to pursue personal gain:

The company shall prevent its directors, supervisors, or managerial officers from engaging in any of the following activities: (1) Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions. (2) Obtaining personal gain by using company property or information or taking advantage of their positions. (3) Competing with the company. When the company has an opportunity for profit, it is the responsibility of the directors, supervisors, and managerial officers to maximize the reasonable and proper benefits that can be obtained by the company.

3. Confidentiality:

The directors, supervisors, and managerial officers of the company shall be bound by the obligation to maintain the confidentiality of any information regarding the company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the company or the suppliers and customers.

4. Fair trade:

Directors, supervisors, and managerial officers shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

5. Safeguarding and proper use of company assets:

All directors, supervisors, and managerial officers have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the company's profitability.

6. Legal compliance:

The company shall strengthen its compliance with the Securities and Exchange Act and other applicable laws, regulations, and bylaws.

7. Encouraging reporting on illegal or unethical activities:

The company shall raise awareness of ethics internally and encourage employees to report to a company supervisor, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the company shall establish

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a concrete whistle-blowing system and make employees aware that the company will use its best efforts to ensure the safety of informants and protect them from reprisals.

8. Disciplinary measures:

When a director, supervisor, or managerial officer violates the code of ethical conduct, the company shall handle the matter in accordance with the disciplinary measures prescribed in the code, and shall without delay disclose on the Market Observation Post System (MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken. It is advisable that the company establish a relevant complaint system to provide the violator with remedies.

3. Procedures for exemption

The code of ethical conduct adopted by a company must require that any exemption for directors, supervisors, or managerial officers from compliance with the code be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.

4. Method of disclosure

A TWSE or TPEX listed company shall disclose the code of ethical conduct it has adopted, and any amendments to it, on its company website, in its annual reports and prospectuses and on the MOPS.

5. Enforcement

A company's code of ethical conduct, and any amendments to it, shall enter into force after it has been adopted by the board of directors, delivered to each supervisor, and submitted to a shareholders meeting.

Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies

Amended Date: 2014.12.31

I Basis and Purpose for Adoption

1. These Directions are specially adopted pursuant to Articles 40 and 50 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies ("the Principles") to encourage TWSE/TPEX listed companies to arrange for newly appointed or re-appointed directors (including independent directors) and supervisors to enrich and update their knowledge on an ongoing basis, and to fulfill the following purposes:
 - A. To urge corporate directors and supervisors to enhance their professional expertise and legal knowledge.
 - B. To assist corporate directors and supervisors to develop their exceptional qualities and decision-making abilities.
 - C. To lead corporate directors and supervisors to step up exchanges of their experience and mutual communication and interaction.
 - D. To promote the effective implementation by corporate directors and supervisors of the corporate governance system.
2. Except as otherwise provided by laws and regulations, continuing education for directors and supervisors of TWSE listed and TPEX listed companies shall be governed by these Directions.

II Purpose of Implementation

1. A TWSE or TPEX listed company shall integrate all resources for corporate governance, and establish mechanisms and methods for continuing education for directors and supervisors, so that they can have easy access to relevant information, and maintain their core values and professional edge and ability.
2. To enliven the continuing education environment for directors and supervisors, a TWSE or TPEX listed company shall encourage interaction between directors and supervisors of different companies through international organizations or private institutions promoting and advocating corporate governance.

Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies

3. The TWSE or TPEX listed company shall, through systematic promotion and implementation, enable its directors and supervisors to achieve maximize actual effectiveness out of continuing education, with the help of a curriculum design that is computerized, diversified, user-friendly, and flexible.

III Continuing Education Measures

1. Applicable Subjects:

- A. The TWSE or TPEX listed company shall make plans and arrangements for the persons on the list of elected directors (including independent directors) and supervisors for each term, and if there is any change to the list of directors and supervisors, shall make corresponding additions, deletions, and adjustments to the plans and arrangements.
- B. "Newly appointed" directors and supervisors in these Directions means those serving for the first time as a director or supervisor of a TWSE or TPEX listed company.
- C. "Re-appointed" directors and supervisors in these Directions means those serving another term as a director or supervisor of a TWSE or TPEX listed company.
- D. Temporal continuity or continuous appointment at the same TWSE or TPEX listed company across terms of service is not required for a determination of being "re-appointed" under the preceding paragraph. However, if the company at which the appointed person previously served becomes TWSE or TPEX listed only after the person has completed his or her term of service has been dismissed for any reason, that term may not be deemed as a first term.

