



**中美矽晶製品股份有限公司**  
SINO-AMERICAN SILICON PRODUCTS INC.

# **Sino-American Silicon Products Inc.**

## **Rules of Board of Directors Meetings**

**NO: SAS-BO-002**



## Sino-American Silicon Products Inc.

### Rules of Board of Directors Meetings

1. For the purposes of establishing a sound governance system by the Board of Directors of Sino-American Silicon Products Inc. (the “Company”) and strengthening the Board’s supervision function and management mechanism, the Company hereby promulgates the “Rules of Board of Directors Meetings” (the “Rules”) pursuant to Article 2 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”.
2. The scope of a meeting of the Board of Directors of the Company (the “Meeting”), including the main agenda items, operational procedures, required content of meeting minutes, public announcements and any other compliance requirements, shall be conducted in accordance with the Rules.
3. The Meeting shall be held once every calendar quarter.  
The written notice of convening a Meeting shall state the reasons of the Meeting, and shall be sent to each member of the Board of Directors of the Company calendar 7 days prior to the Meeting via post, e-mail or fax.. However, the Meeting can be called anytime via written notice, e-mail or fax in case of emergency.  
Except for emergency or any other reasonable causes, any matters set forth in Article 12 of the Rules shall be itemized by causes in the notice of convening a Meeting, and shall not be brought up by a special motion.
4. President’s Office is appointed by the Board of Directors of the Company to act as the secretariat of the Meeting (the “Secretariat”).  
The Secretariat shall draft the agenda items to be discussed in a Meeting, and prepare sufficient materials for the Meeting which shall be delivered to the members of the Board of Directors, together with the notice of convening the Meeting.  
In case any Director of the Board of the Company deems the materials for the Meeting insufficient, he/she may request the Secretariat to supplement additional materials. If any Director of the Board of the Company deems materials for a discussion item of the Meeting insufficient, such discussion item may be postponed to another Meeting subject to the respective resolution adopted by the Board of Directors of the Company.
5. While convening the Meeting, an attendance register shall be prepared for the Directors of the Board of the Company to sign and such attendance register shall be kept safely in the Company for record. The Directors of the Board of the Company shall attend the Meeting in person. If any Director of the



Board of the Company can not attend the Meeting in person, he/she may give his/her written proxy to another Director of the Board of the Company to attend the Meeting on behalf of him/her in accordance with the Articles of Incorporation of the Company. Any or all of the Directors of the Board of the Company may participate in the Meeting via a video conference. If any Director of the Board of the Company participates in the Meeting via video conference, such Director of the Board of the Company shall be deemed to be present in person at the Meeting.

In case a Director of the Board of the Company intends to appoint another Director of the Board of the Company as his/her proxy to attend the Meeting on his/her behalf, he/she shall, in each occasion, issue a written proxy authorization which states the scope of authority of his/her proxy to each item to be discussed at the Meeting.

The proxy referred to under Paragraph 2 of this Article shall only be appointed by and act for one (1) Director of the Board of the Company.

6. The venue and time for convening a Meeting shall be at the location of the Company and within the business hours, or any other appropriate location and appropriate time that is convenient for the Directors of the Board of the Company to attend, and that are suitable for holding the Meeting.
7. The Chairman of the Board of Directors of the Company shall call and preside over the Meeting. Nevertheless, the Director of the Board of the Company who receives votes representing the largest portion of voting rights at the shareholders' meeting of the Company shall call and chair the first Meeting of each newly elected Board of Directors of the Company. If there are two or more Directors of Board of the Company who are entitled to convene the above-mentioned initial Meeting, these Directors of the Board shall elect one person by and from among themselves to call and preside over the first Meeting.

If the Chairman of the board is absent or unable to attend the Meeting, the Vice Chairman shall act as his proxy; or if the Company does not have Vice Chairman of the Board of Directors or the Vice Chairman is also on leave or for any reason is unable to act, the Chairman of Board of Directors shall appoint one Director to act as his proxy. If no proxy is appointed by the Chairman, the Director shall elect one Director to be the proxy of the Chairman.

