

# **XINHUA WINSHARE PUBLISHING AND MEDIA CO., LTD.**

## **Board Meeting Rules**

### **CHAPTER I GENERAL PROVISIONS**

**Article 1** These rules of procedures are formulated by Xinhua Winshare Publishing and Media Co., Ltd. in accordance with the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies in China (《上市公司治理準則》), the Guidelines No. 1 of the Shanghai Stock Exchange for Self-Regulation of Listed Company – Standardized Operation, the Articles of Association of Xinhua Winshare Publishing and Media Co., Ltd. (《新華文軒出版傳媒股份有限公司章程》) (the Articles of Association) and provisions of other relevant laws, regulations and regulatory rules and, taking into account the actual circumstances of the Company, to further improve the corporate governance structure, safeguard the independent, standardized and effective execution of duties of the Directors and the Board of Directors of the Company under the law so as to ensure the working efficiency and scientific decision-making of the Board.

**Article 2** The Board plays a role in formulating strategies, making decisions and preventing risks.

**Article 3** The Company shall uphold the organic unity of the Party leadership and corporate governance and define the scope of significant operating management matters in accordance with relevant regulations. Significant operating management matters shall go through investigation and discussion by the Party Committee before decisions are made by the Board in accordance with the terms of reference and prescribed procedures.

### **CHAPTER II COMPOSITION AND POWER OF THE BOARD**

**Article 4** The Board comprises of nine (9) Directors, including one (1) employee representative Director, with external Directors accounting for more than one-half, and at least one-third of the independent non-executive Directors. Among them, at least one of the independent non-executive Directors shall be a professional accountant and at least one of the independent non-executive Directors shall be ordinarily resident in Hong Kong as required by the Hong Kong Listing Rules. During their tenure, Directors shall enjoy the rights and bear the corresponding obligations stipulated by laws, regulations, and regulatory rules. The Company shall provide necessary conditions for Directors to perform their duties. The Board may engage relevant experts or consulting institutions as needed to provide professional advisory opinions to the Board, with expenses borne by the Company.

**Article 5** The Board shall have one chairman, and may have vice chairman or vice chairmen. The chairman and vice chairman or vice chairmen shall be appointed by more than 50% of all the Directors by election.

**Article 6** The Board carries out the following duties and powers:

- I. To convene general meetings, implement resolutions of the general meetings and report its work to the general meetings;
- II. to formulate the development strategy and plan of the Company;
- III. To decide on the Company's business plans and investment plans;

- IV. To decide on the Company's plans on annual final accounts;
- V. To formulate the Company's profit distribution plans and plans on making up losses;
- VI. To formulate the plans for increase or decrease of the registered capital of the Company and the plans for issue, listing or voluntary de-listing of the bonds or other securities issued by the Company, and make resolutions on issue of bonds of the Company in accordance with the authorization of general meetings;
- VII. To formulate plans for material acquisition by the Company, acquisition of the Company's stock, merger, spin-off, division, application for bankruptcy, alteration of corporate form of the Company, dissolution and liquidation, and make decision on merger of the Company where the consideration does not exceed 10% of the Company's net assets in accordance with applicable laws, regulations and regulatory rules;
- VIII. To determine the matters about external guarantees and financial assistance other than requiring approval of the general meeting, in accordance with laws and regulations, regulatory rules, the Articles of Association or these rules;
- IX. To determine the establishment of the Company's internal management structure;
- X. To appoint or remove the general manager, secretary to the Board of the Company, and to appoint or remove the deputy general manager, general counsel, chief financial officer and other senior management of the Company upon nomination by the general manager and to decide on their remunerations, rewards and punishments;
- XI. To formulate the basic management system of the Company;
- XII. To formulate proposals for amendment to the Articles of Association;
- XIII. To be responsible for information disclosure, risk management and ESG governance of the Company;
- XIV. To propose the appointment or replacement of the Company's auditors to the general meetings;
- XV. To hear the work report of the general manager and inspect the work of the general manager and other senior management of the Company;
- XVI. In compliance with laws, regulations, regulatory rules, the Articles of Association and these rules, to determine the external investments, financing, acquisitions or sales of assets, asset pledges, entrusted asset management, external donations, connected transactions and other major matters that are required to be disclosed and subject to deliberation procedures in accordance with regulations, other than those requiring approval by the general meeting;
- XVII. To exercise other powers conferred by laws, regulations, regulatory rules, the Articles of Association and the general meetings.

