

# ShunSin Technology Holdings Limited

訊芯科技控股股份有限公司

Rules of Procedure for Board of Directors Meeting

ShunSin Technology Holdings Limited  
(the "Company")  
Rules of Procedure for Board of Directors Meeting  
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Article 1. Basis

The Company has adopted these Rules reference to Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies in order to establish a sound board of directors ("Board") governance system and strengthen the Board's supervisory and management functions.

Article 2. Scope

The procedure of the Company's Board of Directors meetings ("Board Meetings") shall conform to these Rules, including the main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements for board meetings.

Article 3. Convention

- (1) Board Meetings shall be held once every quarter.
- (2) To convene a Board Meeting, a notice setting forth the reasons for the meeting shall be given to each director no later than seven days prior to the scheduled meeting date. However, in the case of emergency, the meeting may be convened at any time with a shorter notice.
- (3) The meeting notice set forth in item (2) above may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.
- (4) Except in the case of emergency or for legitimate reasons, matters listed in the first Paragraph of Article 12 of these Rules should be specified in the agenda of the Board Meeting and none of such matters may be raised by an extemporary motion.

Article 4. Meeting Notices and Meeting Materials

- (1) The Company designates the department of shareholder services to handle administrative matters related to Board Meetings ("Agenda Working Group").
- (2) The Agenda Working Group shall prepare agenda for Board Meetings and provide comprehensive pre-meeting materials to be sent together with the

meeting notice.

- (3) A director who is 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.

Article 5. Attendance Book and Proxies

- (1) An attendance book shall be provided at every Board Meeting for the attending directors to sign in and for future reference.
- (2) The directors shall attend Board Meetings in person. If being unable to attend, a director may, subject to the Articles of Incorporation of the Company, appoint another Director to attend on his behalf. Attendance via video conference is deemed as attendance in person.
- (3) A director appointing another director to attend a Board Meeting on his behalf shall in each case give to the latter a written proxy specifying the scope of authorization with respect to the reasons for the meeting.
- (4) A proxy under Paragraph 2 may accept a proxy from one person only.

Article 6. Place and Time of Board Meetings

Board Meetings shall be held at the head office and during the office hours of the Company or at a place and time convenient to all directors and suitable for holding such meetings.

Article 7. Chairperson of Board Meetings and Substitute

- (1) Board Meetings shall be convened and chaired by the Chairman of the Board of Directors. However, the first meeting of every term of the newly elected Board of Directors shall be convened and chaired by the director who received highest number of votes 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.
- (2) In case where the Chairman of the Board is on leave or for any reason is unable to exercise the powers of the Chairman, the vice chairman shall do so in place of the Chairman, or, if there is no vice chairman or the vice chairman also is on leave or for any reason is unable to act, by a managing director designated by the Chairman, or, if there is no managing director, by a director designated thereby, or, if the Chairman does not make such a

designation, by a managing director or director elected by and from among themselves.

Article 8. Reference Materials, Other Attendants and Convention of Board Meetings

- (1) When a Board Meeting is convened, the department of shareholder services (or other Agenda Working Group designated by the Board) shall prepare and provide the relevant materials to the attending directors for reference at any time.
- (2) Depending on the agenda items of the meeting, the persons from relevant departments and the subsidiaries may be invited to attend the Board Meetings. If necessary, CPAs, lawyers or other professionals may be invited to attend the meetings and make an explanation for the motion discussed at the Board Meetings, provided that they shall leave the Board Meetings when discussion or voting takes place.
- (3) If more than half of the number of directors are present at the scheduled time for a Board Meeting, the Chairman shall announce the commencement of the meeting. If, at the scheduled time for a Board Meeting, less than half of all directors are present, the Chairman may announce postponement of the meeting time. The postponements shall be limited to twice. If the quorum is still not met after two such delays, the Chairman may reconvene the meeting pursuant to the procedure under Paragraph 2 of Article 3 of these Rules.
- (4) The term "all directors" as used in the preceding paragraph and Subparagraph 2, Paragraph 2 of Article 16 of these Rules shall be calculated as the number of directors then in office.

Article 9. Audio or Video Recording of Board Meeting Process

- (1) The Company shall make audio or video recording of the entire process of Board Meetings, and preserve the recordings for at least five years in electronic form or otherwise.
- (2) 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 Meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.
- (3) If a Board Meeting is held via video conference, the audio and visual documentation of the meeting shall form a part of the meeting minutes and shall be well preserved during the existence of the Company.