8. Before and during a Meeting, the President's Office(or the secretariat of the Meeting appointed by the Board of Directors) shall prepare relevant materials for the Directors of the Board of the Company present at the Meeting to review at any time.

While convening a meeting , it may notify the managerial staff of relevant departments who did not serve as directors to attend the meeting in accordance with the proposals for resolution. Accountants, lawyers or other professional may be invited to attend the Board of Directors' meeting if deemed necessary and specify, but have to enter recusal when discussion and vote.



The chairmen of the Board meeting shall commence the meeting if the time for the Board of Directors' meeting is due and more than half of the Directors are present. If the time for Board of Directors' meeting is due but more than half of the All Directors are not present, the chairman of Board may postpone the meeting; provided that the meeting shall not be postponed more than twice or for more than one hour in aggregate. After the second stay, if the number of All Directors in attendance still falls below the minimum requirement, the Chairman shall reconvene the Board of Directors meeting in accordance with the procedures set forth in Paragraph 2 of Article 3.

"All Directors" mentioned in the above paragraph and Sub-paragraph 2 of Paragraph 2 of Article 16 shall mean those in their term of office.

9. The whole proceedings of a Meeting shall be videotaped or taperecorded for files as evidence and be kept for at least five years .The records and videos may be stored in electronic format.

Prior to the expiration of record-keeping period, in the event that any litigations arises in relation to the Board of Directors' resolutions, the relevant portion of records or videos in file shall continue to be preserved notwithstanding of the stipulations in the preceding paragraph.

If the Board of Directors' meeting is conducted by way of videoconference, the recording and videos of the meeting shall be preserved permanently as part of meeting minutes.

10. Matters to be discussed in a regular Meetings shall at least include the items as follows:

I. Items to be reported:

- a. Meeting minutes of the previous Meeting and its implementation status;
- b. Material financial and business report;
- c. Internal audit report;
- d. Other material reporting items.

II. Items to be discussed:

- a. Discussion items unresolved at the previous Meeting;
- b. Proposed discussion items for this Meeting.

III. Special Motions

11. A Meeting shall proceed in accordance with the agenda, unless otherwise resolved by the Board of Directors of the Company with affirmative vote of at least fifty percent (50%) of all Directors of the Board of the Company present at the Meeting.

Unless otherwise resolved by the Board of Directors of the Company with affirmative vote of at least fifty percent (50%) of all Directors of the Board of the Company present at the Meeting, the chairman



shall not adjourn the Meeting.

During a Meeting, the chairman of the Meeting shall suspend the Meeting if a motion is brought up by a Director of the Board of the Company, in the event that the number of the Directors of Board of the Company present in the Meeting is less than fifty percentage (50%) of the Directors of Board of the Company present at the Meeting. Under such circumstance, Paragraph 3 of Article 8 of the Rules shall apply mutatis mutandis.

12. The following matters are required to be submitted to the Board of Directors for discussion:

- (1) Business plans of the Company;
- (2) Annual financial report and semi-annual financial report which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA).
- (3) Establishment or amendment of the internal control system of the Company and evaluation on the internal control effectiveness pursuant to Article 14-1 of the Securities and Exchange Act (the "Act");
- (4) Establishment or amendment of the procedures of material financial or business transactions, i.e. acquisition or disposal of assets, engaging in derivative products transactions, and lending funds or providing endorsements or guarantees to other parties, pursuant to Article 36-1 of the Act.
- (5) The offering, issuance, or private placement of any equity-related securities;
- (6) The appointment or discharge of the financial, accounting, or internal auditing 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) Remuneration suggestion provided by Remuneration Committee shall include performance evaluation of directors and managers, and remuneration policy, system, standard and structure.  
If remunerations of directors and managers suggested by Remuneration Committee are not adopted nor modified, it shall be performed based on affirmative vote of at least fifty percent (50%) of all Directors of the Board of the Company present at the Meeting, and specify if the approved remuneration is better than Remuneration Committees suggestions.
- (9) Matters set forth in Article 14-3 of the Act, or any other matters to be approved by the shareholders' meeting of the Company or by the Board of Directors of the Company pursuant to laws and regulations or the Articles of Incorporation of the Company, or material matters so required by the competent authorities.