When the Board considers external guarantees and the provision of financial assistance, such matters shall be passed by a simple majority of the Directors, in addition to the consent of not less than two-thirds of all the Directors attending the Board meeting.

Where the Board delegates certain powers to the chairman and general manager in accordance with relevant regulations, the assumption of related responsibilities shall comply with the provisions of laws, regulations, and regulatory rules.

**Article 7** In cases where the resolution of the expected value of fixed assets proposed for disposal is considered by the Board, when aggregated with value of fixed assets disposed within four (4) months before the proposed disposal, exceeds 33% of the fixed assets value set out in the latest balance sheet considered by the general meeting, the Board shall not dispose or consent to dispose such fixed assets without prior approval by the general meeting.

The term “fixed assets disposal” referred to in this Article represents (among other things) transferring certain interests in assets, but not including provision of guarantees by way of fixed assets.

The validity of transactions regarding fixed assets disposal by the Company shall not be affected due to a breach of the first paragraph of this Article.

**Article 8** The Chairman of the Board is the primary responsible person for the standardized operation of the Board and entitled to the following powers:

- I. To preside over general meetings, determine the annual schedule for regular Board meetings, determine the agenda for Board meetings and to convene and preside over Board meetings;
- II. To supervise and check on the implementation of resolutions of the Board;
- III. To organize and conduct strategic research, and regularly host strategic seminars or evaluation meetings attended by members of the Board and senior management;
- IV. To organize the drafting of the Board's annual work report and present it to the general meeting on behalf of the Board;
- V. To propose plans for establishing special committees or recommendations for adjustments and personnel appointments;
- VI. To sign the securities certificates issued by the Company and other documents that should be signed by the Chairman of the Board in accordance with applicable laws, regulations, regulatory rules and the Articles of Association;
- VII. To exercise the powers of the legal representative;
- VIII. To organize the formulation of relevant systems for Board operations, as well as plans, proposals, and reports concerning material matters of the Company;

- IX. In case of emergency circumstances of force majeure events such as extraordinary natural disasters, to exercise special disposal powers which are in compliance with any applicable laws, regulations, regulatory rules and the Articles of Association and are in the interests of the Company on matters of the Company and provide post-event reports to the Board or the general meeting;
- X. To exercise other powers conferred by laws, regulations, regulatory rules, the Articles of Association, these rules, and the Board or the general meetings.

**Article 9** The Vice Chairman or Vice Chairmen shall assist the Chairman. If the Chairman of the Board is unable to or does not perform his/her duties, the Vice Chairman shall perform his/her duties (should the Company have two or more vice chairmen, the Vice Chairman jointly elected by over half of the members of the Board shall perform the duties of the Chairman); where the Vice Chairman is unable to or does not perform his/her duties, a Director jointly elected by over half of the members of the Board shall perform the duties of the Vice Chairman.

**Article 10** The Audit Committee, the Remuneration and Review Committee, the Strategy and Investment Planning Committee and Nomination Committee shall be established by the Board of the Company. The Audit Committee shall consist of no less than three (3) non-executive Directors, none of whom shall be senior management of the Company. The majority of the Audit Committee shall be independent non-executive Directors. The convenor shall be an independent non-executive Director and a professional accountant. The Remuneration and Review Committee shall comprise at least three (3) Directors, with a majority of its members being independent non-executive Directors and one of them acting as the convenor. The majority of the Strategy and Investment Planning Committee shall be non-executive Directors. The Nomination Committee shall comprise at least three (3) Directors, with a majority of its members being independent non-executive Directors and one of them acting as the convenor.

The Editorial and Publication Committee may also be established by the Board as required.

