

## **POYA International Co., Ltd.**

### **Rules of Procedure for Board of Directors' Meetings**

- Article 1 To establish a strong governance system, and improve supervisory function and managerial mechanism of the Company's Board of Directors, these Rules are enacted according to Article 2 of the “Regulations Governing Procedure for Board of Directors’ Meetings of Public Companies”.
- Article 2 With respect to the rules of procedure for the Board of Directors’ meetings of the Company, the main matters concerning agenda items, working procedures, required content of meeting minutes, public announcements and other compliance requirements shall be handled according to the provisions of these Rules.
- Article 3 The Board of Directors shall meet at least once quarterly
- A notice setting forth the subjects to be discussed at the meeting shall be given to each Director 7 days in advance. In emergency, however, a Board meeting may be called on shorter notice.
- The notice mentioned in the preceding paragraph may be given by electronic form with the prior consent of the recipients.
- All matters set forth under Article 12-1 of these Rules shall be specified in the notice, none of which may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reasons.
- Article 4 The Finance & Accounting Division shall be appointed by the Board of Directors of the Company to prepare for the Board meetings. The Division shall draft the meeting agenda and offer sufficient meeting materials, which shall be delivered together with the meeting notices.
- As a director regards the meeting materials are provided insufficiently, he/she shall request the supplementation for the Board meeting from the Finance & Accounting Division, or to postpone the meeting as resolved by the Board of Directors.
- Article 5 When the Board of Directors calls a meeting, an attendance book shall be made available for signing-in by the directors present at the meeting, and thereafter made available for reference. The directors shall attend the Board meetings in person; if unable, the director may appoint another director as proxy to attend the meeting according to these Rules. Attendance via telecommunications is regarded as attendance in person. When the director appoints another director as proxy to attend the

meeting, a written proxy statement shall be offered, declaring the scope of authorization with respect to the meeting agenda.

The proxy mentioned in the two preceding paragraphs shall accept a proxy from one person only.

Article 6 A Board meeting shall be held at the premises and during the business hours of the Company, or at a place and time which are convenient for all directors to attend and suitable for holding the Board meetings.

Article 7 The Board meetings shall be convened and directed by the Chairman of the Board. However, with respect to the first meeting of each newly elected Board, the convener and Chairman of the meeting shall be the directors that received the largest portion of voting rights at the shareholders meeting; if two or more directors are so entitled to convene the meeting, they shall select a director from among themselves to serve as Chair. When the Chairman of the Board is on leave or unable to exercise the powers for any reason, the Vice Chairman shall act in place of the Chairman; if the Vice Chairman is also on leave or unable to exercise the powers for any reason, the Chairman shall appoint one of the directors to act as proxy. If no such an appointment is made by the Chairman, the directors shall select one person from among themselves to serve as Chair.

Article 8 When a Board meeting is held, the Finance & Accounting Division shall furnish the attending directors with relevant materials for reference.

At a Board meeting, personnel of the relevant departments or a subsidiary may be notified to attend as non-voting participants based on the content of the proposals to be put forward. If necessary, certified public accountants, attorneys, or other professionals retained by the Company may also be invited to attend for making explanatory statements. However, 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, with more than half of all the directors are in attendance. If the number of the attending directors is below the standard above at the appointed time, the Chair may announce postponement of the meeting. The postponement shall be announced twice only as limited. If the attendance is still below the standard mentioned above, with two postponements being announced, the Chair shall reconvene the meeting according to 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 actually in office.

Article 9 Proceedings of a Board meeting shall be entirely recorded in audio or video, and the materials shall be retained for at least 5 years. The way for retaining may be done by electronic form.

If, before the expiration of the retention period under the preceding paragraph, any litigation occurs with respect to any matter relating to the Board of Directors, the recording shall be continually preserved. The provisions of the preceding paragraph shall not apply.

The audio and video materials are also included in the meeting minutes and shall be preserved permanently even if the Board meeting is held via telecommunications.

Article 10 Agenda of the regular Board meetings shall include at least the following items:

1. The matters reported at the meeting:

(1) Minutes of the last meeting and actions taken.

(2) Important financial and business reports.

(3) Internal audit activities.

(4) Other important matters to be reported.

2. The matters discussed at the meeting:

(1) Items for continued discussion from the last meeting.

(2) Items for discussion at this meeting.

3. Extraordinary motions.

Article 11 A Board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of half or more of the directors present at the Board meeting.

The Chair may not declare the meeting closed without the approval of half or more of the directors present at the meeting, if the items scheduled in the agenda and the extraordinary motions are not discussed.

At any time during the Board meeting, the Chair shall declare a suspension of the meeting which recommended by any director sitting at the meeting, if the directors sitting at the meeting account for less than half of the attending directors. It is in the case Article 8, paragraph 3 shall apply *mutatis mutandis*.

Article 12 The following items shall be submitted to the Board of Directors for discussion:

1. The Company's business plan.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are not required, under the relevant laws and regulations, to be audited and attested by a certified public accountant (CPA).
3. The adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act (the "SEA").
4. The adoption or amendment, pursuant to Article 36-1 of the SEA, of 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 any equity-type securities.
6. The appointment or discharge of the financial, accounting, or internal audit officers.
7. A donation to a related party or a major donation to a non-related party. A public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following Board meeting for retroactive recognition.
8. Any matter, under Article 14-3 of the SEA or any other laws or regulations, shall be approved by the resolution of the shareholders meeting or the Board meeting; or any significant matter 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. In the case of a foreign issuer whose shares have no par value or a par value other than NTD10, 2.5% of the shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under paragraph 2.

