

X-LEGEND Entertainment Corp.

Parliamentary Rules for Board of Directors Meetings

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Article 1: Purpose

In order to found the excellent governance system of the Company's directors meeting, well-found the supervision function and enhance management function, the Company define the Rules in accordance with Article 2 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2: Scope of rules

The agenda, operational procedures, items to be identified in the minute, public notice and other requirements to be complied with shall be handled in accordance with the Rules.

Article 3: Convening of directors' meeting

The Company's board of directors shall call the directors meeting at least once per quarter. In calling a board of directors meeting, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each director and supervisor no later than 7 days prior to the scheduled meeting date. The board of directors may call the meeting at any time whenever it is urgent.

The notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof.

Matters referred to in Article 13 herein shall be itemized in the causes or subjects to be described in the notice, and shall not be brought up as temporary motions.

Article 4: Parliamentary unit

The Company's Financial Accounting Dept. shall be the parliamentary unit of the board of directors. The parliamentary unit shall prepare agenda for the directors' meetings and provide sufficient information about the meeting, to be sent to all directors and supervisors as required.

A director of the opinion that the information about meeting provided is insufficiently comprehensive may request the parliamentary unit to supplement the materials. If a

director is of the opinion that information about motions is insufficient in content, the deliberation of such motions may be postponed by a resolution of the board of directors.

Article 5: Preparation of attendance book and proxy of director

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. 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 tele or video-conference is deemed as attendance in person, but the attendance card shall be faxed to the Company in replace of sign-in.

A director appointing another director to attend a board meeting in his/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 director may accept the appointment to act as the proxy referred to in the preceding Paragraph of another director only.

Article 6: Principles for place and time of directors' meeting to be convened

A board meeting shall be held at the location and during the business hours of the Company. Or, the meeting may be held at a place and time convenient to all directors and suitable for holding such a meeting.

Article 7: Chairperson and proxy

The board meetings shall be called and chaired by the chairman of the board. 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.

When the chairman of the board is on leave or for any reason is unable to exercise his power, the vice chairman shall act as the proxy, or, if there is no vice chairman or the vice chairman also is on leave or for any reason is unable to exercise his power, by a managing director designated by the chairman, or, if there is no managing director, by a director designated thereby, or, if no proxy is designated by the chairman of board, by a managing director or director elected by and from among themselves.

Article 8: Reference information about directors meeting and attendees

When a directors' meeting is called, the unit dedicated to parliamentary procedures of the meeting shall prepare the relevant information for directors' reference.

The staffs from the relevant departments or subsidiaries who are not directors shall attend the directors' meeting to report the overview of business and respond to the questions posed by directors to help directors verify the status of the Company and make adequate resolutions. The Company may also invite the CPA, attorney-at-law or other professional personnel to attend the meeting to provide the expert opinion to the board of directors. Notwithstanding, they shall leave the venue during discussion and voting.

Supervisors may attend the directors' meeting to state their opinion and join the discussion of a motion, while they have no voting right toward the motions falling within the exclusive power of the board of directors.

Article 9: Sound or video recording of the entire process of a directors meeting

The entire process of a directors meeting shall be sound recorded or videotaped and shall be archived for at least five years, and maintained in electronic form.

If prior to expiration 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.

Where a board of directors meeting is held via video conference, regarding the audio and visual documentation of the meeting as a part of the meeting minutes and shall be maintained permanently.

Article 10: Convening of directors' meeting

In the event that the meeting is attended by a majority of the whole directors at the time scheduled for the meeting, the chairperson shall announce start of the meeting. In the event that the meeting is attended by less than half of the whole directors at the time scheduled for the meeting, the chairperson may announce a postponement of the meeting but there may not be more than two postponements in total. Where two postponements cannot afford to deal with the situation, the chairperson may re-call a meeting in accordance with the procedure required under Article 3.

The whole directors referred to in the preceding paragraph shall mean the active directors.

Article 11: Agenda

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

1. Report
 - (1) Minutes of last meeting and status thereof.
 - (2) Reporting on important financial and business matters.
 - (3) Reporting on internal audit activities.
 - (4) Other important matters to be reported.
2. Discussion
 - (1) Motions discussed and continued from last meeting.
 - (2) Motions to be discussed at this meeting.
3. Special motions

Article 12: 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 priority of motions may be changed with the approval of a majority of directors present at the meeting.

The chairperson may not declare the meeting closed without the approval of a majority of directors present at the meeting, prior to conclusion of the motions (including temporary motions).

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 chair shall declare a suspension of meeting, in which case paragraph 1 of Article 10 herein shall apply mutatis mutandis.

Article 13: Discussion

The Company shall submit the following motions for discussion by the board of directors:

1. Business plan.
2. Annual and semi-annual financial reports; excluding the semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA).
3. Establishment of or amendment to the internal control system and assessment of the effectiveness of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of operational procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.

5. The offering, issuance, or private placement of any equity-type securities.
6. Appointment or discharge of a financial, accounting, or internal audit officer.
7. The motion for remuneration to directors, supervisors and managerial officer shall be proposed by Remuneration Committee and discussed by the board of directors.
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 Securities and Exchange Act or any other laws and regulations, or Articles of Incorporation 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 item 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.

