



Document No	W-FA-I-005	Release Date	121004
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1. Objectives:

These Regulations are duly enacted to assure a sound governance system for the Company's Board of Directors, wholesome superintendence functions and intensify managerial performance.

2. Scope:

These Regulations are applicable to the event where the Company convenes a board of directors meeting.

3. Powers and responsibilities:

The board of directors meeting shall be duly convened by the Financial & Accounting Department which shall take overall charge of affairs to convene board of directors meeting.

4. Definitions:

Nil.

5. Contents of operation:

5.1 These Regulations are duly enacted in accordance with the Company's Articles of Incorporation and laws and ordinances concerned to assure a sound governance system for the Company's Board of Directors, wholesome superintendence functions and intensify managerial performance.

5.2 The norms governing the Company's Board of Directors, contents of key issues, operating procedures, issues indispensable to the minutes, public announcements and other compliance shall be duly subject to these Regulations

5.3 Unless otherwise prescribed in the Company's Articles of Incorporation, the Company's Board of Directors shall convene a board of directors meeting on a quarterly basis as the minimum.
除本公司章程另有規定者外，本公司董事會至少每季召集一次。

Unless otherwise prescribed in the Company's Articles of Incorporation, notices to the Company's Board of Directors Meeting shall expressly bear the subjects and shall be served to all directors seven days in advance, the aforementioned serves may in electronically way (including e-mail or facsimile). In case of an emergency, a board of directors meeting may be convened at anytime.

Issues set forth under Article 5.12 shall be expressly enumerated in the subjects of the meeting and shall not be posed by means of Occasional (extemporaneous) motions except an emergency or an event backed by a justifiable reason.



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5.4 The term “unit in charge of the meeting affairs” as set forth by the Company’s Board of Directors denotes the Financial & Accounting Department.

The unit in charge of the meeting affairs shall work out the contents of the board of directors meeting and shall provide the board of directors meeting with adequate databases which shall be served by mail in package along with the notices to the meeting.

A director who feels the databases of the meeting inadequate may request the unit in charge of the meeting affairs to make good. A director who feels the databases of the issues inadequate may defer the review of the databases after being resolved in the Board of Directors.

5.5 Upon convening a board of directors meeting of the Company, the sign-in book should be provided ready for the present directors to sign their presence ready for proof. Directors should attend a board of directors meeting in person. A director who cannot attend a board of directors meeting in person shall authorize a proxy to attend on his or her behalf according to these Articles of Incorporation. A director who attends a board of directors meeting through video facility is deemed to have participated in the board of directors meeting in person.

A director who attends a board of directors meeting through a proxy shall issue the proxy (power of attorney) to expressly bear the scope of the authorized power.

A proxy mentioned in the two preceding paragraphs shall be authorized by only one principal.

5.6 The board of directors meeting of the Company shall be held at the time and location convenient to the Board of Directors to convene the meeting.

5.7 The Company’s board of directors meetings shall be convened and chaired by the Chairman. The first board of directors meeting of every session, nevertheless, shall be convened by the director who won the highest number of ballots in the election held in the shareholders’ meeting. When there are two or more conveners, one shall be elected from among themselves to chair the meeting.

The shareholders' meeting shall be duly chaired by the chairman. In his absence or unavailability, the vice chairman shall act on behalf. If there is no vice chairman or the vice chairman is absent or unavailable as well, the chairman shall, in advance, appoint a managing director to act in his place. If the Company has no managing director, one director shall be elected from among themselves to act in the place. In the event that the Chairman does not appoint a substitute, one managing director or director may be appointed from among themselves to act on behalf.

5.8 When the Company’s board of directors meeting is held, the Administration Management and the Financial & Accounting Department shall get ready adequate data available to the Board of Directors for reference at anytime.

When the Company’s board of directors meeting is held, the personnel of relevant departments of the Company and subsidiaries may be invited to attend the meeting as an observer. As necessary,



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the Company may invite Certified Public Accountant, Attorney-at-Law or other professional to attend the meeting as an observer, but they shall temporary away when discussing and voting.

