

## **Rules of Procedure for Board of Directors Meetings**

Amended on November 6, 2020

### Article 1.

Unless otherwise specified in the Company Law and Articles of Incorporation, all meetings of the Board of Directors ("the Board") of the China Steel Corporation ("the Company") shall be governed by and conducted in accordance with these Rules.

### Article 2.

The Board shall be convened and presided by the Chairman. However, the first meeting of each term of the Board shall be convened and presided by the director who received a ballot representing the largest number of votes at the election of directors of shareholders' meeting. In case more than two directors are entitled to convene the Board, they shall choose one person by and among themselves to convene and preside over the meeting.

In case the Chairman is on leave or absent or cannot exercise his power and authority for any cause, he or she shall designate one of the directors to act on his or her behalf. In the absence of such a designation, directors shall elect from among themselves one person in acting the chairman of the Board.

### Article 3.

The Secretariat Department shall be the unit for the affairs of the Board.

### Article 4.

The Board shall be held quarterly. However, the number of meeting times can be increased if necessary.

A notice specifying therein the time, location, subject(s) to be discussed and sufficient relevant materials shall be given to each director no later than 7 (seven) days prior to the scheduled meeting date, provided, however, that in case of emergency, the Board may be held at any time.

The notice of the convening of the Board meeting provided in the preceding paragraph shall be in writing or in electrical form; in case of emergency, other appropriate methods may be adopted. For the convening notice herein, any director may waive in writing.

Except for the emergency or with justifiable causes, those listed in the first paragraph in Article 7 hereof shall be specified in the said meeting notice, and shall not be brought up by motion for extemporary proposals or extemporary motions.

In case directors think the material of the meeting is insufficient, Secretariat Department to complement before the Board being convened. If the supplemental material of the meeting is still insufficient, directors may postpone reviewing relevant motions by the resolution of the Board.

The second and third paragraph of this Article is not applicable in the event of the Board resolves to postpone or continue the meeting without changing the subject(s) to be discussed thereof within the

specific time.

#### Article 5.

The Board shall be held at the head office of the Company, Taipei Liaison Office, or other place as may be appropriate to facilitate the directors' attendance. The time for commencing the meeting of the Board shall not be earlier than 9 (nine) o'clock in the morning or later than 8 (eight) o'clock in the evening.

#### Article 6.

The content of deliberations of the periodic meeting of the Board shall include at least the followings:

##### 1. Reporting items:

A. Inquiry about the presenting directors any objections against the content of the last meeting minutes of the Board. The chairman of the Board shall so correct or complement if he or she considers there are grounds for objections, provided, however, that the objections shall be noted in the meeting minutes of the Board if they are groundless.

B. The execution of the resolution made in the last meeting of the Board:

In the event that the execution is significantly varied from the schedule and objective passed in the resolution, relevant division shall make a project report; otherwise the relevant division shall explain in the business operation report of the division. In case the discrepancy between the execution and the resolution is not material, the relevant division shall explain the reason for non-conforming implementation of the scheduled plan, discrepancy details and the remedies to be taken and provide the correction plan accordingly.

C. Important financial and/or business reports.

D. Internal audit reports.

E. Other important matters to be reported.

##### 2. The discussing items:

A. Matters not yet discussed in the last meeting.

B. Matters to be discussed at this meeting.

##### 3. Extemporaneous Motions.

#### Article 7.

The followings shall be submitted to the Board for discussion:

1. The operational plan of the Company.

2. The annual financial reports.

3. Adoption or amendments of an internal control system and an assessment of the effectiveness of the internal control system.

4. Adoption or amendments of handling procedures for material financial or operational actions,

such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsement or guarantees for others.

5. The offering, issuance or private placement of any equity-type securities.
6. The appointment or discharge of a financial, accounting or internal auditing officers.
7. A donation to a related party or a major donation to a non-related party, but 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.
8. Other material matters which shall be adopted by the resolution of shareholders' meeting or submitted to the meeting of the Board pursuant to Article 14-3 of Securities Exchange Act, other laws and regulations or articles of incorporation, or required by Competent Authority.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in Article 18, subparagraphs 1 and 4 of 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 NTD 100 million or more.

