



HD Renewable Energy Co., LTD.

Rules and Procedures of Board of Directors Meetings

1. General

1.1 To establish good mechanism of the Board of Directors Meeting, the Rules and Procedures of Board of Directors Meetings (“the Rules”) are adopted pursuant to Article 2 of the Regulations Governing Procedure for the Board of Directors Meeting of Public Company.

1.2 The Company shall adopt rules of procedure for meetings of its board of directors; the main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements for board meetings shall be handled in accordance with the Rules.

2. Calling and Notice :

2.1. The board of directors shall meet at least quarterly

2.2. The board of directors of the Company appointed the Financial Department as an agenda working group.

2.3. A board of directors meeting shall be held at the location of the Company’s office 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.

2.4. The Method of Notice :

2.4.1. The reasons for calling a board of directors meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, an interim meeting may be called on shorter notice. The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.

2.4.2. 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 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 of directors.

2.4.3. All matters set out in 4.3.3, 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.

3. The rule of Attendance :

- 3.1. When a meeting of the board of directors is held, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.
- 3.2. All directors shall attend board meetings in person; if attendance in person is not possible, they may, pursuant to the Company's Articles of Association, appoint another director to attend as their proxy. Attendance via tele- or video-conference is deemed as attendance in person.
- 3.3. 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 may accept a proxy from one person only.
- 3.4. When holding a meeting of the board of directors, the Company may, as necessary for the agenda items of the meeting, notify officers from relevant departments or subsidiaries to attend the meeting as nonvoting participants. When necessary, the Company may also invite certificated public accountants, attorneys, or other professionals to attend and explain as nonvoting participants but have to leave at discussion and voting time.

4. A board of directors meeting be held :

4.1. Chairperson :

- 4.1.1. Where a meeting of the board of directors is called by the chairperson of the board, the meeting shall be chaired by the chairperson.
- 4.1.2. However, the first meeting of each newly elected board of directors shall be called and chaired by the director who received votes representing the largest portion of voting rights 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.
- 4.1.3. If a meeting of the board of directors was called by the majority or more of the directors according to Paragraph 4 of Article 203 or Paragraph 3 of Article 203-1 of the "Company Act", the chairperson of such meeting shall be elected by and from among the directors.
- 4.1.4. When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairperson shall do so in place of the chairperson, or, if there is no vice chairperson or the vice chairperson also is on leave or for any reason is unable to act, by a

managing director designated by the chairperson, or, if there is no managing director, by a director designated thereby, or, if the chairperson does not make such a designation, by the director elected by and from among themselves.

4.2. Procedures of Board of Directors Meetings :

- 4.2.1. A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice.
- 4.2.2. However, the order may be changed with the approval of a majority of directors present at the meeting.
- 4.2.3. The chairperson may not declare the meeting closed without the approval of a majority of directors present at the meeting.
- 4.2.4. When the meeting time is due and one-half all board directors are not present, the meeting chair may announce that the meeting time will be postponed on the same day, provided that no more than two postponements are made. If the quorum is still not met after two postponements, the chair may re-convene the meeting following the procedures provided in 2.4.1.
- 4.2.5. 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 chairperson shall declare a suspension of meeting, in which case 2.4.1 shall apply mutatis mutandis.
- 4.2.6. If at any time during the proceeding of a board of directors meeting, the chairperson for any reason is unable to chair the meeting or declares the meeting closed without complying 4.1.4 shall apply mutatis mutandis to the election of the chairperson's proxy.