The chairperson of the Board of Directors shall call to the meeting when the time is up and when the board of directors meeting is attended by directors who represent a majority of the total number of director seats. When the time to convene the meeting is up but the meeting is attended by directors who make up less than a half, the chairperson may announce deferment of the meeting. The total number of deferments shall not exceed the maximum of twice. If the attending directors still fail to make the required quorum even after deferments twice, the chairperson may convene the board of directors meeting anew in accordance with Article 5.3, Paragraph 2.

The term “entire directors” as set forth in Article 5.16, Paragraph 2, Subparagraph 2 shall be duly calculated based on the number of directors actually serving on the post.

5.9 The entire board of directors meeting process of the Company shall be duly recorded by audio or be videotaped which shall be archived for a minimum of five years and may be archived in electronic means.

In case of a litigious action regarding a decision resolved in the board of directors meeting taking place before the aforementioned archiving period expires, such audio or be videotape records shall be archived continually until the litigation is concluded, settled or withdrawn.

In the event that a board of directors meeting is convened in video system, the video audio data shall form an integral part of the minutes and shall be continually archived in the meeting where the Company exists.

5.10 The periodical board of directors meeting of the Company shall bear the contents which should include a minimum of the following:

5.10.1 Issues to be reported:

5.10.1.1 Minutes kept for the preceding meeting and fact of implementation.

5.10.1.2 Report of major financial issues.

5.10.1.3 Report of internal audit performance.

5.10.1.4 Other major issues to be reported.

5.10.2 Issues to be discussed:



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- 5.10.2.1 Discussion on the issues retained in the preceding meeting.
- 5.10.2.2 Issues scheduled to be discussed in the present meeting.
- 5.10.3 Occasional (extemporaneous) motions.
- 5.11 The board of directors meeting of the Company shall be duly convened based on the agenda process set forth in the notices which, nevertheless, may be changed if agreed upon by a majority of the present directors.
- The chairperson shall not announce adjournment of the meeting straight unless agreed upon by a majority of the present directors.
- During the process of a board of directors meeting, if the present directors fail to make the majority quorum, the chairperson shall announce suspension of the meeting to which the provision set forth in Article 5.6, Paragraph 3 is equally applicable
- 5.12 The issues enumerated below should be posed to the Company's board of directors meeting for discussion:
- 5.12.1 The Company's business operation plans:
- 5.12.2 Annual financial reports and semiannual financial reports. But the semiannual financial reports without certifying by Certified Public Accountant shall be excluded.
- 5.12.3 Enactment or amendment of the internal control system of the Company in accordance with the Company's Articles of Incorporation.
- 5.12.4 Acquirement or disposal of assets in accordance with the Company's as revised or amended in the Company's Articles of Incorporation, engaging in derivative financial products, loaning of funds and making of endorsements/guarantees for others or such major business operation behaviors and such procedures.
- 5.12.5 Offering, issuance or private placement of equity oriented securities.
- 5.12.6 Appointment, discharge of financial, accounting and internal audit heads.
- 5.12.7 The donations to related party or the major donations to non-related party. But it may be admitted by the next Board of Directors for approval if it is due to a major disaster for the public welfare of the emergency donations.
- 5.12.8 The major issues which should be resolved by the shareholders' meeting or submitted to the board



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of directors meeting or to the competent authorities of the government as required under the Company's Articles of Incorporation.

The means of "related party" in Article 5.12.7 shall be specificity as Regulations Governing the Preparation of Financial Reports by Securities Issuers; the means of "the major donations to non-related party" shall be the individual donation amount, or of cumulative donation amount with a same party within 1 year, reaches NTD\$100 million, or reaches 1 percent of net operating revenues for the immediately preceding financial year certified by CPA's financial report or 5 percent of the Company's paid-in capital.

The set forth preceding paragraph of "within one year" shall based on the board of directors holding date, backdated one year, and the resolution approved by the board of directors shall not be excluded.

The shares having no par value or a par value other than NT\$10, the above paragraph 2 of 5 percent of paid-in capital shall be calculated by 2.5 percent of shareholders' equity.