Special committees shall perform their duties in accordance with the Articles of Association and the authorization of the Board. Proposals from special committees shall be submitted to the Board for review and approval. The Board shall be responsible for formulating the working procedures of special committees.

**Article 11** The Audit Committee shall exercise the following powers:

- I. to exercise the powers of the supervisory committee as provided for in the Company Law;
- II. to be responsible for reviewing the Company's financial information and its disclosure;
- III. to supervise and evaluate internal and external audit work and internal control;
- IV. to propose the appointment or dismissal of accounting firms undertaking the Company's audit work;
- V. to supervise the Company's internal audit system and its implementation;
- VI. to be responsible for communication between internal and external auditors;

- VII. to control connected transactions and conduct their daily management; and
- VIII. such other powers as may be granted by laws, regulations, regulatory rules, the Articles of Association, and the Board.

The Board shall evaluate the performance of the Audit Committee annually to ensure that it is effectively fulfilling its duties.

**Article 12** The following matters shall be submitted to the Board for deliberation after being approved by over half of all members of the Audit Committee:

- I. disclosure of financial information in financial accounting reports and periodic reports, as well as internal control evaluation reports;
- II. appointment or dismissal of accounting firms undertaking audit work for the listed company;
- III. appointment or dismissal of persons in charge of finance of the listed company;
- IV. changes in accounting policies or accounting estimates or corrections of material accounting errors for reasons other than changes in accounting standards; and
- V. other matters required by laws, regulations, regulatory rules and the Articles of Association.

**Article 13** The Audit Committee shall hold a meeting at least once every quarter. An extraordinary meeting may be held upon the proposal of two or more members, or when the convener deems it necessary. A meeting of the Audit Committee shall be held only if more than two-thirds of the members are present.

Resolutions of the Audit Committee shall be adopted by over half of its members.

Voting on resolutions of the Audit Committee shall be based on one vote per member.

Meeting minutes shall be prepared in accordance with regulations for resolutions of the Audit Committee, and members present at the meeting shall sign the minutes.

**Article 14** The Remuneration and Review Committee is responsible for formulating and conducting appraisals for Directors and senior management, formulating and reviewing remuneration policies and plans, including the remuneration determination mechanism, decision-making process, and payment, cessation of payment and claim arrangements, for Directors and senior management, and making recommendations to the Board on the following matters:

- I. remuneration for Directors and senior management;
- II. formulation or changes of equity incentive schemes and employee stock ownership schemes, granting of rights to incentive recipients, and fulfillment of conditions for exercising such rights;
- III. stock ownership schemes for Directors and senior management in proposed spin-off of subsidiaries; and

IV. other matters required by laws, regulations, regulatory rules, and the Articles of Association.

If the Board of Directors does not adopt or fully adopt any recommendation of the Remuneration and Review Committee, it shall record the opinions of the Remuneration and Review Committee and the specific reasons for its disapproval in the Board resolution and disclose such information.

**Article 15** The main responsibilities of the Strategy and Investment Planning Committee are to examine and advise on the Company's long-term development strategies and major investment decisions.

**Article 16** The Nomination Committee is responsible for formulating the selection criteria and procedures for Directors and senior management, selecting and reviewing candidates for Directors and senior management and their qualifications, and making recommendations to the Board on the following matters:

- I. nomination or appointment or removal of Directors;
- II. appointment or dismissal of senior management; and
- III. other matters required by laws, regulations, regulatory rules, and the Articles of Association.

If the Board of Directors does not adopt or fully adopt any recommendation of the Nomination Committee, it shall record the opinions of the Nomination Committee and the specific reasons for its disapproval in the Board resolution and disclose such information.

**Article 17** Each special committee may engage intermediaries for professional advice. The expenses incurred there from shall be borne by the Company.

Each special committee shall be accountable to the Board and submit its proposals to the Board for consideration and approval.

**Article 18** The Company shall have a secretary to the Board, which shall be accountable to the Board. The Company shall establish a Board Office as the administrative body of the Board, led by the secretary to the Board, to provide support and services for the Board's operations. The Board Office shall be staffed with dedicated personnel.

