

Shining Building Business Co., Ltd

Regulations Governing Procedure for Board of Directors Meetings

(The English Version is Based on Traditional Chinese Version for March 23, 2021)

1. Purpose: In order to establish the Company's good Board of Directors governance system, improve supervision function and strengthen management functions, refer to the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” to rule this Regulations to be followed.
2. Scope: This regulations governing procedure of the Company’s Board of Directors meetings, the main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements for board meetings shall be act in accordance with this Regulations.
3. Responsibilities:
 - 3-1. Handling: Accounting Division
 - 3-2. Approved: Board of Directors.
4. Operating Contents:
 - 4-1. The Board of Directors shall meet at least quarterly of the Company.

The reasons for calling a board of directors meeting shall be notified to each directors at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The notice of the Board of Directors meetings can be faxed, emailed, etc.

All matters set out in the subparagraphs of Article 4-10, paragraph 1, shall be specified in the notice of the reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion except in the case of an emergency or legitimate reason.
 - 4-2. Standard operating procedures for handling requests from board members:

The Company has established a corporate governance director, responsible for the meetings of the Board of Directors and handling the Board of Directors related matters.

The agenda working group shall prepare agenda items for Board of Directors meetings and provide comprehensive pre-meeting materials, to be sent together with the notice of the meeting.

A director of the opinion that the pre-meeting materials provided are insufficiently comprehensive may request the agenda working group to supplement the materials. The agenda working group shall on the principle of immediate and effective assistance to the directors in the performance of their duties, handle as soon as possible and provide it within 3 days. 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 of Directors.
 - 4-3. When a meeting of the Board of Directors of the Company is held, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.

All directors shall attend board meetings in person; if attendance in person is not possible, they may, pursuant to the Company's articles of incorporation, appoint another director to attend as their proxy. Attendance via tele- or video-conference is deemed as attendance in person.

A director appointing another director to attend a board meeting in his or her place shall in each

case give to that director a written proxy stating the scope of authorization with respect to the reasons for meeting.

A proxy under paragraph 2 may accept a proxy from one person only.

4-4. A Board of Directors meeting shall be held at the location and during the business hours of the Company, or at a place and time convenient to all directors and suitable for holding such a meeting.

4-5. Where a meeting of the Board of Directors is called by the chairman of the board, the meeting shall be chaired by the chairman. However, where the first meeting of each newly elected Board of Directors is called by the director who received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.

Where the Board of Directors meeting is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.

When the chairman of the board is on leave or for any reason is unable to exercise the powers of the chair, by a director designated by chairman, or, if the chairman does not make such a designation, the directors shall choose one person by and from among themselves.

4-6. When the Board of Directors of the Company convenes, the agenda working group shall prepare relevant information for the participating directors to examine at any time.

When holding a meeting of the Board of Directors, the Company may, as necessary for the agenda items of the meeting, notify personnel of relevant departments or subsidiaries to attend the meeting as nonvoting participants.

When necessary, the Company may also invite CPAs, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

The chair of the board shall declare a meeting immediately upon the time of the session and the presence of a majority of the directors.

When the time of a meeting has arrived and one-half all board directors are not present, the meeting chair may announce postponement of the meeting time, provided that only two postponements may be made. If the quorum is still not met after two such delays, the chair shall re-call the meeting following the procedures provided in Article 3, paragraph 2.

The term "all board directors" as used in the preceding paragraph and in Article 4-14, paragraph 2, subparagraph 2 shall be calculated as the number of directors then in office.

4-7. The Company shall record on audio or video tape the entire proceedings of a Board of Directors meeting, and preserve the recordings for at least five years, in electronic form or otherwise.

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 of Directors meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.

Where a Board of Directors meeting is held via tele- or video conferencing, the audio and visual documentation of the meeting form a part of the meeting minutes and shall be well preserved during the existence of the Company.

4-8. Agenda items for regular Board of Directors meetings of the Company shall include at least the

following:

1. Reports:

- (1). Minutes of the last meeting and actions arising.
- (2). Reporting on important financial and business matters.
- (3). Reporting on internal audit activities.
- (4). Other important matters to be reported.

2. Discussions:

- (1). Items discussed and continued from the last meeting.
- (2). Items for discussion at this meeting.

3. Extraordinary motions.

4-9. Board of Directors meeting of the Company shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting. The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting. If at any time during the proceeding of a Board of Directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case in Article 4-6, paragraph 5 shall apply mutatis mutandis.