2. Continuing Education Hours:

Continuing professional education (CPE) hours for directors and supervisors of TWSE or TPEX listed companies are as follows:

- A. It is advisable for a newly appointed person to complete a minimum of 12 CPE hours in the year the person is appointed, and a minimum of 6 hours per year in each following year.
- B. It is advisable for a re-appointed person to complete a minimum of 6 CPE hours per year during the term of appointment. However, if during the given year, the person has served as an instructor teaching any course related to corporate governance at a training institution under item A of Point 3.4 "Continuing Education System," and has met the requirement under the preceding subparagraph of completing 12 CPE hours in the year the person was newly appointed, then 1 hour may be deducted each time the person teaches a course; the total number of hours deducted shall be limited to 3 hours.
- C. CPE hours shall be calculated on a progressive basis, counting, in principle, from 1 January

Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies

to 31 December for the given year. In the event of peculiar circumstances or where cross-year calculation is necessitated by the curriculum design, the reasons shall be stated together with the disclosure of the status of continuing education required under Point III, paragraph 5.

3. Continuing Education Scope: To assist each director and supervisor in gaining, through continuing education, the abilities under all subparagraphs of Article 20, paragraph 4, and Article 43 of the Principles, it is advisable for a TWSE or TPEX listed company to consider topics extending beyond the scope of the professional expertise of the directors and supervisors, and to select courses encompassing corporate governance related topics such as finance, risk management, business, commerce, legal affairs, accounting, and corporate social responsibility, or courses relating to internal control systems or liability for financial reports.

4. Continuing Education System:

A TWSE or TPEX listed company shall, in principle, turn to the following institutions when arranging continuing education for directors and supervisors:

A. Professional training institutions such as the Securities and Futures Institute, ROC, Accounting Research and Development Foundation in Taiwan, Institute of Internal Auditors, ROC, Taiwan Development & Research Academia of Economic & Technology, Computer Audit Association, Taiwan Academy of Banking and Finance, Taiwan Corporate Governance Association.

B. Lectures, seminars, symposiums, and educational courses organized by the following institutions (whether as the host or a co-host) and in line with the Continuing Education Scope under Point III, paragraph 3.

a. The regulatory authority in charge of a relevant industry, the competent authority, the TWSE, TPEX, Taiwan Depository and Clearing Corporation, and other institutions recognized by the TWSE or TPEX.

b. Taiwan Securities Association, CPA Associations, and Bar Associations.

C. Seminars, symposiums, and internal training sessions organized by the TWSE or TPEX listed company or its affiliated enterprises, and in line with the Continuing Education Scope under Point III, paragraph 3, provided that the hours thereof that may be recognized for continuing education are limited to one-third of the minimum CPE hours that a person is advised to complete per year under these Directions.

D. Special lectures, seminars, and symposiums organized by international organizations such as OECD or by major securities markets around the world, attended by directors or supervisors, where the topic is in line with the Continuing Education Scope under Point III, paragraph 3.

Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies

- E. When a TWSE or TPEX listed company engages a foreign national to serve as a director or supervisor, the company shall, in addition to having a clear understanding of the substantive content of the person's continuing education undertaken abroad, provide a translation in English or the foreign national's native language of Taiwan's major laws and regulations related to economics, securities, TWSE or TPEX listing, and relevant industries for reference.
5. Continuing Education Arrangements and Information Disclosure:
- A. A TWSE or TPEX listed company shall have an understanding of the educational background, work experience, and professional expertise of all of its directors and supervisors, and make appropriate arrangements for the times and contents of continuing education for each person, taking into consideration the company's main operational focus and main directions of business development.
 - B. The directors and supervisors of a TWSE or TPEX listed company shall regularly file with the company documentary proof of their continuing education. The TWSE or TPEX listed company shall regularly review the status of the continuing education of its directors and supervisors.
 - C. A TWSE or TPEX listed company shall disclose in its prospectuses, annual reports, on the Market Observation Post System, and on the company website information on the continuing education status of its directors and supervisors pursuant to the Regulations Governing Information to be Published in Public Offering and Issuance Prospectuses, Regulations Governing Information to be Published in Annual Reports of Public Companies, and Corporate Governance Best-Practice Principles for TWSE or TPEX Listed Companies.

Corporate Governance Center Launches a Newsletter Subscription Service

The Taiwan Stock Exchange formally launched the Corporate Governance Center website on September 25, 2014. The site content contains an introduction to corporate governance and CSR, corporate governance regulations and guidelines, evaluation information, statistics, latest events and registration. By fully integrating all domestic corporate governance related information, the site serves as a platform for searching corporate governance and CSR information.

A new 'E-newsletter service' launched by the Corporate Governance Center is now available, monthly updating investors and corporations on the Center's news and corporate governance/CSR developments and policies. The first issue was on March 16, 2015.



CGC Website (<http://cgc.twse.com.tw/frontEN/index>)

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Published in June 2015

02-104-1-04

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