### **CHAPTER III CONVENING BOARD MEETINGS**

**Article 19** Regular meetings of the Board shall be held at least four times a year, with about once a quarter, including an interim meeting and an annual meeting:

- I. The interim meeting shall be convened within two (2) months after the end of the first six months of the Company's accounting year or at such other time as deemed appropriate by the Board, primarily to consider the Company's interim result, interim work report and other related matters.

II. The annual meeting shall be held within three (3) months after the end of the accounting year of the Company, primarily to consider the Company's annual result and the matters to be submitted to the annual general meeting. The time of the annual meeting of the Board shall ensure that the annual general meeting be held successfully within six (6) months after the end of the Company's fiscal year.

**Article 20** Meetings of the Board shall be convened by the chairman. All Directors are to be notified in writing fourteen (14) days before the meeting.

**Article 21** Under one of the following circumstances, the Chairman of the Board shall convene and chair a special Board meeting within ten (10) days after the proposal is received:

- I. when it is jointly proposed by not less than 10% of the Directors.
- II. when not less than one-third of the Directors jointly propose.
- III. when the Audit Committee requests.
- IV. when the Company's general manager requests.
- V. when the independent non-executive Directors jointly propose.
- VI. when the Chairman considers necessary.
- VII. other circumstances when it is required by laws, regulations, regulatory rules and the Articles of Association or securities regulatory authorities request.

**Article 22** Where an extraordinary Board meeting is proposed in accordance with provisions as set out in the preceding Article, a written proposal signed (stamped) by such proposer is to be submitted, either through the Board office or directly to the chairman of the Board. The written proposal is to include:

- I. names of the proposers.
- II. reasons or objective grounds for the proposal.
- III. time or duration, venue and method of meeting proposed.
- IV. definite and specific motions.
- V. contact methods of the proposer Supervisors and date of proposal.

The contents of the proposal shall be within the terms of reference of the Board specified in the Articles of Association, and the relevant materials relating to the proposal shall be submitted together with the proposal.

The Board office shall forward the above-mentioned written proposal and relevant materials to the Chairman on the same day upon receipt. The Chairman may require the proposer to make amendments or provide supplements if he/she is of the opinion that the content of the proposal is not clear or specific or the relevant materials are not adequate.

Subject to laws, regulations, regulatory rules and the relevant provision of the Articles of Association, The Chairman shall notify all of the Directors about the extraordinary Board meeting five (5) days beforehand. In case of emergency, the manner of notification for the meeting as specified under the preceding paragraph shall not apply; however, a reasonable notice shall be issued.

**Article 23** The notice of Board meetings shall include the following:

- I. the date, time and venue of the meeting.
- II. the form of the meeting.
- III. the duration of the meeting.
- IV. the meeting procedure, subject and agenda.
- V. convener and chairman (the Chairman) of the meeting and the proposer of an extraordinary meeting and his/her written proposal.
- VI. the documents necessary for Directors' consideration for voting.
- VII. the requirement of Directors to attend in person or by proxy of other Directors.
- VIII. the contact person and contact method.
- IX. the date of the notice was issued.

Verbal meeting notice shall at least include items (I) and (II) above and the explanation of the emergency of holding extraordinary board meeting.

**Article 24** Notice of a meeting of the Board may be delivered in person, by facsimile, email, express delivery service, registered mail or other means, to all Directors, general manager and secretary to the Board of the Company. If the notice is not sent by direct delivery, Directors may be contacted through telephone to confirm receipt of such notices, and the confirmation of which is to be recorded. When it is necessary to convene an extraordinary Board meeting due to emergency, notice may be given by telephone or otherwise verbally at any time, provided that the convener should make necessary explanations at the meeting.

**Article 25** A notice shall be delivered by the Board to all Directors within the time limit stipulated herein, together with sufficient information, including the relevant background information concerning the agenda and other information and data which may help the Directors understand the business progress of the Company. If one-quarter or more of the Directors or two (2) or more external Directors or two (2) or more independent non-executive Directors think that the information is incomplete or the elaboration is insufficient or the provision is untimely, they may jointly propose to the Board to postpone the Board meeting or review relevant matters at a later time, and the Board shall adopt such proposal.

