

	HD Renewable Energy Co., LTD.	Document No. A17-B100-OC20-02
		Version C

Rules of Procedure for Board of Directors Meetings

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Establishment / Revision

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1. General Provisions

1.1. Purpose

These Rules are established to promote sound corporate governance practices, strengthen the supervisory and management functions of the Board of Directors, and provide a clear framework for the conduct of Board meetings so as to fully discharge the responsibilities and functions of the Board.

1.2. Scope

All procedures and control measures relating to the operation of meetings of the Board of Directors shall be governed by these Rules.

2. Convening and Notice of Meetings :

2.1. The Board of Directors shall convene at least once every quarter.

2.2. Administrative Unit : The department designated by the Board to handle meeting-related affairs shall be the Finance and Accounting Department.

2.3. Board meetings shall be held at the Company's premises during business hours or at another suitable location and time that is convenient for Directors to attend.

2.4. Meeting Notice :

2.4.1. A notice specifying the reasons for convening a Board meeting shall be provided to each Director in writing at least seven (7) days prior to the meeting.

In the event of emergency circumstances, the meeting may be convened at any time by written or electronic means. With the consent of the recipient, meeting notices may be delivered electronically.

2.4.2. The administrative unit shall prepare meeting agendas and provide sufficient supporting materials, which shall be delivered together with the meeting notice.

If any Director considers the meeting materials insufficient, he or she may request supplementary information from the administrative unit. If the materials relating to a proposal are deemed inadequate, the Board may resolve to postpone deliberation of such proposal.

2.4.3. The matters set forth in Article 4.3.3 shall be expressly included in the meeting notice and may not be introduced as extraordinary motions.

3. Attendance Requirements :

3.1. A sign-in register shall be prepared for attendance by Directors. For meetings

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conducted via video conference, screenshots or electronic records evidencing participation shall substitute for a sign-in register.

- 3.2. Directors shall attend Board meetings in person. If a Director is unable to attend in person, he or she may appoint another Director as proxy in accordance with the Company's Articles of Incorporation. Attendance by video conference shall be deemed attendance in person.
- 3.3. A Director appointing another Director as proxy shall issue a written proxy for each meeting and specify the scope of authorization regarding the matters listed in the meeting notice. Each proxy may represent only one Director.
- 3.4. The Board may invite personnel from relevant departments or subsidiaries to attend meetings when appropriate. Certified public accountants, attorneys, or other professionals may also be invited to attend and provide explanations when necessary, but shall leave the meeting during deliberation and voting.
4. Conduct of Board Meetings :
 - 4.1. Chairperson :
 - 4.1.1. Board meetings shall be convened and chaired by the Chairman of the Board.
 - 4.1.2. The first Board meeting of each term shall be convened by the Director who received the largest number of voting rights in the election held by the shareholders' meeting, and such Director shall serve as Chairperson of that meeting. If two or more Directors possess equal convening authority, one shall be elected among themselves to chair the meeting.
 - 4.1.3. Where a Board meeting is convened by Directors pursuant to Article 203, Paragraph 4, or Article 203-1, Paragraph 3 of the Company Act, one Director shall be elected among themselves to serve as Chairperson.
 - 4.1.4. If the Chairman is unable to perform his or her duties due to leave or any other reason, the Vice Chairman shall act on his or her behalf. If there is no Vice Chairman, or the Vice Chairman is likewise unable to act, the Chairman shall designate an Executive Director to act on his or her behalf. If no such designation is made, the Executive Directors or Directors shall elect one among themselves to serve as acting Chairperson.
 - 4.2. Meeting Procedures :
 - 4.2.1. Board meetings shall proceed in accordance with the agenda specified in the meeting notice.

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- 4.2.2. The agenda may be changed with the approval of a majority of Directors present.
- 4.2.3. The Chairperson shall not declare the meeting adjourned without approval from a majority of Directors present.
- 4.2.4. If, at the scheduled meeting time, fewer than one-half of the incumbent Directors are present, the Chairperson may postpone the meeting **on the same day**. Such postponement shall be limited to two occasions. If a quorum is still not achieved after two postponements, the meeting shall be reconvened pursuant to Article 2.4.1.
- 4.2.5. During a meeting, if the number of Directors present falls below a majority of attendees, the Chairperson shall suspend the meeting upon motion by the Directors present and apply the provisions of Article 4.2.4 mutatis mutandis.
- 4.2.6. **If the Chairperson is unable to preside over the meeting or improperly declares adjournment in violation of Article 4.2.3, the selection of an acting Chairperson shall follow Article 4.1.4.**

