

**MediaTek Inc.**  
**Procedures Governing the Acquisition or Disposition of Assets**

*Approved by the Annual General Shareholders' Meeting 2017*

**Section One - Acquisition or Disposal of Assets**

**Article I**

The Company shall handle the acquisition or disposal of assets in accordance with the Procedures specified herein.

**Article II: The Scope of Assets**

I. Investment in long- and short-term securities (including stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depository receipts, call (put) warrants, beneficiary securities, and asset-backed securities).

II. Real property and equipment.

III. Memberships.

IV. Intangible assets (including patents, copyrights, trademarks, and franchise rights).

V. Derivatives.

VI. Assets acquired or disposed in connection with mergers, spin off, acquisitions, or transfer of shares in accordance with laws.

VII. Other major assets.

**Article III: Appraisal Procedures**

I. The means of price determination

- (I). The securities obtained or disposed through the Centralized Trading Market or GreTai Securities Market ("GTSM") of the Republic of China shall be priced based on the trading price at that time.
- (II). For the securities not obtained or disposed through the Centralized Trading Market or GTSM, the prices shall be determined after taking into account the net worth per share, profitability, potential of future development and with reference to the trading prices at that time; or to be determined after taking account the interest rate prevalent in the market, interest rate on face of the bonds as well as the debtors' creditability.
- (III). The prices of real property acquired or disposed shall be determined based on the current official land prices, the values appraised and the trading prices of nearby real property.
- (IV). The prices of equipment acquired or disposed shall be determined through any manner among price competition under restricted tendering, price negotiation under single tendering or open tendering.
- (V). The prices of memberships acquired or disposed shall be determined through either manner of price competition under restricted tendering or price negotiation under single tendering.
- (VI). The prices of intangible assets acquired or disposed shall be determined in accordance with the related laws and regulations and contract(s).

- (VII). The prices of derivatives acquired or disposed shall be determined through the manner as set forth in Section Three under the Procedures.
- (VIII). The prices of assets acquired or disposed through mergers, spin off, acquisitions, or transfer of shares shall be determined through the manner as set forth in Section Four under the Procedures.

## II. Basis for reference of pricing

### (I). Long- and short-term securities

To acquire or dispose securities, the Company shall, prior to the date of occurrence of the event, obtain financial statements of the target company for the most recent period that was certified or reviewed by a certified public accountant as a reference in appraising the transaction price. If the dollar amount of the transaction reaches 20% of the Company's paid-in capital or exceeds NT\$300 million or more, the Company shall engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use a report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation ("ARDF"). This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the government authorities.

### (II). Real property or equipment

In acquiring or disposing of real property or equipment where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company, except for transacting with a government agency, engaging others to build on Company's own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.
2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless the appraisal results for the assets to be acquired are higher than the transaction amount, or the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
  - (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
  - (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent

or more of the transaction amount.

4. No more than three months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided however, that where the publicly announced current value of the real property for the same period is used and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser.
5. The term "professional appraiser" as set forth in the Procedures denotes a real property appraiser or other person duly authorized by laws to engage in the value appraisal of real property or equipment.

(III). Memberships or intangible assets

In acquiring or disposing of memberships or intangible assets where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, except in transactions with a government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

(IV). The calculation of the transaction amounts referred to in the preceding three paragraphs shall be done in accordance with Subparagraph 5, Paragraph 1, Article 5 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

(V). Derivatives: To be duly handled in accordance with the procedures set forth in Section Three.

(VI). The prices of assets acquired or disposed through mergers, spin off, acquisitions, or transfer of shares shall be handled in accordance with the procedures set forth in Section Four.

III. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters who provide appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.

IV. Where the Company acquires or disposes assets through the court auction procedures, the evidentiary documentation issued by the court may be used to substitute appraisal report or CPA opinion.

#### **Article IV: Operating Procedures**

##### **I. Limits and levels of authorization**

The acquisition or disposal of the Company's assets shall be handled in accordance with the following limits and procedures.