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.

If the presenting director has a dissenting or qualified opinion, it shall be noted in the meeting minutes of the Board.

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, all independent directors 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.

Except for the matters referred to in paragraph 1 of the preceding article, which are required to be submitted for discussion by the board of directors, when the board of directors delegates any exercise of its powers pursuant to laws or regulations or the company's articles of incorporation, matters such as the level and substance of the delegation shall be concretely and specifically set out.

#### Article 9.

The top management shall prepare relevant material for directors' reviews and checks whenever the

Board is convened. In order to assist directors in understanding the current situation of the Company and making appropriate resolutions, the managements equivalent or above Vice President, Special Assistant to the President, the Chief Auditor, and Advisors and other persons designated by the chairman of the Board with or without compensations shall attend the meeting, report important financial, business and internal auditing affairs and other important matters of the Company and answer the questions brought up by directors.

Assistant Vice President, the first- level managers, the in-charge person or staffs of the subsidiary handling the matters in relation to the subject(s) reported or discussed at the meeting of the Board may attend the Board to report and answer inquiries.

However, they shall leave the meeting when the report or inquiry is completed.

The chairman of the Board may appoint or invite technical, operational management, or financial experts, accountants, lawyers or relevant experts to attend meeting of the Board to answer inquiries. However, they shall leave the meeting when the discussion or voting takes place.

#### Article 10.

If the assistant of a director will attend the Board as an observer, a certificate of joint liability as in Exhibit I or Exhibit II issued by that director or his/her representing juristic person along with one copy of the citizenship ID card of that assistant shall be submitted to the chairman of the Board for approval before the meeting of the Board, provided, however, that if that director dissents from the decision of the chairman of the Board, the director may submit such issue to the Board's resolution for review and approval. If the assistant is replaced, above procedure shall apply.

Each director is limited to have one assistant referred to in the preceding paragraph only. The assistant attending the Board as an observer is prohibited to speak or record, and the chairman of the Board may demand the assistant to leave if necessary.

The assistant may not attend the Board as an observer without the director's personal attendance. In the event of the director leave prior to the conclusion of the Board, the assistant may remain stay by obtaining the consent of the chairman of the Board.

#### Article 11.

The presenting directors, persons under the first paragraph of Article 9 hereof present at the Board and the assistant in the preceding article shall all sign on the attendance list.

#### Article 12.

A director may appoint another director to attend the Board on his or her behalf as a proxy in case he or she may not attend in person.

A director may not accept the appointment of more than one director to act as his or her proxy referred to in the preceding paragraph.

In case a director appoints another director to attend the Board on his or her behalf, he or she shall, in

each time, issue a proxy stating therein the scope of the authority in respect of the subject(s) to be discussed at the Board.

Persons who take part in meeting of the Board via tele- or video-conference shall be deemed to have attended meeting of the Board in person, provided, however, that a sign-in document shall be facsimiled as a substitute of signature.

#### Article 13.

At each meeting of the Board, the top management shall submit motions in writing in respect of the business operation involving the power and authority of the Board.

Before convening the periodic meeting of the Board, the first-level manager of the Secretariat Department shall inquire every director if there is any written motion to be brought up in advance. If any written motion is submitted by any director, the motion shall be arranged into the agenda of the Board by the chairman of the Board.

#### Article 14.

The agenda of the Board shall be drafted by the Secretariat Department and submitted to the chairman of the Board for approval, and may be brought up by extemporary motions in addition to the pre-arranged motions.

In case of emergency or with justifiable causes, the top management may bring up motions not yet arranged in the agenda by extemporary proposals with the approval of the chairman of the Board, and send out the documents at the meeting.