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% of net operating revenue or 5% 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 stocks of a foreign company without a face value or of which the denomination is not NT\$10 per share, the amount regarding to the 5% of its paid-in capital shall be calculated with 2.5% of the shareholders' equity.

With respect to the matters required to be approved by the Board of Directors pursuant to Article 14-3 of the Act, at least one of the independent Directors of the Board of the Company (the "Independent Directors") shall attend such Meeting in person. In terms of item 1 to be submitted to the board meeting, all Independent Directors shall attend the meeting or give their proxies to other Independent Directors to attend the Meeting on their behalf. In case an Independent Director has a dissenting or qualified opinion on such matter, the foresaid opinion shall be expressly recorded in the meeting minutes of such Meeting. In case an Independent Director can not attend the Meeting in person to voice his/her dissenting or qualified opinion on such matter, except for any reasonable cause, he/she shall issue his/her opinion in writing in advance and his/her opinion shall be expressly recorded in the meeting minutes of such Meeting.

13. The chairman of the Meeting may announce to end the discussion of any discussion item when the chairman deems appropriate and submit it for resolution.

During the voting for a discussion item at the Meeting, a resolution shall be deemed adopted if no objection is voiced after the chairman of the Meeting solicits all the Directors of Board of the Company present in the Meeting. In case there is any objection, the discussion item shall be immediately submitted for voting.

One of the following voting methods may be adopted at the discretion of the chairman of the Meeting for voting. In case a Director of Board of the Company present at the Meeting bring up an objection against the voting method as adopted by the chairman, the voting method to be adopted shall be determined by the agreement of the majority of the Directors of the Board of the Company present at the Meeting.

- (1) Voting by raising hands or by voting devices;



- (2) Voting by roll call;
- (3) Voting by casting ballots.
- (4) Voting by the Company decided.

“All the Directors of Board of the Company present in the Meeting” mentioned in the previous 2 points of this Article do not include the Director who is prohibited from voting under the circumstance set forth in Paragraph 1 of Article 15 hereof.

- 14 Unless there is higher requirement provided by the Act and the Company Law of the ROC, the resolutions of the Board of Directors of the Company shall be adopted by affirmative vote of at least fifty percent (50%) of all Directors of the Board of the Company present with the attendance by at least one-half (1/2) of the total Directors of the Board of the Company in person or through representation.

If there is an amendment or an alternative for a discussion item, the chairman of the Meeting may combine the amendment or alternative into the original discussion item, and determine the sequence of voting for the discussion item. If any one of the above discussion items has been resolved, the others shall be deemed vetoed and no further voting is necessary.

There shall be (a) person(s) to supervise and (a) person(s) to record the ballots during a voting at the Meeting and such person(s) shall be designated by the chairman of the Meeting. However the person(s) to supervise the recording of the ballots shall be chosen from among the Directors of the Board of the Company.

The result of voting shall be announced at the Meeting, and recorded in the meeting minutes of the Meeting.

- 15 At a Meeting in which a Director or the juristic person that the Director represents is an interested party, he or she should specify important items regarding self interest in the meeting. If the participation is likely to prejudice the interest of the Company, such Directors may state his or her opinions or answer to questions at the Meeting, but is prohibited from participating in discussion of or voting on a matter, and shall physically withdraw himself or herself from participating in the discussion or voting on such matter, and likewise is prohibited from voting on such matter as a proxy of another Director.

Under the circumstance set forth in the preceding paragraph of this Article, pursuant to Paragraph of Article 206 of the Company Law, Paragraph of Article 180 of the Company Law shall apply mutatis mutandis to the resolution adopted by the Board of Directors of the Company.