4.3. Agenda items for regular board of directors meetings :

- 4.3.1. When a meeting of the board of directors is held, the agenda working group appointed by the board of directors shall prepare the related documents and information for future reference.
- 4.3.2. Agenda items for regular board of directors meetings shall include at least the following:
 - 1) Report:
 - (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.
- 4.3.3. The Company shall submit the following items for discussion by the board of directors:
- 1) Corporate business plan.
 - 2) Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA).
 - 3) Adoption or amendment of an internal control system pursuant to Article 14-1 of the Act, and an assessment of the effectiveness of the internal control system.
 - 4) Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans 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 chairperson of the board.
 - 7) The appointment or discharge of a financial, accounting, or internal audit officer.
 - 8) Adonation 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.
 - 9) Any matter required by Article 14-3 of the 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
- The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. The

term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

4.3.4. Apart from matters referred to in paragraph 1 of the preceding article, which are required to be submitted for discussion by the board of directors, when the board of directors delegates any exercise of its powers pursuant to laws or regulations or the company's articles of incorporation, matters such as the level and substance of the delegation shall be concretely and specifically set out.

4.3.5. Minutes shall be prepared of the discussions at board of directors meetings. The meeting minutes shall record the following:

- 1) Session (or year), time, and place of meeting.
- 2) Name of the meeting chair.
- 3) Attendance of directors at the meeting, specifying the names and number of members present, excused, and absent.
- 4) Names and titles of those attending the meeting as nonvoting participants.
- 5) Name of minutes taker.
- 6) Matters reported on.
- 7) Agenda 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 4.4.1.(4), 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 4.4.6.
- 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 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; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.

9) Other matters required to be recorded.

4.4. Vote:

4.4.1. Bring:

- 1) 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.
- 2) When a proposal comes to a vote at a board of directors meeting, if the chairperson puts the matter before all directors present at the meeting and none voices an objection, the matter is deemed approved. If objection is voiced, such proposal shall be moved to voting procedure.
- 3) Attending directors do not include directors that may not exercise voting rights pursuant to 4.4.1.(4).
- 4) If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.
- 5) Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.
- 6) The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding two paragraphs from exercising voting rights.

4.4.2. The method of voting shall be one of the followings determined by the chairperson, but if there is objection from directors, the chairperson

should seek majority opinions of attending directors. The voting result should be reported to the board and recorded in the meeting minutes.

1) By showing of hands or voting machine.

2) By voicing votes.

3) By casting ballots.

4.4.3. Except as otherwise stated in the Securities and Exchange Act, in the Company Act or in the Company's Articles of Association, a resolution on a matter at a board of directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors.

4.4.4. If there is an amendment to or substitute for a proposed resolution, the chairperson shall decide the sequence of voting for such proposed resolution and the amendment or substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is required.

4.4.5. If supervisor is needed to monitor the voting process and count ballots, the chairperson shall appoint a person to do so. And the person monitoring the voting process should be a director

4.4.6. If the Company has an independent director or directors, at least one independent director shall attend any board meeting in person. And all independent directors shall attend any meeting concerning a matter stated in the first paragraph which requires a resolution by the board of directors; if the independent directors could not attend such meeting, he or she shall appoint another independent director to attend as his or her proxy. If an independent director objects to or expresses reservations about the matter, it shall be recorded in the board meeting minutes; an independent director intending to express objection or reservations 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.

4.4.7. The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding two paragraphs from exercising voting rights.

4.4.8. Any of the following matters in relation to a resolution passed at a meeting of the board of directors shall be stated in the meeting minutes and within two days of the meeting be published on an information

reporting website designated by the competent authority: (1)Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.(2)If the company has an audit committee, any matter that has not been passed by the audit committee,but has been adopted with the approval of two-thirds or more of all board directors without having been passed by the audit committee.

4.5. Record of Meeting:

4.5.1. Record on audio or video:

- 1) A 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.
- 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 of directors meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.
- 3) 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.

4.5.2. The minutes of Meeting:

- 1) The minutes of a board of directors meeting shall bear the signature or seal of both the meeting chair and the minutes taker; a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting and well preserved as important company records during the existence of the company.
- 2) The attendance book forms a part of the minutes for each board of directors meeting and shall be well preserved during the existence of the company.
- 3) The production and distribution of the meeting minutes referred to in paragraph 1 may be done in electronic form.

5. The board of directors of the Company appointed Department should audit at least a year.
6. Enactment and revision of the Rules and Procedures of Board of Directors Meetings shall be approved by the board of directors, and after report to shareholders' meeting.