#### Article 15.

When it is time to commence a meeting of the Board, and if with a majority of all directors are absent, the chairman of the Board may postpone the meeting; provided, however, that the postponements shall not exceed twice. If there is insufficient quorum after twice postponements, the chairman of the Board may recall the meeting in accordance with the procedure in the first paragraph of Article 4 hereof.

"All directors" referred to in the preceding paragraph shall be counted in accordance with the number of incumbents.

#### Article 16.

The processing of the Board shall be conducted in accordance with the content order of the agenda arranged in the meeting notice, provided, however, that it may be altered by the consents of the majority of directors presenting at the Meeting.

The time for discussing motions for extemporary proposals and extemporary motions will be conducted after the end of the discussion of the said agenda of the meeting, provided, however, that the chairman of the Board may submit extemporary motions for discussion in subsequent meetings

by obtaining the consents of majority of directors presenting at the meeting.

The chairman of the Board shall not adjourn the meeting of the Board without the consent of a majority of directors present.

During the proceedings of a meeting, if directors presenting at the Board are less than the majority of attending directors, the chairman of the Board shall announce the meeting adjourned upon the motion of the presenting director(s), and the first paragraph of the preceding article shall apply *mutatis mutandis*.

#### Article 17.

After a director has delivered the speech, the chairman of the Board may reply personally or designate relevant personnel presenting at the Board to respond, or appoint professional experts to provide relevant necessary information.

In the event of a director speaks repeatedly for one motion, or his or her speech exceeds the scope of the proposal that affects other directors' rights to speak or impedes the proceeding of the meeting, the chairman of the Board may prevent him or her from doing so.

#### Article 18.

When the chairman of the Board considers that the discussion for a motion has reached the extent for making a resolution, he or she may announce discontinuance of the discussion and submit the motion for resolution.

The chairman of the Board shall adopt one of the following methods for resolution:

1. By raising hands.
2. By casting votes: the vote for or against a person or a matter shall be recorded with a name as a principle, except for the election and dismissal of the Chairman shall be anonymous.
3. Unanimously approved: the resolution is deemed to be unanimously approved by all directors presenting at the Board after the chairman of the Board inquiries their all attending directors' opinions without receiving any dissents. The chairman of the Board shall adopt either means in the preceding provision for resolution if any objection has been raised.

All directors referred to in the third sub-paragraph of the preceding paragraph do not include directors prohibited from exercising voting rights pursuant to the first paragraph of Article 20.

#### Article 19.

Unless otherwise stipulated in the Company Law or stated in other statutes, regulations or articles of incorporation, resolutions of the Board shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

The result of the resolution shall be reported on the spot and recorded in the meeting minutes of the Board.

If there is any amendment or alternatives to the same motion, the chairman may combine the

amendment or alternatives into the original motion to determine their orders for resolution. If any of the above has been resolved, the others will be deemed rejected, upon which no further resolution is required.

#### Article 20.

A director may state opinions and answer questions, but shall have no rights to participate in the discussion or to vote, nor act as a proxy to exercise the voting rights on behalf of another directors and shall not involve into the discussion or voting on that item if such a director in person or as a representative of a juristic person, or the following persons or enterprises has conflict of interest that may risk to impair the benefit of the Company:

1. Spouse, parents, sons and daughters or other relatives within the third degree of kinship;
2. The enterprises of which the persons in the preceding subparagraph that directly or indirectly enjoy significant certain financial interest;
3. The enterprises of which the person him/herself served as the Chairman, the Executive directors or high-level officers. However, the enterprise which is the affiliate of the company is excluded.

Upon calculating the quorum of the Board meeting in respect of Article 19, paragraph 1 hereof, the directors who cannot exercise their voting rights in accordance with the preceding paragraph shall also be counted into the number of attending directors.

Provided, however, they shall not be counted when calculating the quorum of the Board's resolution in respect of the latter part of the same paragraph in Article 19.