- (I). The acquisition or disposal of the Company's assets set forth in Paragraph 1, Article 2 shall be subject to approval by the Chairman if it is long-term shareholding investment for business purpose, and shall be further subject to an approval by the Audit Committee and the Board of Directors beforehand if the case exceeds NT\$300 million in price. Investment in long- and short-term securities other than aforementioned shall abide by the following operating procedures and limit:
  1. The cumulative amount of the same underlying investment that is NT\$300 million or less within the same fiscal year shall be assessed and proceeded by the executive unit.
  2. The cumulative amount of the same underlying investment that exceeds NT\$300 million but less than NT\$1 billion within the same fiscal year shall be assessed by the executive unit and proceeded after

the Chairman's approval.

3. The cumulative amount of the same underlying investment that is NT\$1 billion or more or is 50% or more of sum of cash and cash equivalents, financial assets, and funds and investments within the same fiscal year shall be assessed by the executive unit and proceeded after the Board of Directors' approval.

- (II). The acquisition or disposal of the Company's real property or equipment shall be proceeded by the executive unit in accordance with relevant internal regulations of the Company, and shall be further subject to an approval by the Board of Directors beforehand if the case is NT\$300 million or more in price. But the Board of Directors may authorize the Chairman to approve it and then ask for ratification from the Board afterwards. The above restriction shall not apply to the capital expenditure which is budgeted in annual budget plan and approved by Board of Directors.
- (III). Membership and intangible assets shall be acquired and disposed in accordance with the manner for real property and equipment.
- (IV). Derivatives shall be duly handled in accordance with the procedures set forth in Section Three.
- (V). The acquisition or disposal of assets through mergers, spin off, acquisitions, or transfer of shares shall be handled in accordance with the procedures set forth in Section Four.

II. With respect to the Company's acquisition or disposal of assets that is subject to the approval of the Board of Directors under the Procedures or other laws or regulations, if any director expresses dissent and it is recorded in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each member of the Audit Committee.

III. When a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board of Directors pursuant to the preceding Paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If any independent director objects to or expresses reservations opinion about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

IV. Any transaction involving major assets or derivatives shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution.

V. If approval of more than half of all Audit Committee members as required in the Paragraph 4 above is not obtained, the transaction shall be approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

VI. The terms "all Audit Committee members" in Paragraph 4 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

VII. Executive units

- (I). The Company's investment in the long and short-term securities shall be executed by the Finance Department.
- (II). Investment in real property and equipment shall be executed by the user department and related responsible department.

- (III). The acquisition or disposal of memberships and intangible assets: To be executed in the manner the same as that for real property and equipment.
- (IV). The acquisition or disposal of derivatives: To be assessed and executed by the Financial Department.
- (V). The assets acquired or disposed through merger, spin off, acquisition, or transfer of shares according to law and other major assets: The responsible person appointed by the Chairman or the Task Force established shall take the responsibility for assessment and execution.

#### VIII. Storage of data

For assets acquired or disposed by the Company, the relevant contracts, minutes, memorandum book, appraisal reports, expert opinions issued by the CPA, the attorney or security underwriters shall be kept in the Company for a minimum of five years, unless otherwise provided for in other laws and regulations concerned.

#### **Article V: Public Announcement and Declaration**

##### I. Procedures

Under any of the following circumstances, the Company acquired or disposed of assets shall publicly announce and report in accordance with relevant regulations in the appropriate format as prescribed by the regulations within two days from the date of occurrence of the event.

- (I). Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided however, that this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.
- (II). Merger, spin off, acquisition, or transfer of shares.
- (III). Losses from derivative trading reaching the limits on aggregate losses or losses on individual contracts set forth in the Procedures adopted by the Company.
- (IV). Where the type of assets acquired or disposed is equipment for own operational use and where the trading partner is not a related party, and the transaction amount reaches NT\$ 1 billion or more.
- (V). Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction reaches NT\$500 million or more.
- (VI). Where an asset transaction other than any of those referred to in the preceding five Subparagraphs or investment in the mainland China area reach 20% of the paid-in capital of the Company or NT\$300 million or more; provided however, that this shall not apply to the following circumstances:
  1. Trading of government bonds.
  2. Trading of bonds under repurchase/resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.