At least one independent director shall attend in person any board of directors' meeting. Concerning matters which mention in the first paragraph that requires a resolution by the board of directors, each independent director shall attend in person, or 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.

Article 14: Speech delivered by directors and chairperson's direction toward agenda

After a director speaks on the floor, the chairperson may answer either by himself/herself or through a designee, or designated the experts present at the meeting to provide necessary information.

The chairperson may stop a director who speaks on the floor repeatedly for the same motion or speaks beyond the scope of the subject issue and thereby affect the other directors' speech or the parliamentary procedure.

Article 15: Voting

Where the chairperson believes an issue has been discussed in the meeting up to the level for voting, the chairperson may announce discontinuance of the discussion process and bring that issue to a vote. During voting, if the chairperson solicits and receives no dissents, the motion is deemed passed, with equivalent force as a resolution by vote. If the chairperson solicits and receives dissents, the chairperson may bring that issue to a vote. The chairperson may bring the issue to a vote in any of the following manners, provided that if any attendee has dissents, the manner shall be decided subject to a majority of attendees' opinion:

1. By raising hand or voting machine.
2. By calling.
3. By casting ballots.
4. Voting in the manner selected by the Company voluntarily.

All directors present at the meeting in the preceding two paragraphs do not include directors prohibited from exercising voting rights pursuant to Paragraph 1 of Article 17 herein.

Article 16: Counting and scrutiny

Each director shall have one vote. The voting for a motion, unless otherwise provided in the Securities and Exchange Act and Company Law, shall be attended by a majority of the whole directors, and, unless otherwise provided in the Company Law and Articles of Incorporation, shall be resolved by a majority of the present directors.

If the board of directors will decline to adopt, or will modify, a recommendation of the Remuneration Committee towards the remuneration to directors, supervisors and managerial officers, it shall require the consent of a majority of the directors in attendance at a meeting attended by two-thirds or more of the entire board, which in its resolution shall specifically explain whether the remuneration passed by it exceeds in any way the recommendation of the Committee.

In the event that an amendment or a substitute comes out of the same motion, the chairperson shall fix the order of balloting in consolidation with the original issue. When one among them is duly resolved, other motions are deemed having been vetoed and no voting process is required.

The workers dedicated to scrutiny and counting of votes for any motion shall be designated by the chairperson, if necessary, provided that the workers dedicated to scrutiny of votes shall be assumed by shareholders. The results of voting shall be made known immediately, and recorded in writing.

Article 17: Directors' avoidance of conflict of interest

The directors may state their own opinion and answer to questions with respect to the motion submitted at a directors meeting, which is in conflict of interest with them or their representatives and thereby is likely to injure the Company's interest, but they cannot participate in the discussion and voting for the motion. Meanwhile, they should recuse themselves from the discussion and voting, and be prohibited from exercising the voting right on behalf of any other director.

The provisions of Paragraph 2, Article 180 of the Company Law, as applied mutatis mutandis under Paragraph 3, Article 206 of the Law, apply to resolutions of board of directors meetings when a board director is prohibited by the preceding paragraph from exercising voting rights.

Article 18: Meeting minute and signing

The minutes shall be prepared of the discussions at the board of directors and the minutes shall record the matters listed below in a detailed and accurate manner:

1. Session (or year), time, and place of the meeting.
2. Name of the meeting chairperson.
3. Director attendance, specifying the names and number of members in attendance, excused, and absent.
4. Names and titles of those present at the meeting as nonvoting participants.
5. Name of minutes taker.
6. Report.
7. Agenda: 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; and any opinion issued in writing by an independent director under Paragraph 4 of Article 13 herein.
8. Special 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 notes.

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.
3. When the remuneration passed by the board exceeds in any way the recommendation of the Remuneration Committee, please explain the variance and cause.

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.

The minutes of a board of directors meeting shall bear the signature or seal of both the meeting chairperson and the minutes taker; a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minute shall be well preserved as important company records during the existence of the company.

The production and distribution of the minute referred to in Paragraph 1 shall be carried out by electronic transmission.

Article 19: Authorization by the board of directors

In addition to the motions to be submitted to a directors' meeting for discussion referred to in Article 13 herein, where the board of directors authorizes the chairman of board to exercise the power on behalf of the board of directors according to laws or Articles of Incorporation at the time of adjournment of directors meeting, the contents or subjects of the power shall be as following:

1. Planning and reviewing the Company's management policy, business plan and future orientation.



2. Reviewing and setting the Company's financial objectives.
3. Supervising the Company's operating results.
4. Evaluating, checking, supervising and resolving the risk encountered by the Company.
5. Ensuring the Company's compliance with laws.

Article 20: Resolution

The Company shall assign the resolutions made by the board of directors to competent execution unit or personnel and ask them to execute the resolutions based on the schedule and objective, and include the execution into the follow-up management to appraise the performance on the execution. The board of directors shall control the progress of execution completely, and report at the next meeting to help fulfill the business policy made by the board of directors.

Article 21: The Rules shall be subject to approval of the board of directors and reported to the shareholders' meeting. The amendments hereto, if any, shall be subject to resolution of the board of directors under authorization.