With respect to a matter that, under Article 14-3 of the Securities and Exchange Act, must be approved by resolution of a Board meeting, any and all independent directors of the Company shall attend the meeting in person and shall not appoint non-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, the Director shall issue a written opinion in advance, unless there is a legitimate reason for exception, and the opinion shall be recorded in the Board meeting minutes.

Article 13 The Chair may announce the discussion closed and call a vote when he/she regards that the proposal has been discussed sufficiently to be put to a vote. Resolutions of the Board shall be regarded adopted after the Chair inquires all the attending directors' opinion and no objection is raised. It is the same effect as approval by vote. If there is an objection following an inquiry by the Chair, the proposal shall be brought to a vote. The method for voting shall be selected by the Chair from the following ways. However, 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 the Company's discretion.

Article 14 Except those regulated by the Securities and Exchange Act and the Company Act, the resolution of the Board of Directors shall be adopted by the half or more of the present directors, accounting for more than half of all the directors. When there is an amendment or alternative to a proposal, the Chair shall present the amendment or alternative together with the original proposal and decide the order in which the proposal shall be put to a vote. However, if any one of the proposals is adopted, the other proposals shall be deemed rejected and no requirement for

further voting on them. If a vote on a proposal requires monitoring and counting personnel, the Chair shall make an appointment, with all monitoring personnel being the directors. The result of voting shall be announced at the meeting and placed on record.

- Article 15 When the matters being discussed at the meeting have relations with the personal interests of a director or the interests of the corporation which a director represent, the director shall give detailed explanation about the vital content of the relations at the Board meeting. If such relations cause harmful impact on the interests of the Company, the director shall refuse involvement in discussing and voting on the matters and leave the meeting when the discussion and voting is taking place. Also, the director shall not vote on the behalf of other directors.

With respect to the resolution of the Board, the provisions of Article 180, paragraph 2 of the Company Act, as applied *mutatis mutandis* under Article 206, paragraph 3 of the same Act, shall apply in cases where a Board director is unable to exercise voting rights which is mentioned in the preceding paragraph.

- Article 16 The matters discussed at the Board meeting shall be included in the meeting minutes, which shall faithfully record the following items:
1. The session (or year), time and place of the meeting.
  2. The name of the meeting Chair.
  3. Attendance of the Board members, including the names and number of the present, excused, and absent directors.
  4. The names and titles of the guests, who attend the meeting as non-voting participants.
  5. The name of the minute taker.
  6. The matters reported at the meeting.
  7. The matters discussed at the meeting: The method of resolution and the result for each proposal; a summary of the comments made by the directors, experts, or other persons at the meeting; the name of any director that is an interested party as mentioned in paragraph 1 of the preceding article, an explanation of the important aspects of the relations of the interests, the reasons why the director is required or not required to enter recusal, and the status of their recusal; any objection or reservation at the meeting that are included in records or stated in

writing; any opinion issued in writing by an independent director pursuant to Article 12, paragraph 5.

8. Extraordinary motions: The name of the mover, the method of resolution and the result for each proposal, a summary of the comments made by the directors, experts, or other persons at the meeting; the name of any director that is an interested party as mentioned in paragraph 1 of the preceding article, an explanation of the important aspects of the relations of the interests, the reasons why the director is required or not required to enter recusal, and the status of their recusal; any objection or reservation at the meeting that are included in records or stated in writing.

9. Other matters required to be recorded.

The following matters resolved by the Board shall not only record in the minutes, but also 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 reservation raised by an independent director that are included in records or stated in writing.
2. A resolution is adopted with the approval of two-thirds or more of all the directors, without being passed by the Audit Committee of the Company.

The attendance book for the directors to sign-in shall be included in the meeting minutes and shall be retained for the duration of the existence of the Company. The meeting minutes shall be signed or sealed by the Chairman and the minute taker, and shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed as important company records and appropriately preserved during the existence of the Company.

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

Article 17 The Chairman of the Board shall be authorized by the Board of Directors, based on the Articles of Incorporation, to exercise the powers of the Board during the adjournment period. Except those matters governed by the relative laws and regulations shall be submitted to the Board of Directors, the matters may be authorized to the Chair are as follows:

1. Signing contracts, memorandums and letters of intent on behalf of the company.
2. Supervising the company's operating strategy and business items.
3. Making an assessment of internal control system of the Company.
4. Executing the power and rights of the Chairman, which are authorized by the “Operational Procedures for Acquisition or Disposal of Assets”.
5. Executing the power and rights of the Chairman, which are authorized by the “Operational Procedures for Endorsements and Guarantees”.
6. Executing the power and rights of the Chairman, which are authorized by the “Operational Procedures for Loaning of Company Funds”.
7. Permission or share transferring of the Company’s reinvestments on other business unit.
8. Other power and rights of the Chair authorized by the Board of Directors.

Article 18 These Rules shall be enacted and revised by the approval of the Board of Directors of the Company.

Article 19 These Rules passed by the Board of Directors on April 12, 2006.

The 1st amendment was made on December 26, 2006.

The 2sd amendment was made on April 10, 2007.

The 3th amendment was made on April 1, 2008.

The 4th amendment was made on April 26, 2010.

The 5th amendment was made on January 21, 2013.

The 6th amendment was made on March 17, 2014.