**Article 26** If, after the written notice of a regular Board meeting is sent, it is necessary to change the time, venue, etc. of the meeting or add, change or withdraw any proposal to or from the meeting, subject to laws, regulations, regulatory rules and the Articles of Association, a written notice for such changes shall be sent three (3) days before the date originally scheduled for the meeting providing explanations and details of the new proposals and the relevant documents. If the notice of change is sent less than three (3) days, the date of meeting shall be postponed accordingly unless unanimously approved by all the participating Directors.

**Article 27** If, after the notice of an extraordinary Board meeting is sent, it is necessary to change the time, venue, etc. of the meeting or add, change or withdraw any proposal to or from the meeting, prior consent of all participating Directors must be sought and proper records shall be maintained.

**Article 28** Prior to the convening of the Board meeting, independent non-executive Directors may communicate with the secretary to the Board, make inquiries concerning the matters to be deliberated, require supplementary materials, and put forward opinions and suggestions. The Board and relevant personnel shall carefully study the issues, requirements and opinions raised by independent non-executive Directors, and timely report to independent non-executive Directors on the implementation of the amendments to the resolutions.

**Article 29** The meetings of the Board may be held and vote by way of on-site meetings or telecommunication meetings such as telephone conferences, video conferences, written resolution meetings or by any other means of telecommunications, subject to the laws, regulations, regulatory rules, the Articles of Association and these rules. If it is necessary to hold an on-site meeting in accordance with laws, regulations and regulatory rules, such provisions shall prevail.

Subject to laws, regulations, regulatory rules, the Articles of Association and these rules, under emergency, the extraordinary Board meetings may be held by way of written resolution meetings, which means the proposals are served, separately or in sequence, to the Director for their review and resolution, and the Director shall state clearly their affirmative or negative opinions on the resolutions. Where a written resolution meeting is to be held, the notices of voting shall state the time limit for the voting, which shall be no shorter than five (5) days following the day of service of such notices, unless all the Directors agree to waive in writing the time limit requirement of such notices. If the Directors vote in advance, they are considered to waive the time limit requirement of such notices.

**Article 30** The meeting of the Board shall be held only when over half of the Directors attend the meeting. The voting of resolutions of the Board shall be one person with one vote.

The general manager of the Company and the secretary to the Board who do not serve concurrently as Director shall attend Board meetings as a non-voting attendee. If considered necessary, the chairman of the meeting may notify other relevant persons to attend the meeting as non-voting attendees.

Persons attending Board meetings do not have voting rights.

**Article 31** Directors shall attend Board meetings in person. If they for some reason cannot attend, they may appoint other Directors in writing to vote on his/her behalf in accordance with the principal's wishes. The principal shall bear independent legal responsibility. An independent non-executive Director may not authorize a non-independent Director to vote on his/her behalf. When deliberating matters submitted to the Board for decision, Directors shall fully gather information and prudently assess whether the matter involves their own interests, falls within the Board's authority, is supported by sufficient materials, and follows lawful voting procedures. Should a Director fail to attend a meeting of the Board either in person or by proxy, the said Director shall be deemed as having waived his/her right to vote at the meeting.

**Article 32** Proxy attendance at Board meetings shall follow the principles below:

- I. where related party transactions are considered, a non-related Director shall not appoint a related Director to attend the meeting on his/her behalf; a related Director shall not accept the appointment of a non-connected Director.
- II. an independent non-executive Director shall not appoint a non-independent Director to attend the meeting on his/her behalf and a non-independent Director shall not accept the appointment by an independent non-executive Director.
- III. a Director shall not give any other Director carte blanche to attend the meeting and vote on his/her behalf without providing his/her own opinions and voting intent on the proposals, and the relevant Director shall also not accept the carte blanche or any appointment not well defined.
- IV. a Director shall not accept the appointment by more than two Directors, and a Director shall also not appoint any Director who has been appointed by two other Directors to attend the meeting on his/her behalf.

