



**Winbond Electronics Corporation (the "Company")**

**The Rules Governing Procedure for Board of Directors Meeting (the "Rules")**

**Article 1 (Ground for the Rules)**

The Rules are adopted pursuant to Paragraph 8, of Article 26-3 of the Securities and Exchange Act (the "Act"), the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, and Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers.

**Article 2 (Scope of the Rules)**

Unless otherwise provided by laws or regulations or the Articles of Incorporation of the Company, the main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements for meetings of the Company's board of directors shall be handled in accordance with the Rules.

**Article 3 (Convention and notice of meeting of the board of directors)**

A board of directors shall meet at least quarterly.

The convention notice of the meeting of the board of directors shall set forth the subjects to be discussed at the meeting and shall be given to each director within the period specified by the securities regulatory authority. In the case of an emergency, the meeting may be convened by fax or email at any time without sending written notice.

The convention notice as provided in the preceding paragraph may be effected by means of electronic transmission after obtaining prior consent from the recipients thereof.

All matters set forth in Paragraph 1 of Article 7 shall be enumerated and specified in the convention notice of the meeting; none of them may be raised by an extemporary motion.

**Article 4 (Principle regarding the place and time of the meeting of the board of directors)**

A meeting of the board of directors 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 appropriate for convention of the meeting of the board of directors.

**Article 5 (Notice of meeting and meeting materials)**

An agenda working group appointed by the board of directors is the Shareholders Service Dept., which shall collect the agenda items for meetings of the board of directors prepared by the proposing department and provide the directors with adequate meeting materials which shall be sent together with the convention notice of the board of directors.

A director 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.



#### Article 6 (Agenda of meeting of the board of directors (I))

Agenda items for regular meetings of the board of directors shall include at least the following:

1. Matters for report:
  - (1) Minutes of the last meeting and the status of its execution.
  - (2) Important financial and business report.
  - (3) Internal audit business report.
  - (4) Other important matters to be reported.
2. Matters for discussion:
  - (1) Matters retained from the last meeting.
  - (2) Matters for discussion at this meeting.
3. Extemporaneous motions.

#### Article 7 (Agenda of the meeting of the board of directors (II))

The company shall submit the following items for discussion by the board of directors:

1. Corporate business plan.
2. Annual and interim financial reports signed or sealed by the Chairman, Managers, and Accounting Officer.
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. If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.
7. The appointment or discharge of a financial, accounting, or internal audit officer.
8. A donation 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 as may be prescribed by the competent authority.

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.

When the company already has independent directors, 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.

#### Article 8 (Principle of delegation by the board of directors)

Except for matters required to be submitted to the board of directors for their discussion provided in Paragraph 1 of preceding article, the board of directors, according to the Articles of Incorporation, authorizes the Chairman of the board of directors, during the recess of the board of directors, to approve or execute a matter first and then to submit the same to the board of directors. Where the Chairman of the board of directors is unable to perform his duties, it shall be handled in accordance with the Articles of Incorporations of the Company and Article 208 of the Company Act.

#### Article 9 (Preparation of attendance book and proxy of directors)

When a meeting of the board of directors is held, an attendance book shall be made ready for the signatures of directors attending the meeting and thereafter made available for future reference.

All board 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 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.

#### Article 10 (Chairperson of the meeting of the board of directors and his/her delegate)

A meeting of the board of directors shall be called and chaired by the chairperson of the board of directors. However, the first meeting of each term of the 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 where the directors were elected; and if there are two or more directors so entitled to call the meeting, they shall choose one person from amongst themselves to do so.

Where a meeting of the board of directors 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 chairperson of the board is on leave or cannot exercise his power and authority for any reason, his/her delegation shall be conducted in accordance with Paragraph 3 of Article 208 of the Company Act.

#### Article 11 (Reference and attendants of the meeting of the board of directors)



When holding a meeting of the board of directors, a 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 certificated public accounts, 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.

#### Article 12 (Convention of the meeting of the board of directors)

When the meeting time is due and one-half all board directors are not present, the chairperson 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 chairperson may re-convene the meeting following the procedures provided in Article 3, paragraph 2.

The term "all board directors" as used in the preceding paragraph and Subparagraph 2 of Paragraph 2 of Article 18 shall be calculated as the number of directors currently in office.

#### Article 13 (Discussion of motions)

A board of directors meeting 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.

If the agenda set forth in the preceding paragraph is not completed, the Chairman shall not declare the meeting closed without the approval of a majority of directors present at the meeting. During the meeting, the Chairman may announce breaks or consultations at their discretion.

If at any time during the proceedings 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 Chairman shall declare a suspension of the meeting, in which case paragraph 1 of the preceding article shall apply *mutatis mutandis*.

During the proceedings of a board meeting, if the Chairman is unable to chair the meeting or fails to declare the meeting closed as provided in paragraph 2, the provisions of Article 10, paragraph 3 shall apply *mutatis mutandis* to the selection of the deputy to act in place thereof.

#### Article 14 (Statement of directors and direction of agenda by the chairperson)

After the statement of directors present at the meeting, the chairperson may respond in person or appoint related person(s) to respond or appoint professional(s) attending the meeting as non-voting participants to provide relevant necessary information.

