

Rules of Procedure for the Board of Directors' Meetings
of
Taiflex Scientific Co., Ltd.
("Company")

- Article 1: The Rules are drawn up in accordance with Paragraph 8 of Article 26-3 of the Securities and Exchange Act (hereinafter referred to as the “Act”).
- Article 2: With regards to the Board of Directors' meetings of the Company (“board meetings”), the main agenda, procedures, matters required in the meeting minutes, public announcement and other compliance requirements shall be conducted in accordance with the provisions of the Rules.
- Article 3: The board meetings shall be held at least once quarterly. The notice indicating the reasons for convening the board meetings shall be given to all directors in writing, by e-mail or fax seven days before the meeting. In case of emergency, the meeting notice can be given in writing, by e-mail or fax at a shorter period of time.
- All matters specified in Paragraph 1 of Article 7 of the Rules shall be itemized in the reasons for convening the board meetings; none of them may be raised as an extempore motion except for emergency or legitimate reasons.
- Article 4: The board meetings shall be convened at the premises of the Company during the office hours, or at a place and time convenient for the directors to attend and suitable for such events.
- Article 5: The Financial Department is the designated division responsible for the board meetings. The Financial Department shall draft the agenda of the board meetings and provide sufficient meeting materials to be sent with the meeting notice.
- If directors consider the meeting materials to be insufficient, they may request the Financial Department to provide supplementary information. If they consider the information to be incomplete during the board meetings, the discussion of matters may be postponed upon a resolution of the board of directors.
- Article 6: The agenda of regular board meetings shall include at least the following matters:
1. Matters to be reported:
 - (1) Former meeting minutes and implementation status
 - (2) Important business and financial reports
 - (3) Internal audit reports
 - (4) Other important matters
 2. Matters for discussion:
 - (1) Matters reserved at former meeting
 - (2) Matters proposed at current meeting
 3. Extempore motions

Article 7: The Company shall propose the following matters to be discussed at the board meetings:

1. Business plans of the Company.
2. Annual and semiannual financial reports, with the exception of semiannual financial reports which are exempt from being audited and certified by the certified public accountants according to the law.
3. Adopt or amend the internal control system in accordance with Article 14-1 of the Act.
4. Adopt or amend the procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivative transactions, lending funds to others, endorsement or guarantee for others in accordance with Article 36-1 of the Act.
5. Offering, issuance or private placement of equity-type securities.
6. Appointment and discharge of financial, accounting or internal audit officers.
7. Donation to related parties or material donation to non-related parties. For emergency donations made for the public welfare for material disasters relief, the board may ratify such donations in its next board meeting.
8. Any other matters that shall be resolved by the shareholders' meeting or board meeting as required by Article 14-3 of the Act, relevant laws and regulations or the Company's Articles of Incorporation, or that are deemed to be material by the regulatory authorities.

The term "related parties" in Subparagraph 7 of the preceding paragraph is as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "material donation to non-related parties" means each donation or aggregate amount to the same party within one year exceeds NT\$ 100,000,000 or 1 percent of net operating revenue or 5 percent of paid-in capital as reflected in the audited financial report for the most current fiscal year.

The above-mentioned term "within one year" means one year calculated retroactively from the date on which the current board meeting is convened. Amounts already proposed and resolved at the board meetings are exempted from the calculation.

For matters specified to be resolved at the board meeting in accordance with Article 14-3 of the Act, the independent directors shall attend the meeting in person or appoint other independent directors as proxy. Any objection or reservation which the independent directors may have shall be recorded in the board meetings minutes. If the independent directors are unable to attend the meeting in person to express their objections or reservations, they shall submit written statements in advance to be recorded in the meeting minutes of board meetings, except for legitimate reasons.

Article 8: Except for matters to be discussed at the board meetings as listed in the first paragraph of the preceding article, when the board, according to the relevant laws and regulation or Company's Articles of Incorporation, appoints a party to exercise its power during the adjournment of board meetings, the delegation level, contents or matters shall be specific and definite.

Article 9: When the board meeting is convened, a signing booklet shall be provided for the attending directors to sign in and be available for future reference.

Directors shall attend the board meeting in person. The director who is unable to attend in person shall appoint another director to attend the meeting on his/her behalf as proxy in accordance with Company's Articles of Incorporation. Attendance by video conference shall be deemed attendance in person.

The director who appoints other director to attend the board meetings shall submit a proxy form each time, indicating the scope of authorization with respect to the reasons for convening the meeting.

A proxy referred to in the second paragraph shall be authorized by one person only.

Article 10: The meeting shall be convened and chaired by the board chairperson. But the first board meeting of each term shall be convened and chaired by the director whose ballots represent the most voting rights at the shareholders' meeting. When there are two or more persons with the right to convene, they shall elect one from among themselves.

When the chairperson of the board is on leave or unable to exercise power, he/she shall appoint a director to serve as proxy. If the chairperson does not appoint a proxy, the directors shall elect one from among themselves.

Article 11: The Company may notify the personnel of relevant departments or subsidiaries to attend the board meetings depending on the subject matters of the agenda. The certified public accountants, lawyers or other professionals may also be invited to present at the meeting and provide an explanation if necessary. However, they shall excuse themselves and vacate the meeting when the proposed resolution will be discussed and resolved.

Article 12: If half of all directors were absent from the board meeting at the scheduled time, the chairperson may announce the postponement of meeting. The postponement is limited to two times. If the number of directors did not meet the quorum after two postponements, the chairperson shall reconvene the meeting in accordance with the procedures specified in the first paragraph of Article 3.