4.3. Agenda Content :

- 4.3.1. The administrative unit shall prepare all relevant information for Directors' reference during Board meetings.
- 4.3.2. The agenda of regular Board meetings shall include at least the following :
 - 1) Reports :
 - (1) Minutes and implementation status of the previous meeting.
 - (2) Important financial and business reports.
 - (3) Internal audit reports.
 - (4) Other important reports.
 - 2) Discussion Items :
 - (1) Matters reserved from previous meetings.
 - (2) Matters to be discussed at the current meeting.
 - 3) Extraordinary Motions
- 4.3.3. The following matters shall be submitted to the Board for discussion and resolution :
 - 1) Corporate operating plans.
 - 2) Annual and semi-annual financial reports (except where audit or review by a CPA is not required by law).
 - 3) Adoption or amendment of internal control systems and assessment

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of their effectiveness pursuant to Article 14-1 of the Securities and Exchange Act.

- 4) Adoption or amendment of procedures governing major financial and business activities, including acquisition or disposal of assets, derivatives trading, lending of funds, endorsements, and guarantees.
- 5) Public offerings, issuance, or private placements of equity-related securities.
- 6) Election or dismissal of the Chairman.
- 7) Appointment or dismissal of the head of finance, accounting, or internal audit.
- 8) Donations to related parties or significant donations to non-related parties, except charitable donations made for urgent disaster relief, which may be ratified at the next Board meeting.
- 9) Matters required by Article 14-3 of the Securities and Exchange Act, applicable laws and regulations, the Articles of Incorporation, resolutions of shareholders, or competent authorities.

For purposes of Subparagraph 8 above:

- "Related party" shall have the meaning set forth in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- A "significant donation" to a non-related party means a donation of NT\$100 million or more, or donations to the same recipient within one year totaling NT\$100 million or more, or reaching 1% of net operating revenue or 5% of paid-in capital as reported in the most recent CPA-audited financial statements.
- The one-year period shall be calculated retrospectively from the date of the current Board meeting, excluding amounts previously approved by the Board.

4.3.4. Except for matters expressly required to be submitted to the Board, any delegated authority granted by the Board shall be clearly defined with respect to scope and level of authorization.

4.3.5. Minutes shall be prepared for the proceedings of the Company's Board of Directors meetings, and such minutes shall accurately record the following matters :

- 1) The session (or year) of the meeting and the time and place

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thereof.

- 2) The name of the chairperson.
- 3) The attendance status of the Directors, including the names and number of Directors attending, on leave, and absent.
- 4) The names and titles of attendees present at the meeting.
- 5) The name of the minute taker.
- 6) Matters reported.
- 7) Discussion items: the method and result of the resolution of each proposal; summaries of the remarks made by Directors, experts, and other personnel; the names of Directors having an interest relationship as referred to in Article 4.4.1.4); explanations of the material content of such interest relationship; reasons for whether recusal was required or not required; the status of recusal; objections or reservations accompanied by records or written statements; and written opinions issued by Independent Directors pursuant to Article 4.4.6.
- 8) Extraordinary motions: the name of the proposer; the method and result of the resolution of the proposal; summaries of remarks made by Directors, experts, and other personnel; the names of Directors having an interest relationship as referred to in Article 4.4.1.4); explanations of the material content of such interest relationship; reasons for recusal or non-recusal; the status of recusal; and objections or reservations accompanied by records or written statements.
- 9) Other matters required to be recorded.

4.4. Voting :

4.4.1. Submission for Voting :

- 1) When the chairperson considers that discussion of a proposal has reached the stage where a vote may be taken, the chairperson may announce the end of discussion and submit the proposal for voting.
- 2) When voting on a proposal at a Board meeting, if, after inquiry by the chairperson, all Directors present raise no objection, the proposal shall be deemed approved. If any objection is raised following inquiry by the chairperson, the proposal shall be submitted for voting.
- 3) The term "all Directors present" referred to above does not include

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Directors who may not exercise voting rights pursuant to Article 4.4.1.4).