For issues which should be resolved by the independent directors in the board of directors meeting in accordance with the Company's Articles of Incorporation or laws and ordinances concerned, the independent directors shall be present in person or through other independent director(s) as a proxy. An independent director who has objective or retained opinions shall be expressly remarked in the agenda of the board of directors meeting. An independent director who is unable to attend a board of directors meeting in person shall pose opinions in writing beforehand which should be expressly entered into the minutes of the board of directors meeting except a case with justifiable reasons.

5.13 Where an issue being discussed reaches the extent to be put into balloting process, the chairperson may announce stop of more discussion and put the issue into resolution.

An issue is deemed to have been duly resolved if no objection is heard in response to inquiry by the chairperson toward all present directors. The issue should be put into resolution if an objection is heard in response to inquiry by the chairperson.

Decisions may be resolved by the chairperson in anyone of the following means. In case of an objection heard, nevertheless, the decision shall be resolved through the majority opinions.

5.13.1 Resolving a decision by raising hand or by balloting.

5.13.2 Resolving a decision by a roll call.

5.13.3 Resolving a decision by casting ballots.

5.13.4 Resolving a decision in a means as chosen by the Company.



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The term “present directors” as set forth in the two preceding paragraphs exclude the directors who are not entitled to vote under Article 5.15, Paragraph 1.

- 5.14 Unless otherwise provided for in the Company Law, decisions in the board of directors meeting shall be resolved by a majority vote in the meeting which is attended by directors who represent a majority of the total number of directors.

Where a same issue is accompanied by an amendment or a substitution, the chairperson shall consolidate that issue into the initial issue to fix the subsequence of balloting. When one of such issues is resolved, other issues are deemed to have been vetoed. No voting process is required.

The personnel to monitor and to tally ballots shall be designated by the chairperson where necessary. The monitor shall come out among directors. The results of resolution shall be reported on the grounds of and shall be worked out into minutes.

- 5.15 On an issue discussed in a board of directors meeting, a director who is likely to get involved in conflict of interests, shall report to the board of directors, and is hence likely to be detrimental to the Company shall not participate in the discussion and voting process. In the discussion and voting process, he or she shall withdraw from conflict involvement (recusal), nor shall he or she vote as a proxy for another director.

The aforementioned directors not entitled to the voting power shall not be counted into the number of votes of present directors or into the number of ballots.

- 5.16 The minutes of the Company’s board of directors meeting shall be duly worked out and bear the following particulars:

5.16.1 Time and arena of the session (year) of the meeting.

5.16.2 Name of the chairperson.

5.16.3 Presence by the directors, including the names and number of directors present, absent and on leave.

5.16.4 Names and position titles of participants as an observer.

5.16.5 Name of the secretary of the meeting.

5.16.6 Issues to be reported.

5.16.7 Issues to be discussed: Methods to resolve decisions and results. The highlights of the speeches of the directors, experts and other people, according to Article 5.15, Paragraph 1, the name of a director who is likely to get involved in conflict of interests, the describe of the conflict of



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interests, the reason of withdraw or not, the situation of withdraw, their pros and cons backed up with written records or written declarations and the written opinions issued by the independent director in accordance with Article 5.12, Paragraph 5.

5.16.8 Occasional (extemporaneous) motions: Names of proposers, methods and results of decisions resolved, highlights of speeches delivered by directors, experts and other people, according to Article 5.15, Paragraph 1, the name of a director who is likely to get involved in conflict of interests, the describe of the conflict of interests, the reason of withdraw or not, the situation of withdraw, pros and cons backed up with written records or written declarations.

5.16.9 Other issues required.

In case of a decision resolved in the board of directors meeting Board of Directors if meeting attributes below, it should be expressly declared in the minutes and shall be declared through the website designated by the competent authorities of the government within two days after the board of directors meeting.

5.16.9.1 The objective or retained opinions of an independent director which are backed up with minutes or written declarations.

5.16.9.2 An issue which does not pass the review by the Company's Audit Committee but is resolved by two-thirds majority of all directors.

The sign-in book of a board of directors meeting forms an integral part of the minutes and shall be archived as long as the Company exists.