4-10. The Company shall submit the following items for discussion by the Board of Directors:

- (1). Corporate business plan.
- (2). Annual financial report and semi-annual financial report which need to be audited and attested by CPAs.
- (3). Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchanges Act, and an assessment of the effectiveness of the internal control system.
- (4). Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchanges Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, lending 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 chief of financial, accounting, or internal auditing.
- (7). A donation to a related party or a major donation to a nonrelated 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). Any matter required by Article 14-3 of the Securities and Exchanges Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or Board of Directors meeting, or any such significant matter as may be 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 NTD\$ 100 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 foreign companies whose stock has no par value or a par value other than NTD\$ 10, the "5% of paid-in capital" in paragraph 2 above shall be calculated instead as 2.5% of shareholder equity.

The Company at least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the Board of Directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

- 4-11. When the chair at a Board of Directors meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chair may announce the discussion closed and bring the matter to vote.

When a proposal comes to a vote at a Board of Directors meeting, if the chair puts the matter before all directors present at the meeting and none voices an objection, the matter is deemed approved. If there is a disagreement upon consultation with the chair, the vote shall be taken.

The manner of voting shall be determined by the chair's choice of the following paragraphs, provided that a majority opinion is sought if the participants object:

- (1). By a show of hands or voting machine.
- (2). By roll call.
- (3). By ballot.
- (4). By methods adopted by the Company.

"All directors present at the meeting" in the preceding two paragraphs does not include directors prohibited from exercising voting rights pursuant to Article 4-13, paragraph 1.

- 4-12. Unless otherwise provided in the Securities and Exchanges Act and the Company Act, resolutions on agendas in the board meeting require the approval of a majority of the directors present at the board meeting that shall be attended by a majority of all directors.

If there are amendments or substitutes for one agenda, the chair shall decide their voting order altogether with the original agenda. Nonetheless, if one of the agenda together with its amendment and substitute has been approved, the others shall be deemed as vetoed requiring no further vote.

If it is necessary to set monitoring and counting staff for agenda voting process, the chair shall appoint one/those who shall hold the position of director(s).

The results of voting shall be declared on the spot and be recorded in the meeting minutes.

- 4-13. A board director shall state the important aspects of the interested party relationship at the respective meeting, but is prohibited from and must be absent from participating in discussion of or voting on an agenda item in which the director or the juristic person that the director represents is

an interested party, where such participation is likely to prejudice the interest of the Company, and likewise is prohibited from voting on such item as a proxy of another director.

If there is a director's spouse, or blood relative within the second degree of kinship, or a company that has a controlling affiliation with a director, who has interests in the matters at the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

With respect to resolutions of the Board Meetings, the provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, shall apply in cases where a board director is prohibited from exercising voting his or her rights.

4-14. Agenda discussions at the board meetings of the Company should be recorded in meeting minutes which shall record the following items:

- (1). Session (or years), time and location of the meeting.
- (2). Name of the chair.
- (3). Attendance record of directors, including name and numbers of people present, excused, and absent.
- (4). Names and titles of people attending the meeting as nonvoting participants.
- (5). Name of minutes taker.
- (6). Reporting items
- (7). Discussion items:

The method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to Article 4-13, paragraph 1, 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; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Article 4-10, paragraph 4.

- (8). Extraordinary motions:

The name of the mover; the method of resolution and the result for each motion; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred Article 4-13, paragraph 1, 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; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.

- (9). Other items required to be recorded.

Any of the following matters in relation to the resolutions of board meeting shall be recorded in the minutes and published on Market Observation Post System website designated by FSC within 2 days of the board meeting:

- (1). Objections and reservations expressed by independent directors that have been included in records or stated in writing
- (2). Any matters not approved by the audit committee of the Company, but approved by more than two-thirds or more of all board directors.

The attendance book of the board meeting is a part of the meeting minutes, and shall be preserved as long as the Company exists.

The meeting minutes shall be signed or sealed by the chairperson and minutes taker; a copy of the minutes shall be delivered to each director within 20 days after the board meeting and well preserved as important company files during the existence of the Company.

The production and delivery of meeting minutes referred to in paragraph 1 may be done in electronic form.

4-15. Except for Article 4-10, paragraph 1, which should be discussed by the Board of Directors of the Company, the Board of Directors of the Company shall, in accordance with the articles of corporation of the Company, authorize the chairman to exercise the functions and powers of the Board of Directors, the terms of which are as follows:

- (1). Approval of important contracts.
- (2). Approval of real estate mortgage loans and other borrowings.
- (3). Approval of the Company's general property and real estate acquisition and division.
- (4). The appointment of directors and supervisors of the transfer investment company.
- (5). Approval of the base date for capital increase or reduction, the base date for the distribution of cash dividends, etc.
- (6). Approval of the annual budget and consideration of the annual budget.

4-16. The adoption of this Regulations shall be approved by the board meeting and be reported to the shareholders meeting, if there is not completed matters of this Regulations, act in accordance with other relevant laws and regulations.

5. Related Information / Documents: None.

6. Table Used: None.