**Article 33** If any Director fails to attend Board meetings in person or by proxy in accordance with laws, regulations, regulatory rules, the Articles of Association and these rules for two (2) consecutive times, he/she shall be deemed unable to perform his/her duties, the Board shall propose to the general meeting to replace the said Director.

## **CHAPTER IV REVIEW, VOTING AND RESOLUTION OF THE BOARD**

**Article 34** The chairman of the meeting is to announce commencement of the meeting at the scheduled time and report the number of attendees in person or by proxy.

**Article 35** A Board meeting is to be presided over by the chairman of the meeting, and the proposer or relevant person is first to make statement on proposals to be discussed.

The Board meetings are to adopt democratic discussions and fully respect opinions of every Director.

In order to fully understand the key points and situation of every proposal, the Board meeting may require person-in-charge from relevant departments of the Company to be present at the meeting and attend to questions concerned.

**Article 36** Major decisions of the Company shall undergo legal and compliance reviews. Regarding any proposal requiring prior review and approval by a special meeting of independent non-executive Directors or a meeting of special committees such as Audit Committee before submission to the Board for consideration, the chairman of the meeting shall listen to the deliberations of independent non-executive Directors or special committees such as Audit Committee on the proposals and their opinions before the relevant proposal is discussed thereat.

The chairman of Board meeting shall promptly prevent any Director from hindering the normal progress of the Board meeting or interrupting another Director who is making a speech.

Without unanimous consent by all attending Directors, resolution not contained in the notice of the meeting may not be put to vote at a Board meeting. A Director acting as a proxy of another Director may not vote on behalf of any other Director on any resolution not contained in the notice of the meeting.

**Article 37** The meeting chairman is to seek explicit opinions on each proposal from the attending Directors.

**Article 38** The Directors are to carefully read the materials to be tabled at the meeting and express their well-informed, independent and discreet opinions.

The Directors may, before the meeting, inquire about information necessary for decision making from relevant persons or institutions, such as the office of the Board, the convener of the meeting, senior management of the Company, special committees, accounting firms or law firms, and may, while the meeting of the Board is underway, suggest the chairman of the meeting to invite the aforesaid persons or institutions to give explanations thereat.

**Article 39** Meeting of the Board is to vote on each proposal respectively, and this means voting is to start after each proposal has been considered. A proposal may not be put to vote unless the previous one is voted.

**Article 40** After adequate discussion, the chairman of the meeting is to put each resolution to the vote of the attending Directors. Each Director has one vote. The meeting of the Board may be voted by show of hands or by ballot, but the specific method is to be determined by the chairman of the meeting. All attending Directors are to vote for or against proposals or abstain from voting. Any attending Director has to select one of the above choices. If any Director does not make any choice or selects two or more choices, the chairman of the meeting is to require the Director to make his/her choice again, or else the Director is to be deemed to have abstained from voting. Any Director who has left the meeting without making any choice is deemed to have abstained from voting.

An independent non-executive Director who votes against or abstains from voting on a Board resolution shall provide specific reasons and basis for such vote, including the legality and compliance of the matters involved in the resolution, potential risks, and the impact on the interests of the listed company and minority shareholders.

**Article 41** Unless otherwise provided by laws, regulations, and regulatory rules, a Director or his/her close associates having a significant interest in matters resolved by the Board, or such Director having connection with the enterprises or individuals involved in any proposal to be resolved at the meeting of the Board shall submit a written report to the Board in a timely manner, and such connected Director may not vote, in person or as proxy of another Director, on such proposal. The meeting of the Board may be convened by half or above of the unconnected Directors attend and resolutions adopted are to be passed by half or above of the unconnected Directors. Where the number of unconnected Directors attending the meeting falls below three (3), the proposal is to be submitted to the general meeting for consideration.

**Article 42** Unless otherwise provided by laws, regulations, regulatory rules, the Articles of Association and these rules, resolutions made by the Board may only be passed by half or above of the unconnected Directors. If different resolutions conflict with each other, in terms of content or implication, the resolutions passed at the latter time are to prevail.