Article 10. Agenda Items

Agenda items for periodic Board Meetings of the Company shall include at least the following:

- (1) Reports:
  - (a) Minutes of the previous meeting and execution of matters reported or discussed in said meeting;
  - (b) Report of major financial and business matters;
  - (c) Internal auditing report; and
  - (d) Other important matters to be reported.
- (2) Discussions:
  - (a) Items reserved from the previous meeting; and
  - (b) Items for discussion at this meeting.
- (3) Extemporaneous motions.

Article 11. Discussing on Proposals

- (1) The Board Meetings shall proceed in accordance with the procedure as set forth in the meeting notice. However, the procedure may be changed with the approval of a majority of directors present at the meetings.
- (2) The chairperson may not declare the meeting adjourned without the approval of a majority of directors present at the meeting.
- (3) If at any time during a Board Meeting the directors sitting at the meeting are not more than half of the number of directors present at the meeting, then upon motion by the directors sitting at the meeting, the chairperson shall declare a suspension of meeting, and Paragraph 3 of Article 8 of these Rules shall apply mutatis mutandis to such case.

Article 12. Matters Required to be Discussed at Board Meetings

- (1) The following matters shall be submitted to the Board Meetings for discussion:
  - (a) The Company's business plans;
  - (b) Annual and semi-annual financial statements, with the exception of semi-annual financial statements which, under the relevant laws and regulations, need not be audited and attested by a CPA;
  - (c) Adoption or amendment of the internal control system reference

to Article 14-1 of the Securities and Exchange Act (the "SEA");

- (d) Adoption or amendment of procedures for major financial or business activities reference to Article 36-1 of the SEA, such as procedures for acquisition or disposal of assets, financial derivatives transactions, lending funds to others, or endorsements or guarantees for others;
- (e) Offering, issuance, or private placement of any equity-type securities;
- (f) Appointment or discharge of the head of finance, accounting or internal audit;
- (g) A donation to a related party or a major donation to a non-related party, provided that a public-interest donation for disaster relief after a major natural disaster may be submitted to the next Board Meeting for retroactive recognition; and
- (h) Any other matters that shall be resolved by the Shareholders' Meeting or Board Meeting as required by Article 14-3 of the SEA, other laws or regulations or the Company's Articles of Incorporation, or that are deemed to be material by the regulatory authorities.

The term "related party" in item (g) above means a related party as defined in the Regulations Governing the Preparation of Financial Statements by Securities Issuers. The term "major donation to a non-related party" means any single 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 equivalent to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial statements 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 Meeting is convened. Amounts already submitted to and passed by a resolution of the Board Meeting are exempted from inclusion in the calculation.

- (2) If an independent director expresses objection or reservation, such objection or reservations shall be recorded in the meeting minutes. If an independent director cannot attend the Board Meeting to express objection or reservation, unless there is a legitimate reason to do otherwise, he shall issue a written opinion in advance, which shall be recorded in the meeting minutes.

Article 13. Voting

- (1) When the chairperson at a Board Meeting is of the opinion that a matter has been sufficiently discussed to be put to vote, the chairperson may announce the discussion closed and bring the matter to vote.
- (2) When a proposal comes to a vote at a Board Meeting, if the chairperson puts the matter before all the attending directors and none voices an objection, the matter is deemed approved. If objection is voiced in response to the chairperson's inquiry, such proposal should be put to vote.
- (3) The chairperson may choose any of the following methods of voting. If objection is voiced by any attending director, the decision shall be made through a majority vote:
  - (a) By a show of hands or through voting machines;
  - (b) By voice voting;
  - (c) By casting ballots; or
  - (d) By any other method adopted by the Company.

The term "all the attending directors" as used in the preceding two paragraphs shall not include directors prohibited from exercising voting rights under Paragraph 1 of Article 15 of these Rules.

Article 14. Methods of Vote Supervising and Counting

- (1) Unless otherwise specified in the SEA or the Company Act, a resolution shall be adopted by a majority of those directors present at a meeting attended by a majority of all directors.
- (2) If there is an amendment or an substitute to a proposal for resolution, the chairperson shall decide the sequence of voting. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is required.
- (3) If the voting mechanism requires persons for supervising the casting of votes and the counting thereof, the chairperson, shall designate such persons; provided that a person supervising the casting of votes shall be a director.
- (4) The result of voting shall be announced at the meeting and recorded in the meeting minutes.