II. The amount of transactions in the above Subsection shall be calculated as follows:

- (I). The amount of any individual transaction
- (II). The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with

the same trading counterparty within the preceding year.

(III). The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.

(IV). The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

III. The term “date of occurrence” as set forth in the Procedures refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of Boards of Directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided however, that for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

IV. The term “Investment in the mainland China area” as set forth in the Procedures denotes the investment in Mainland China approved by the Investment Commission of the Ministry of Economic Affairs or conducted in accordance with the provisions of Regulations Governing Permission for Investment or Technological Cooperation in the Mainland Area.

V. “Within the preceding year” as used in Paragraph 1 of this Article refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Regulations need not be counted toward the transaction amount.

VI. Contents of public announcement and declaration

Where the Company conducts public announcement and declaration in accordance with Article V, the contents of such of public announcement and declaration shall follow the requirements set forth by the securities regulatory authority.

VII. Update of public announcement and declaration

In the event that the public announcement made by the Company in accordance with Article V is found defective or erroneous which calls for correction, the Company shall conduct the entire public announcement and declaration afresh within two days from the date of knowing such defects or errors.

VIII. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and declared in accordance with Article V, another public announcement and declaration of relevant information shall be made on the information reporting website designated by the securities regulatory authority within two days from the date of occurrence of the event.

(I). Change, termination, or rescission of a contract signed with regard to the original transaction.

(II). The merger, spin off, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.

(III). Change to the originally publicly announced and declared information.

#### **Article VI: Procedures to Control over Acquisition or Disposal of Assets by Subsidiaries**

I. The Company’s subsidiaries shall duly enact “Procedures for Acquisition or Disposal of Assets” in accordance with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” which shall come into effect after being approved by the Board of Directors of the subsidiaries. The amendment of the “Procedures for Acquisition or Disposal of Assets” shall come into effect after being approved by the board of Directors of the subsidiaries.

II. The Company's subsidiaries shall acquire and dispose assets in accordance with their respective "Procedures for Acquisition or Disposal of Assets".

III. In the event that a subsidiary of the Company is not a domestic public company and is required to make public announcement and declaration as required under Article V for the assets acquired or disposed, the Company shall conduct public announcement and declaration on its behalf.

IV. Where a subsidiary is required to make public announcement and declaration in accordance with Article 5 of the Procedures, the 20% of paid-in capital or 10% of total assets used in Article 5 of the Procedures shall refer to the Company's paid-in capital or total assets.

V. The term "subsidiary" used in the Procedures is defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### **Article VII**

The Company and its subsidiaries may further invest in purchase of real property or securities not for business operation needs within the following amounts and limits:

I. Total amount of investment in real property not for business operation purposes: Not exceed 25% of the Company's shareholders equity as audited and certified by certified public accountant.

II. Total amount of investment in securities: Not exceed the total of the Company's shareholders equity and long-term liabilities as audited and certified by certified public accountant.

III. Total amount of investment in individual securities: Not exceed 60% of the Company's shareholders equity as audited and certified by certified public accountant.

### **Section Two - Related Party Transactions**

#### **Article VIII: Scope**

I. The term "related party" used in the Procedures is defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

II. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

#### **Article IX**

When the Company engages in any acquisition or disposal of assets from or to a related party, the Company shall conduct in compliance with preceding Section and the "Regulations Governing the Acquisitions and Disposal of Assets by Public Companies" promulgated by the competent authorities.

## **Section Three – Engaging in Derivatives Trading**

### **Article X**

The Company shall, when engaging in derivatives trading, comply with Sections One and Three by conducting the relevant procedures and assessing reasonableness of the terms of transaction.

### **Article XI: Trading Principles and Strategies**

#### **I. Categories of transaction**

The term “derivatives” as used herein include forward contracts, options contracts, future contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The Company may engage in derivatives trading for financial purpose and hedging purpose. The former refers to a transaction for establishing position comprising assets, liabilities or investment portfolio in the hope to gain profit from a market fluctuation. The latter refers to a transaction intended to exempt or minimize the financial risk from foreign exchange or interest rates fluctuations without aiming at making profit.