16 Resolutions adopted at the Meeting shall be recorded in the meeting minutes. The meeting minutes of the Meeting shall fully and accurately record the items as follows:

- (1) The identification number of the Meeting (or the year), meeting time and venue;
- (2) The name of the chairman of the Meeting;
- (3) Attendance status, including the names and number of the Directors of Board of the Company who were present, on a leave and absent, respectively;
- (4) The names and positions of the persons present as guests at the Meeting;
- (5) The name of the secretary of the Meeting;
- (6) Reporting items;
- (7) Discussion items: the voting method adopted for each resolution and each resolution adopted at the Meeting, summary of speeches made by the Directors of Board, specialists and 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; any dissenting or qualified opinions on the discussion items with records or written statements, and written opinions issued by the Independent Directors pursuant to Paragraph 5 of Article 12 of the Rules.
- (8) Special Motions: the name of the person who proposed the motion, the voting method adopted for each motion and the resolution adopted for each motion at the Meeting, summary of speeches by the Directors of Board, specialists and 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; any dissenting or qualified opinions on the motions with records or written statements.
- (9) Other required items.

If any resolution adopted by the Board of Directors is accompanied by one of the following situations, such resolution shall, in accordance to be recorded in the meeting minutes of the Meeting, be further announced on the Market Observation Post System designated by Financial Supervisory Commission, Executive Yuan within two days after the date on which the meeting is held:

- (1) Independent Directors have dissenting or qualified opinions with a record or written statement.
- (2) If there is an audit committee established by the Company, a discussion item which had not been approved by such audit committee of the Company, but is approved by the Board of Directors by affirmative vote of at least two-thirds of the total Directors of Board of the Company.
- (3) Remuneration approved by the Board of Directors is better than Remuneration Committee's suggestion.



The attendance register of the Meeting shall be part of the meeting minutes and shall be kept safely during the existence of the Company.

The meeting minutes of the Meeting shall be signed or sealed by the chairman and the secretary of the Meeting and shall be distributed to all of the Directors of Board and Supervisors of the Company within twenty (20) days after the date on which the Meeting is held. The meeting minutes of the Meeting shall be categorized as one of the material records or files of the Company and shall be safely kept during the existence of the Company.

Preparation and distribution of the meeting minutes mentioned in Paragraph 1 of this Article may be made in electronic format.

17 BOD shall authorize its duty to the Chairman in accordance with Paragraph 1 of Article 12 of the Rules. The content of authorization shall include the items as follows:

- (1) To proceed credit line and related matters with financial institutions depending on the Company's capital requirement. The implementation status shall be summated to the Board of Directors.
- (2) Matters for endorsement and guarantee in accordance with the "Procedures for Endorsement and Guarantee" and its implementation status shall be submitted to the Board of Directors.
- (3) Investing or selling any securities in accordance with the "Procedures for Acquisition of Disposal of Assets" and its implementation status shall be submitted to the Board of Directors.
- (4) The representatives of legal entity in subsidiaries (inclusive of overseas branches) and the same applied in case of changing representatives;
- (5) Organizational restructuring of the Company;
- (6) Approval of important contracts;
- (7) Designation of the Directors and Supervisors of co-investment company;
- (8) Resolution on the ex-rights/ex-dividend of matters.

18 The establishment and any amendment of the Rules shall be approved by the Board of Directors of the Company.

19 The Rules were enacted on January 1, 2007.

The 1<sup>st</sup> amendment was made on March 21, 2008.

The 2<sup>nd</sup> amendment was made on March 25, 2010.

The 3<sup>rd</sup> amendment was made on December 20, 2011.

The 4<sup>th</sup> amendment was made on March 22, 2012.



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The 5th amendment was made on October 23, 2012.

The 6<sup>th</sup> amendment was made on 12<sup>th</sup> August, 2014.

The 7th amendment was made on 5th October, 2017.