The term "all directors" in the preceding paragraph means the number of directors who are actually in office.

Article 13: The board meetings shall be proceed in accordance with the agenda attached to the meeting notice. Change of agenda is subject to the approval of majority of attending directors.

The chairperson shall not adjourn the meeting before completion of agenda unless agreed by the majority of attending directors.

In the process of the board meetings, if the number of directors in attendance were less than the majority of directors originally attending the meeting, the chairperson shall temporarily adjourn the meeting upon a motion by the directors in attendance. Under such circumstance, the first paragraph of the preceding article shall apply mutatis mutandis.

Article 14: When the chairperson is of the opinion that the proposal in board meeting has been discussed sufficiently to put it to a vote, he/she shall announce the discussion closed and call for a vote. The resolutions shall be deemed adopted if no objection is voiced by any of the attending directors after solicitation by the chairperson. If objection is voiced after solicitation by the chairperson, such resolution shall be voted. 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. The result of voting shall be announced at the meeting and placed on record.

The method of voting for proposed resolutions in the board meetings shall be one of the followings as determined by the chairperson:

1. By showing of hands;
2. By voicing votes; or
3. By casting ballots. The chairperson shall appoint ballot supervisors to monitor the voting process and ballot counters to count the ballots. The ballot supervisors shall be directors.

The term “ any of the attending directors ” in the second paragraph of this Article exclude directors who shall not exercise voting rights pursuant to paragraph 1 of Article 16.

Article 15: Unless otherwise stipulated in the Act and the Company Act, the proposed resolution in the board meetings requires approvals from the majority of attending directors which constitutes a majority of all directors.

Article 16: For agenda items of which the director or the juridical person the director represents has a personal interest, the director shall disclose the major aspects of such personal interest at the current board meeting. If the interest may impair the interest of the Company, the director shall not participate and shall recuse himself/herself from the discussion and voting of the agenda items. Such director shall not exercise voting right on behalf of another director.

With respect to the resolution at the board meeting, when a director is prohibited by the preceding paragraph from exercising the voting right, the provisions of paragraph 2 of Article 180 of the Company Act apply mutatis mutandis to paragraph 3 of Article 206 of the same Act.

Article 17: The resolutions of every board meeting shall be recorded in the meeting minutes. The meeting minutes shall accurately record the following items:

1. The term (or year), time and place of the meeting
2. Name of the chairperson
3. The attendance situation of the directors, including the names and numbers of those who are present, on leave, and absent;
4. Names and positions of attendants
5. Name of the recorder
6. Report items

7. Discussion items: The voting method and result of each proposed resolution; speech summary of directors, experts and other persons; name of director having a personal interest pursuant to the first paragraph of preceding Article; description of major aspects of the interest; the reasons for recusal or non-recusal; the circumstances of recusal; objections or reservations which are on the record or in writing; and written statements submitted by independent directors pursuant to Paragraph 4 of Article 7.
8. Extempore motion: Name of proposer; the voting method and result of each proposed resolution; speech summary of directors, experts and other persons; name of director having a personal interest pursuant to the first paragraph of preceding Article; description of major aspects of the interest; the reasons for recusal or non-recusal; the circumstance of recusal; and objection or reservation which are on the record or in writing.
9. Other items that shall be recorded

If the independent director has objection or reservation on the record or in writing or two-thirds of the total number of directors have approved when the majority of audit committee members does not approve, besides being clearly specified in the meeting minutes, the resolved items of the board meetings shall be announced and filed at the information filing website designated by the competent authority within two days from the date of board meetings.

The signing booklet of the board meeting is a part of the meeting minutes and shall be retained throughout the life of the Company.

The meeting minutes shall be signed and chopped by the chairperson and the recorder of the meeting and distributed to all directors within twenty days after meeting. It shall be classified as the Company's important file and retained throughout the life of the Company.

The meeting minutes indicated in the first paragraph of this Article may be prepared and distributed in electronic form.

Article 18: The process of the board meetings shall be fully tape-recorded or videotaped and kept for at least five years. It may be kept in electronic form.

If litigation arises from the matters resolved in the board meetings before the above retention period expires, the relevant audio or video recordings shall be retained until the litigation is concluded, and the above-mentioned five-year rule shall not be applicable..

If the board meeting is convened by video conference, the audio and video recordings shall be part of the meeting minutes and shall be permanently retained throughout the life of the Company.

Article 19: The establishment and amendment of the Rules are subject to the approval of the Company's board of directors.

Article 20: The Rules were established on March 7, 2003 and took effect after being approved by the board of directors. It was proposed at the shareholders' meeting of that year.

The first amendment to the Rules was approved by the board of directors on February 27, 2004 and proposed at the shareholders' meeting of that year.

The second amendment to the Rules took effect after being approved by the board of directors on December 13, 2006. It was then proposed at the shareholders' meeting in the following year.

The third amendment to the Rules took effect after being approved by the board of directors on March 18, 2008. It was then proposed at the shareholders' meeting.

The fourth amendment to the Rules took effect after being approved by the board of directors on February 25, 2010. It was then proposed at the shareholders' meeting.

The fifth amendment to the Rules took effect after being approved by the board of directors on October 24, 2012.

The sixth amendment to the Rules took effect after being approved by the board of directors on July 28, 2015.

The seventh amendment to the Rules took effect after being approved by the board of directors on February 23, 2017. It was then proposed at the shareholders' meeting.