Article 15. The Refusal of Conflict-Interested Directors

- (1) If a director who has a personal interest in any motion discussed at the Board Meeting or the juristic person represented by whom has direct personal interest in any motion discussed at the Board Meeting, such director shall state the major contents of the interest at the Board Meeting. If such interest is in conflict with and impair those of the Company, the director may not participate in discussion of or voting on that agenda item, and shall excuse himself during discussion of and voting on that item, and may not act as proxy of another director to exercise voting rights on that matter.
- (2) With respect to a resolution at a Board Meeting, Paragraph 2 of Article 180 of the Company Act shall apply mutatis mutandis according to Paragraph 3 of Article 206 of the Company Act in cases where a director is prohibited under the preceding paragraph from exercising voting rights.

#### Article 16. Minutes and Signature

- (1) Discussions at every Board Meeting shall be recorded in the meeting minutes. The meeting minutes shall accurately record the following items:
  - (a) The term (or year), time and place of the meeting;
  - (b) Name of the chairperson;
  - (c) Attendance of directors at the meeting, with the names and number of members present, on leave, or absent;
  - (d) Names and titles of the other attendants;
  - (e) Name of minutes taker;
  - (f) Reported matters;
  - (g) Discussion matters: specify the resolution method and result for each proposal, summarize the comments made by directors, experts, or others at the meeting, specify the name of any director as referred to in Paragraph 1 of Article 15 of these Rules, the statement of the major contents of the interest, the reasons why the director was required or not required to excuse himself, and the status of his/her excuse and specify any objections or reservations expressed that have been included in records or stated in writing, and any opinion issued in writing by an independent director under Paragraph 2 of Article 12 of these Rules;
  - (h) Extemporary motions: specify the name of the person who makes the proposal, the resolution method and result for each motion,

summarize the comments made by directors, experts, or others at the meeting, specify the name of any director as referred to in Paragraph 1 of Article 15 of these Rules, the statement of the major contents of the interest, the reasons why the director was required or not required to excuse himself, and the status of his/her excuse and specify any objections or reservations expressed that have been included in records or stated in writing; and

- (i) Other items that shall be recorded.
- (2) Any of the following matters in relation to a resolution passed at a Board Meeting shall be stated in the meeting minutes and within two days of the meeting be published on the Market Observation Post System designated by the Financial Supervisory Commission of the jurisdiction where the Company is listed:
  - (a) Any matter about which an independent director expresses an objection or reservation that has been included in record or stated in writing; or
  - (b) Any matter which has not been passed by the audit committee of the Company but has been adopted with the approval of two-thirds or more of all directors.
- (3) The attendance book forms a part of the minutes for each Board Meeting and shall be well preserved during the existence of the Company.
- (4) The minutes of a Board Meeting shall bear the signature or seal of both the meeting chairperson and the minutes taker. A copy of the minutes shall be distributed to each director within 20 days after the date of meeting. The meeting minutes shall be well preserved as important company records during the existence of the Company.
- (5) The production and distribution of the meeting minutes referred to in the first paragraph may be done in electronic form.

#### Article 17. Delegation by the Board of Directors

Except those matters required to be submitted to Board Meetings for discussion under Paragraph 1 of Article 12 of these Rules, the Board may, in compliance with applicable laws and regulations and the Articles of Incorporation of the Company, resolve to authorize the Chairman of the Board with the power and authority to handle the following matters:

- (1) Set a record date for capital increase or dividend distribution;

- (2) Determine the terms and conditions and set a record date to issue new shares upon the exercise of employee warrants;
- (3) Obtain new credit lines or renew existing ones from banks; and
- (4) Purchase business equipment in an amount reaches 20% of the paid in capital of the Company or NT\$300 million.

Article 18. Effective Date and Amendment

- (1) Provisions in relation to the independent directors or the audit committee herein shall apply after the relevant provisions of the Company's Articles of Incorporation take effect.
- (2) These Rules shall take effect upon approval by the Board and shall be reported to the shareholders' meeting. If there is any revision of these Rules in the future, the Board is authorized to approve such revision.