#### **II. Operating and hedging strategies**

Hedging purpose should be the primary objective when the Company engages in the trading of derivatives. The strategy of hedging purpose shall in principle be based on natural hedges, and the operation shall be made based on the net position offset in terms of amount and type of currency between receivables and payables denominated in foreign currencies or between asset and liabilities.

#### **III. Segregation of duties**

- (I). Financial personnel: Function as the core of derivative transaction management and is in charge of the derivatives trading, forecasting and control of position, collecting relevant information by contacting the Sales Department. Familiarization in collecting market information, determining trends and risk, and the deep understanding in financial commodities, rules and regulations as well as operational skills are all required to support themselves and other relevant departments. For those personnel who operate derivatives, those who take charge of trading, confirmation and settlement shall operate independently. The appointment and discharge of personnel in charge of trading and confirmation shall be informed to the banks in order to safeguard the Company’s rights and interests.
- (II). Accounting personnel: The accountant shall prepare accounting records based on relevant transaction vouchers.
- (III). Auditors: Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company’s permitted scope of tolerance.

IV. Limits of trading amounts and authorization: An authorized trader may not conduct a transaction of an amount in excess of US\$10 million.

#### **V. Total amount of derivatives contracts**

- (I). The amount of total unsettled trading contracts for financial purpose shall not exceed 20% of the Company’s net worth.

- (II). The amount of total unsettled trading contracts for hedging purpose shall not exceed the actual business needs.

VI. The maximum loss limit: The maximum loss limit for unsettled trading contracts is 10% of the contract amount, which is applicable to aggregate losses on total contracts or losses on individual contract. If the maximum limit is exceeded, the Chief Financial Officer must be notified to determine the measures for reducing loss.

#### VII. Performance evaluation

- (I). Position and profit and loss statement: Personnel in charge of trading shall assess the profit or loss with respect to the foreign currency position held and submits weekly evaluation to the Head of Finance Department.
- (II). General report: Personnel in charge of trading shall analyze the position held and the profit or loss, produce monthly reports and submit them to the Chief Financial Officer.

#### **Article XII: Operating Procedures**

I. Any major derivatives transaction shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors, and shall be subject to mutatis mutandis application of Paragraphs 5 and 6 of Article 4. The Board of Directors shall authorize the Chairman of the Board to enter into contracts for derivatives trading with financial institutions.

II. The authorized personnel shall place order with the bank within the limits of its authorized amount and shall submit the trading tickets, stating the title of trading, amount bought/sold, duration, trading expenses, trading counterparts, with remark of hedging or financial purpose, to the Head of Finance Department.

III. Upon receipt of the trading vouchers from the bank, the personnel in charge of confirmation shall immediately check and confirm the contents and shall clarify with the personnel in charge of trading immediately if there is any discrepancy or error.

IV. After the confirming personnel complete the confirmation process, the settlement personnel shall carry out settlement based on the trading details confirmed.

V. The accountant shall work out accounting ledgers based on the settlement vouchers and trading vouchers.

#### **Article XIII: Measures of Risk Management**

I. The scope of risk management:

- (I). Credit risk: The trading counterparts shall be confined to internationally renowned, creditable banks.
- (II). Market risk: Primarily those derivatives popularly traded in the international community, and avoid the use of the specifically designed products.
- (III). Liquidity risk: Primarily those banks with huge trading volume and with the ability to provide competitive quotation.
- (IV). Cash flow risk: When carrying out a transaction, it is necessary to take into consideration the impact on the Company's cash flows.
- (V). Operational risk: Strictly comply with the transaction operation procedure to avert operational risks.
- (VI). Legal risk: The documents signed with trading counterparts shall be confined to the contracts popularly used in the market. Any unique contracts shall not be put into use until viewed and recommended by the

Legal Department or an Attorney-at-Law.

II. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.

III. Risk measurement, monitoring, and control personnel shall be assigned to different department, and the personnel mentioned-above shall report to the Board of Directors or senior management personnel who is not in charge of trading or position decision-making.

IV. Derivatives trading positions held shall be evaluated at least once per week and the evaluation reports shall be submitted to the Head of Finance Department.

V. The confirming personnel shall have the trading vouchers or contracts registered and checked and verified with the correspondent banks on a periodic basis to make sure whether the amount of trading has been compliant with the limit imposed on the transaction amount.