In the event that a director makes duplicate statements or states beyond the subject in respect to the matters so as to affect the statements of other directors or intervene the proceeding of the agenda, the chairperson may stop such director from making his/her statement.

#### Article 15 (Voting (I))



When the chairperson at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed and call a vote.

When a matter is voted upon at a meeting of the board of directors, if the chairperson finds that none of directors present at the meeting voices an objection, the matter is deemed approved as if it has been approved by vote.

If there is an amendment to or a substitute for a same motion, the chairperson may combine such amendment and substitute with the original proposal to decide their order of voting; provided, however, that if one of the proposals has been approved, other relevant proposals shall be deemed to be rejected without further voting.

Matters inquired upon by the chairperson with objections shall be put to a vote immediately.

One voting method for proposals at a board meeting shall be selected by the chairperson from among those below, provided that when an attending director has an objection, the chairperson shall seek the opinion of the majority to make a decision:

1. Vote by hand raising or voting machine;
2. Vote by roll call;
3. Vote by ballot; or
4. Any other methods chosen by the Company's board or directors.

"Directors present at the meeting" referred to in Paragraph 2 above does not include the directors who cannot exercise his or her voting right in accordance with Paragraph 1 of Article 17.

#### Article 16 (Voting (II) and method of scrutiny and calculation)

Resolutions of the board of directors, unless otherwise stipulated by the Securities Exchange Act, the Company Act, or the company's articles of association, should be passed with the attendance of more than half of the directors and the approval of more than half of the attending directors. The result of the resolution should be reported immediately on the spot and recorded. Besides the resolutions passed unanimously by all attending directors, the method of vote counting and ballot scrutiny should also be documented.

The personnel for vote counting and ballot scrutiny shall be designated by the chairperson. The ballot scrutineers must be directors and should supervise the voting process, prevent improper voting behaviors, open and check the ballots, and oversee the records kept by the vote counters.

A ballot shall be void and its weighted number shall not be calculated if there is one of the following:

1. A ballot not produced by the Company.
2. A ballot not put inside the voting box.
3. A blank ballot without any marks or a blank ballot without expressing any opinions on the motions.
4. A ballot containing other words in addition to necessary items.
5. A ballot with blurred writing that is either not legible or has been written over.

#### Article 17 (Recusal system for directors)

If any director or a juristic person represented by a director is an interested party with respect to any agenda item (including conflicts involving the director's spouse, relatives within the second degree of kinship, or companies that have a control or subordinate relationship with the director),



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.

Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 4 of the same Act.

#### Article 18 (Minutes of meeting and signature items)

Meeting minutes shall be made after each meeting of the board of directors. Each meeting minutes shall accurately record details of the following items:

1. Term, time, and place of the meeting;
2. Name of the chairperson;
3. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent;
4. Names and titles of persons attending the meeting as non-voting participants;
5. Name of minutes taker;
6. Matters reported;
7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, 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; and any opinion issued in writing by an independent director pursuant to Article 7, paragraph 4.
8. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, expert, or other person; 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; and their objections or reservations and any recorded or written statements.
9. Other matters required to be recorded.

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. When the company has independent directors, if any independent director has objections or reservations that are recorded or stated in writing.



2. When the company has an audit committee, if a resolution is not approved by the audit committee but is approved by more than two-thirds of all directors.

The board of directors' attendance book is part of the minutes and should be properly preserved during the company's existence.

The minutes of a meeting of the board of directors shall be signed or sealed by both the chairperson and the minutes taker of the meeting; a copy of the minutes shall be distributed to each director within 20 days after the meeting and shall be classified as important company records and preserved permanently during the existence of the Company.

The production and distribution of the meeting minutes referred to in Paragraph 1 may be done in electronic form.

#### Article 19 (Documentation of a board meeting by audio or video)

The Company shall make an audio or video recording for the entire process of a meeting of the board of directors and preserve the recordings for at least five years, in electronic form or otherwise.

If prior to the expiration of the preservation period referred to in the preceding Paragraph a litigation arises with respect to a resolution of a meeting of the board of directors, the relevant audio or video recordings shall be preserved for a further period of time until the end of the litigation.

In case a meeting of the board of directors is proceeded via video conference, the audio and video information recorded which form a part of the minutes of meeting shall be properly preserved during the existence of the Company.

#### Article 20

The company has appointed a corporate governance officer to ensure compliance with board operation procedures and relevant regulations, and to facilitate information exchange and communication between board members and management.

Board members may submit requests to the corporate governance officer in writing or electronically. The corporate governance officer, adhering to the principle of assisting directors in performing their duties, will promptly address the requests within seven days (excluding holidays).

#### Article 21

If the board of directors has managing directors, the provisions of Article 2, paragraph 2 of Article 3, Articles 4 to 6, Article 9, and Articles 11 to 20 shall apply mutatis mutandis to the procedure for meetings of the managing directors and the provisions of paragraph 4 of Article 3 shall apply mutatis mutandis to the election or discharge of the chairman of the board of directors. However, if a meeting of managing directors is scheduled to be convened within seven days, the notice to each managing director may be made two days in advance.

#### Article 22 (Supplementary provisions)

Adoption and amendment of these Procedure shall be approved by the Board of Directors and shall be implemented after being passed by the Board of Directors.