

Title : Directions for the Implementation of Continuing Education for Directors and Supervisors

Date : 2015.03.20 (Amended)

I. Basis and Purpose for Adoption

- (I) These Directions are specially adopted pursuant to Articles 40 and 50 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies ("the Principles") to encourage TWSE/TPEX listed companies to arrange for newly appointed or re-appointed directors (including independent directors) and supervisors to enrich and update their knowledge on an ongoing basis, and to fulfill the following purposes:
 - 1. To urge corporate directors and supervisors to enhance their professional expertise and legal knowledge.
 - 2. To assist corporate directors and supervisors to develop their exceptional qualities and decision-making abilities.
 - 3. To lead corporate directors and supervisors to step up exchanges of their experience and mutual communication and interaction.
 - 4. To promote the effective implementation by corporate directors and supervisors of the corporate governance system.
- (II) Except as otherwise provided by laws and regulations, continuing education for directors and supervisors of ALLTOP shall be governed by these Directions.

II. Purpose of Implementation

- (I) ALLTOP shall integrate all resources for corporate governance, and establish mechanisms and methods for continuing education for directors and supervisors, so that they can have easy access to relevant information, and maintain their core values and professional edge and ability.
- (II) To enliven the continuing education environment for directors and supervisors, a TWSE or TPEX listed company shall encourage interaction between directors and supervisors of different companies through international organizations or private institutions promoting and advocating corporate governance.
- (III) The TWSE or TPEX listed company shall, through systematic promotion and implementation, enable its directors and supervisors to achieve maximize actual effectiveness out of continuing education, with the help of a curriculum design that is computerized, diversified, user-friendly, and flexible.

III. Implementation of Continuing Education

- (I) Applicable Subject

1. ALLTOP shall make plans and arrangements for the persons on the list of elected directors (including independent directors) and supervisors for each term, and if there is any change to the list of directors and supervisors, shall make corresponding additions, deletions, and adjustments to the plans and arrangements.
2. "Newly appointed" directors and supervisors in these Directions means those serving for the first time as a director or supervisor of a TWSE or TPEx listed company.
3. "Re-appointed" directors and supervisors in these Directions means those serving another term as a director or supervisor of a TWSE or TPEx listed company.
4. Temporal continuity or continuous appointment at the same TWSE or TPEx listed company across terms of service is not required for a determination of being "re-appointed" under the preceding paragraph. However, if the company at which the appointed person previously served becomes TWSE or TPEx listed only after the person has completed his or her term of service has been dismissed for any reason, that term may not be deemed as a first term.

(II) Continuing Education Hours

Continuing professional education (CPE) hours for directors and supervisors of ALLTOP is as follows:

1. It is advisable for a newly appointed person to complete a minimum of 12 CPE hours in the year the person is appointed, and a minimum of 6 hours per year in each following year.
2. It is advisable for a re-appointed person to complete a minimum of 6 CPE hours per year during the term of appointment. However, if during the given year, the person has served as an instructor teaching any continuing education course recognized under these Directions and has met the requirement under the preceding subparagraph of completing 12 CPE hours in the year the person was newly appointed, then 1 hour may be deducted each time the person teaches a course; the total number of hours deducted shall be limited to 3 hours.
3. CPE hours shall be calculated on a progressive basis, counting, in principle, from 1 January to 31 December for the given year. In the event of peculiar circumstances or where cross-year calculation is necessitated by the curriculum design, the reasons shall be stated together with the disclosure of the status of continuing education.

(III) Continuing Education Scope

In order to promote the ability of each director and supervisor to acquire the abilities of Article 20, Paragraph 4, and Article 43 of the Code of Practice, it is advisable to consider the training of directors and supervisors in

addition to the professional ability of each director and supervisor. Choose courses covering finance, risk management, business, business, legal affairs, accounting, corporate social responsibility, etc. related to corporate governance topics, or courses related to internal control systems and financial reporting responsibilities.

(IV) Continuing Education System

The company arranges the training of directors and supervisors based on the following training system:

1. Securities and Futures Institute(SFI), Accounting Research and Development Foundation in Taiwan(ARDF), The Institute of Internal Auditors- Chines Taiwan(IIA), Taiwan Development & Research Academia of Economic & Technology(TEDR), Computer Audit Association(CAA), Taiwan Academy of Banking and Finance(TABF) and Taiwan Corporate Governance Association(TCGA), etc.
2. The Company shall send their directors and supervisors' to lectures, seminars, symposiums, and continuing education courses organized by the following institutions (whether as the host or a co-host) and in line with what is described under Article 3 "Continuing Education Scope" when arranging continuing education for directors and supervisors:
 - (1) The regulatory authority in charge of a relevant industry, the competent authority, TWSE, TPEx, Taiwan Depository and Clearing Corporation (TDCC) and Other institutions approved by TWSE/TPEx.
 - (2) Associations of securities firms, accountants, lawyers, etc.
3. Seminars, symposiums, and internal training sessions organized by the TWSE or TPEx listed company or its affiliated enterprises, and in line with what is described in Article 5 "Continuing Education Scope", provided that the hours thereof that may be recognized for continuing education are limited to one-third of the minimum CPE hours that a person is advised to complete per year under these Directions.
4. Special lectures, seminars, and symposiums organized by international organizations such as OECD or by major securities markets around the world, attended by directors or supervisors, where the topic is in line with what is described in Article 5 "Continuing Education Scope".
5. When a TWSE or TPEx listed company engages a foreign national to serve as a director or supervisor, the company shall, in addition to having a clear understanding of the substantive content of the person's continuing education undertaken abroad, provide a translation in English or the foreign national's native language of Taiwan's major laws and regulations related to economics, securities, TWSE or TPEx listing, and relevant industries for reference.

- (V) Continuing Education Arrangements and Information Disclosure)
1. The Company shall have an understanding of the educational background, work experience, and professional expertise of all of its directors and supervisors, and make appropriate arrangements for the times and contents of continuing education for each person, taking into consideration the company's main operational focus and main directions of business development.
 2. The directors and supervisors shall regularly file with the Company documentary proof of their continuing education.
 3. The Company shall disclose in its prospectuses, annual reports, on the Market Observation Post System, and on the company website information on the continuing education status of its directors and supervisors pursuant to the Regulations Governing Information to be Published in Public Offering and Issuance Prospectuses, Regulations Governing Information to be Published in Annual Reports of Public Companies, and Corporate Governance Best-Practice Principles for TWSE or TPEX Listed Companies.
- IV. These Procedures shall take effect after having been submitted to and approved by Board meeting. Subsequent amendments thereto shall be effected in the same manner.
- These Rules are agreed to and signed on March 21, 2014.
- The first Amendment was on March 20, 2015.