

# **Rules Governing the Scope of Powers of Independent Director**

Enacted and resolved by the Board of Directors on March 24, 2016

- Article I To ensure good corporate governance and establish a sound independent director system, these Rules are adopted pursuant to Paragraph 1, Article 26 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article II 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 the Company shall be as set out in these Rules.
- Article III 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:
- I. The Company's business plan.
  - II. Annual and semi-annual financial statement.
  - III. Adoption of or amendments to the internal control system of the Company.
  - IV. 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 by the Company.
  - V. A matter bearing on the personal interest of a director or a supervisor.
  - VI. A material asset or derivatives transaction.
  - VII. A material monetary loan, endorsement, or provision of guarantee.
  - VIII. The offering, issuance, or private placement of any equity-type securities.
  - IX. The hiring, discharge, or compensation of an attesting CPA.
  - X. The appointment or discharge of a financial, accounting, or internal auditing officer.

XI. 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 IV Liability insurance:

The Company shall take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy.

Article V Remuneration:

This Company 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. This Company 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 VI Continuing education:

All independent directors of the Company shall pursue continuing education, including attending the relevant training courses as required.

Article VII The Company or other members of the Board of Directors shall not obstruct, refuse, or evade the actions of independent directors in the performance of their duties. As they deem necessary to performing those duties, independent directors may request the Board to appoint relevant personnel or to hire professionals for assistance.

Any expenses occurring when hiring professionals and other independent directors to perform necessary duties shall be borne by this Company.

Article VIII These Rules, and any amendments hereto, shall enter into force after approved by the Board of Director.