#### Article 21.

In the event that have to appoint the persons for supervising and counting the casting of votes and the counting thereof for the resolution, the chairman of the Board may appoint a director to supervise the casting of votes regarding the resolution of the Board and a Secretariat Department staff to count the votes.

#### Article 22.

A recording clerk of the Board shall be designated by the chairman of the Board.

#### Article 23.

The minutes of meeting for the Board's resolution shall be prepared and the followings of resolutions adopted by the Board shall be fully and accurately recorded therein in the minutes of the meeting:

1. The session, date and location of the meeting;
2. The name of the chairman;
3. The situation of the directors' attendance, including the name and the number of the persons who attend, on leave or absent;
4. The name and title of the attending persons who have not voting right;

5. The recorder's name;
6. The reporting items;
7. The discussing items: the resolution methods and its result of each motion, the summary of directors', experts' or other person's speech, the name of any director that is an interested party as referred to in paragraph 1 of Article 20, 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, the dissenting or qualified opinion that is recorded or put in writing as well as the written opinion issued by the independent director in accordance with the second third paragraph under Article 7 hereof;
8. Extemporary motions: the name of the person making proposals, the resolution methods of a motion and its result, the summary of directors, experts and other person's speech, the name of any director that is an interested party as referred to in paragraph 1 of Article 20, 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, the dissenting or qualified opinion that is recorded or put in writing;
9. Other matters that should be noted.

Any of the following matters in relation to a resolution passed at a Board meeting shall be stated in the minutes of meetings and the Finance Department shall publish it on the Market Observation Post System within 2 (two) days from the date of Board meeting:

1. Any matter about which an independent director expresses an objection or reservation that has been recorded or stated in writing.
2. 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 directors.

The minutes of meetings shall be fixed with the signature or chop of the chairman and the recording clerk, included in the important files of the Company, and preserved properly and perpetually throughout the existence of the Company.

The attendance list of the Board shall be parts of the minutes of meeting, and shall be kept perpetually properly throughout the existence of the Company.

The preparation and distribution of the minutes of meetings under the first paragraph hereunder may be effected by means of electric transmission.

#### Article 24.

The meeting shall be recorded with audio or video tapes throughout the whole proceeding, and the said records or tapes shall be preserved for a minimum period at least five year, provided that they may be preserved by means of electronic devices.

If before the end 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.

In the event of the Board is held by a tele- or video-conference, the audio and visual material thereof are parts of the meeting minutes of the Board, and shall be well preserved throughout the existence of the Company.

#### Article 25.

During the proceeding of the Board, no one may enter into thereof except for the attending persons, recording clerks, necessary administrative personnel and assistants under Article 10 hereof.

#### Article 26.

All confidential motions will no longer be secrets after the conclusion of the present meeting of the Board, unless otherwise specifically noted in the motion or declared certain conditions or terms of disclosure by the chairman of the Board on the spot.

All attending persons, recording clerks, necessary administrative personnel and assistants under Article 10 presenting at the Board shall not disclose or reveal and keep strict confidential the motions that remain secret, its process of the discussion of the said motion, and the content of the resolution at the meeting of the Board.

#### Article 27.

The resolutions of the Board shall be published by the spokesman of the Company if necessary for press release.

If the resolution of the Board belongs to material information stipulated by laws, regulations, or Taiwan Stock Exchange Corporation regulations, the Financial Department shall input the relevant content of the resolution at the Market Observation Post System within the stipulated time.

#### Article 28.

The agenda and meeting minutes of the Board shall be submitted to the competent authority in accordance with the regulations. Unless otherwise obtaining the consent of the Board, the agenda and meeting minutes of the Board shall be distributed only to directors, personnel attending the whole proceeding of the meeting of the Board, recording clerks and government shareholders.

The meeting minutes of the Board shall be disseminated to the persons under the preceding paragraph within 20 (twenty) days after meeting of the Board, and the aforementioned persons shall preserve it prudently.

#### Article 29.

The Rules shall be enforced after the approval of the Board of Directors. The same shall apply to any amendment to the Rules.