The minutes shall be duly signed and affixed seals by the chairperson and recording personnel, served to all directors within twenty days after the meeting. The minutes shall be classified confidential and shall be archived as long as the Company exists.

The minutes worked out under Paragraph 5.16.9.1 may be produced and distributed by electronic means.

5.17 Except issues under Article XII, Paragraph I which should be discussed by the Company's board of directors meeting, the issues which the Board of Directors shall, pursuant to the requirements of the Articles of Incorporation should authorize powers to exercise the responsibilities and powers. The contents and issues of the powers so authorized include the following:

5.17.1.1 Where the Chairman is authorized to represent the Company externally within the scope of business operation.

5.17.1.2 Where the Chairman is authorized to disburse loans.



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- 5.17.1.3 Where the Chairman is authorized to act in accordance with “Procedures to Acquire or Dispose of Assets”.
- 5.17.1.4 Where the Chairman is authorized to take charge of “Endorsement & Guarantee Procedures”.
- 5.17.1.5 Where the Chairman is authorized to take charge of “Procedures for Loaning of Funds to Others”.
- 5.17.1.6 Where the Chairman is authorized to appoint major directors and supervisors, major managerial officers for a non-important subsidiary.
- 5.17.1.7 Other matters to be authorized by the Board of Directors.
- 5.17.2 In the event that the Audit Committee has been established inside the Company’s Board of Directors, the following issues should be first submitted to the Audit Committee to study first before being submitted to the Board of Directors for report or discussion.
- 5.17.2.1 The internal control system to be enacted or amended in accordance with the Company’s Articles of Incorporation
- 5.17.2.2 Evaluation of the validity and performance of the internal control system.
- 5.17.2.3 Acquirement or disposal of assets in accordance with the Company’s as revised or amended in the Company’s Articles of Incorporation, engaging in derivative financial products, loaning of funds and making of endorsements/guarantees for others or such major business operation behaviors and such procedures.
- 5.17.2.4 Reviews of issues which involve interests of directors.
- 5.17.2.5 Reviews of issues related to transactions of major assets or derivative financial products.
- 5.17.2.6 Reviews of issues related to major loaning of capitals to others, endorsements or providing guarantees.
- 5.17.2.7 Reviews of issues related to review of offering, issuance or private placement of equity oriented securities.
- 5.17.2.8 Reviews of issues related to certification and retaining, discharge, remuneration for Certified Public Accountant for audit.
- 5.17.2.9 Reviews of issues related to appointment, discharge of financial, accounting and internal audit heads.



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5.17.2.10 Reviews of issues related to review financial statements on an annual basis, on a semiannual basis. But the semiannual financial reports without certifying by Certified Public Accountant shall be excluded.

5.17.2.11 Reviews of other major issues as required by the Company or the competent authorities of the government.

5.18 Where the Company has set up managing directors, the Minutes of the Board of Managing Directors shall be duly convened in accordance with Articles 5.2, 5.3, Paragraph 2, Articles 5.4~5.6, Articles 5.8~5.11, Articles 5.13~5.16. Where a Board of Managing Directors meeting is to be convened within seven days on a regular basis, notices shall be served to all managing directors two days in advance.

5.19 These Regulations shall be duly enacted as approved by the Board of Directors and shall be reported to the shareholders' meeting. In case of a need for amendment in the future, the Board of Directors is authorized with full power for amendment as necessary.

5.20 Supplementation of Laws and Ordinances Concerned
Any matters insufficiently provided for herein shall be subject to laws and ordinances concerned.

5.21 These Regulations are duly enacted on June 13, 2011.

6. References:

Nil.

7. Forms concerned:

Nil.

8. Appendices:

8.1 Contents of inspection



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Operating vouchers

1. Sign-in book of directors.
2. Minutes of the board of directors meeting.

Notices:

1. Whether the issue executed as the resolve or not, whether the minutes kept correct or not.
2. Whether the resolve keep in the minutes or not, if it needs announce, whether follow the deadline or not.
3. Whether follow the regulation to convene the board of director or not, and to prepare the sign-in book.
4. Whether keep the minutes as well or not.
5. It shall be prior written consent by the management when the related documents destroy.