**Article 43** After voting of the attending Directors, the Company's securities affairs representative and the Board office staff are to collect ballots (if any) cast by the Directors without delay, and ballots are to be counted by the secretary to the Board under the supervision of an independent non-executive Director.

Where the meeting is held on-site, the chairman is to announce the statistics on-site; in other circumstances, the chairman is to require the secretary to the Board to announce the voting result before the next workday after the prescribed voting deadline.

The ballots cast by Directors after the time when the chairman announces the voting result or after the prescribed voting deadline may not be counted.

If any resolution is not passed, the same resolution may not be considered by the Board meeting within one (1) month unless the relevant conditions and factors have changed significantly.

**Article 44** Where resolutions of the Board meeting require the fulfillment of announcement and relevant procedures in accordance with laws, regulations, regulatory rules or the Articles of Association, such procedures shall be executed in accordance with the relevant provisions. Prior to the disclosure of the resolutions, the attending Directors, non-voting attendees, recorder and service personnel are obliged to keep the content of the resolutions confidential.

**Article 45** The Company shall establish mechanisms for tracking the implementation and post-evaluation of Board resolutions, and holding those responsible for irregular operations and investments accountable.

The chairman shall urge the staff to implement the resolutions of the Board, examine the implementation thereof and notify the implementation of resolutions that have been formed at the following meetings of the Board.

## CHAPTER V MINUTES OF THE MEETING OF THE BOARD

**Article 46** The meeting of the Board is required to keep minutes, which at least include the following:

- I. the session, time, place and form of the meeting.
- II. the sending of the meeting notice.
- III. the convener and the chairman of the meeting.
- IV. the attendance of Directors, in person or by proxy, of the meeting.
- V. the proposals reviewed in the meeting and the speech points and main opinions concerning relevant matters and the voting intention for the proposals of each Director.
- VI. the voting form and voting result of each proposal (the specific voting numbers of for, against and abstention is to be stated).
- VII. other matters as required by laws, regulations and regulatory rules or that the attending Directors consider necessary to be recorded.

**Article 47** Directors who attend the Board meeting are to sign the minutes and resolutions of the meeting. Attending Directors have the right to demand explanation of their speech at the meeting be recorded in the minutes. Any Director who has different views on the meeting minutes or resolutions may make a written explanation when signing the minutes.

Meeting minutes of the Board are to be complete and true, and to include, in sufficient detail, matters discussed and decisions reached thereat, including any concerns raised or dissenting views expressed by the Directors. The secretary to the Board is to seriously record and organize matters discussed at the meeting.

Meeting minutes of the Board are to be properly kept as important records of the Company, so that they may serve as important basis for clarifying Directors' responsibilities in future.

Meeting minutes of the Board are to be kept by the secretary to the Board as the Company's archives for a period of no less than ten (10) years.

**Article 48** Archives of the meeting of the Board include the notice of the meeting, meeting materials, attendance book, power of attorney for Directors to attend the meeting on behalf of others, sound recordings, voting ballots, minutes signed by Directors attending the meeting, resolutions of the meeting and announcement of the resolutions, etc., which are to be kept by the secretary to the Board.

Archives of the meeting of the Board are to be kept for at least ten (10) years.

**Article 49** Directors are to assume responsibilities thereto. Directors, who participate in resolutions that cause serious loss to the Company due to violation of laws, regulations, regulatory rules, the Articles of Association, resolutions of general meetings or these rules, are liable to reimburse the Company. However, if it can be proven that a Director expressly objected to such resolutions during voting, and that such objection is recorded in the minutes of the meeting, such Director may be released from such liability.

## CHAPTER VI SUPPLEMENTAL PROVISIONS

**Article 50** Unless otherwise specified, all the terms used herein have the same meanings as those in the Articles of Association.

**Article 51** These rules, once adopted by the Company's general meeting, will become effective.

**Article 52** These rules are to be construed by the Board. Any amendments to these rules are subject to review and approval by special resolutions at the Company's general meeting.