#### **Article XIV: Internal Audit Systems**

The internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures of engaging in derivatives trading, and prepare a report accordingly. The audit report shall be, in conjunction with the annual internal audit performance report, submitted and declared to the securities regulatory authority in the prescribed format through the Internet no later than the last day of February of the ensuing year. The performance of corrective action in response to the irregularities shall also be submitted and declared to the securities regulatory authority no later than last day of May of the ensuing year. If any material violation is discovered, all members of the Audit Committee shall be notified in writing.

#### **Article XV: Methods of Regular Evaluation and Handling of Irregular Circumstances**

I. The senior management personnel designated by the Board of Directors shall pay continuous attention to monitoring and controlling derivatives trading risk and periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.

II. the senior management personnel designated by the Board of Directors shall periodically evaluate whether the risk management measures currently employed are appropriate and whether such measures are faithfully conducted in accordance with the Procedures.

III. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, the manager in Finance Department shall take appropriate measures and shall immediately report to the Board of Directors. Independent director(s) shall be present at the Board Meeting and express his/her opinion.

IV. If, in accordance with the Procedures, the Company authorizes related personnel to engage in derivative trading, such trading shall be reported to the next meeting of the Board of Directors afterwards.

#### **Article XVI: Memorandum Book**

I. The Company engaging in derivatives trading shall establish a memorandum book in which details of the types and amounts of derivatives trading engaged in, Board of Directors' approval dates, and the matters required to be carefully evaluated under Paragraph 4 of Article XIII and Paragraphs 1-2 of Article XV shall be recorded in detail in the

memorandum book.

II. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and by any subsidiaries that are not domestic public companies and enter such information using prescribed format into the information reporting website designated by the competent authority in charge of securities by the 10<sup>th</sup> day of each month.

#### **Section Four - Mergers, Split off, Acquisitions, and Transfer of Shares**

##### **Article XVII: Terms and Definitions**

The term “Assets acquired or disposed through mergers, spin off, acquisitions or transfer of shares in accordance with laws” as set forth herein denotes the assets acquired or disposed through mergers, spin off, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to acquire shares from another company through issuance of new shares of its own as its consideration under Paragraph 8, Article 156 of the Company Act.

##### **Article XVIII**

Assets acquired or disposed through mergers, spin off, acquisitions, or transfer of shares shall be made in accordance with Section One of the Procedures and the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” promulgated by competent authorities.

#### **Section Five – Miscellaneous**

##### **Article XIX**

10 percent of total assets used in the Procedures shall refer to the amount of total assets stated in the most recent financial report or individual financial report prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

In the case of a company whose shares have no par value or a par value other than NT\$10, the calculation of transaction amounts of 20 percent of paid-in capital under the Procedures shall be substituted by 10 percent of owner’s equity attributable to parent company.

##### **Article XX**

In case of a breach of the fore-mentioned Guidelines or Procedures, the Company’s personnel in execution unit will be subject to penalty in accordance with the Company’s Performance Rating Regulations and Disciplines.

##### **Article XXI**

The Procedures shall be put into effect after being approved by the Audit Committee and the Board of Directors and resolved by the Shareholders’ Meeting. The same shall be applicable in case of amendment. If any director expresses dissent and it is recorded in the minutes of Board of Directors meeting or in a written statement, the Company shall submit the director's dissenting opinion to each member of the Audit Committee

##### **Article XXII**

When submitting the Procedures to the Board of Directors for discussion in accordance with the requirements of the preceding Article, the Board of Directors shall take into full consideration each independent director’s opinions. Any

objection or reservation expressed by an independent director should be recorded in the minutes of the Board of Directors meeting.

When the Procedures are adopted or amended they shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution.

If approval of more than half of all Audit Committee members as required in the Paragraph 2 of this Article is not obtained, the Procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

The terms "all Audit Committee members" in paragraph 2 and "all directors" in paragraph 3 shall be counted as the actual number of people currently holding those positions.

**Article XXIII :**

For matters not provided for herein, it shall be handled in accordance with relevant laws and regulations.