- 4) Where a Director has an interest relationship in a matter under discussion at the meeting, either personally or on behalf of the juristic person represented by such Director, the Director shall explain the material content of such interest relationship at the meeting. Where such relationship is likely to prejudice the interests of the Company, the Director may not participate in discussion or voting on the matter and shall recuse himself or herself during discussion and voting, and may not exercise voting rights as proxy for another Director.
- 5) Where the spouse of a Director, a blood relative within the second degree of kinship of a Director, or a company having a controlling or subordinate relationship with a Director has an interest relationship in the matters referred to in the preceding paragraph, such Director shall be deemed to have a personal interest relationship in the matter.
- 6) For resolutions of the Board of Directors, Directors who may not exercise voting rights pursuant to the preceding two subparagraphs shall be handled in accordance with Article 180, Paragraph 2 of the Company Act as applied mutatis mutandis under Article 206, Paragraph 4 of the Company Act.

4.4.2. Voting Methods : Voting shall be conducted by any one of the following methods as determined by the chairperson; provided, however, that where any attendee raises an objection, the method shall be decided based on the opinion of the majority. The voting results shall be announced on-site and recorded.

- 1) Vote by show of hands or voting device.
- 2) Roll-call vote.
- 3) Ballot vote.

4.4.3. Unless otherwise provided by the Securities and Exchange Act or the Company Act, resolutions of proposals at Board meetings shall require the attendance of a majority of the Directors and approval by a majority of the Directors present.

4.4.4. Where there is an amendment or substitute proposal to the same proposal, the chairperson shall determine the order of voting together

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with the original proposal. If any one proposal has been approved, the other proposals shall be deemed rejected and no further voting shall be required.

- 4.4.5. Where supervisors and vote-counting personnel are required for voting on a proposal, such personnel shall be designated by the chairperson; provided that the supervisors shall be Directors.
- 4.4.6. Where the Company has Independent Directors, at least one Independent Director shall attend each Board meeting in person. For matters set forth in Article 4.3.3 that must be submitted to the Board for resolution, all Independent Directors shall attend the Board meeting. If an Independent Director is unable to attend in person, another Independent Director shall be appointed to attend as proxy. Where an Independent Director has any objection or reservation, such objection or reservation shall be recorded in the Board meeting minutes. If an Independent Director is unable to attend the Board meeting in person to express an objection or reservation, a written opinion shall be issued in advance, unless there is a legitimate reason not to do so, and such written opinion shall be recorded in the Board meeting minutes.
- 4.4.7. For resolutions of the Company's Board of Directors, Directors who may not exercise voting rights pursuant to Article 4.4.1.4) shall be handled in accordance with Article 180, Paragraph 2 of the Company Act as applied mutatis mutandis under Article 206, Paragraph 3 of the Company Act.
- 4.4.8. Where an Independent Director has expressed an objection or reservation regarding a resolution of the Board and such objection or reservation has been recorded or stated in writing, or where a proposal has not been approved by the Audit Committee but has been approved by more than two-thirds of all Directors, such circumstances shall be recorded in the meeting minutes and shall also be publicly announced and reported through the Market Observation Post System designated by the Financial Supervisory Commission within two days from the date of the Board resolution.

4.5. Meeting Records :

4.5.1. Audio and Video Records :

- 1) The entire proceedings of Board meetings shall be audio-recorded

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or video-recorded and preserved for at least five years. Such records may be retained in electronic form.

- 2) Where litigation relating to any resolution of the Board occurs before the expiration of the retention period, the relevant audio or video records shall be retained until the conclusion of such litigation.
- 3) Where a Board meeting is held by video conference, the audio and video materials of the meeting shall constitute part of the meeting records and shall be properly retained for the duration of the Company's existence.

4.5.2. Minutes :

- 1) The meeting minutes shall be signed or sealed by the chairperson and the minute taker and distributed to all Directors within twenty (20) days after the meeting. The minutes shall be included in the Company's important records and properly preserved for the duration of the Company's existence.
 - 2) The attendance register for Board meetings shall constitute part of the meeting minutes and shall be properly preserved for the duration of the Company's existence.
 - 3) The preparation and distribution of meeting minutes may be made in electronic form.
5. The administrative unit designated by the Board of Directors shall conduct a self-inspection at least once annually.
 6. The establishment of these Rules shall be subject to the approval of the Company's Board of Directors and shall be reported to the shareholders' meeting. Any future amendments shall become effective upon approval by the Board of Directors.