

TYC Brother Industrial Co., Ltd

Procedures for Acquisition or Disposal of Assets

Article 1

Purpose and Governing Regulations

To ensure assets management reinforcement and all relevant information is disclosed publicly, these procedures are promulgated pursuant to the provisions of Article 36-1 of the Securities and Exchange Act, Regulations Governing the Acquisition and Disposal of Assets by Public Companies and are adopted in accordance with company requirements.

Article 2

Scope of Assets

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

Article 3

Assessment and Appraisal Procedures for Acquisition and Disposal of Assets

1. The acquisition or disposal of various assets of the company shall be conducted after approval in compliance with the relevant regulations of the company's internal control system.
2. Where the Company acquiring or disposing long and short-term respective securities, the financial department shall conduct cost-effectiveness analysis and assess potential risks.

Where the Company acquiring and disposing real-estate and equipment, all relevant departments shall initiate capital expenditure planning, conduct feasibility assessment on the purpose of acquisition or disposal and anticipated benefits, and submit to financial department for capital expenditure budget and implementation and control in compliance. Where acquiring real estate from a related party, in addition to the joint construction contract, a cash income and expenditure forecast table for each month in the next year starting from the scheduled contract month shall be conducted, and its necessity and the reasonableness of the use of funds shall be evaluated.

3. The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. 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 Financial Supervisory Commission (FSC).
4. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic 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.
5. Where the amount of the acquired or disposed real estate and equipment reaches the standard of announcement and declaration stipulated in this procedure, an appraisal report from an objective and impartial professional real estate appraiser shall be obtained, and the procedure for asset evaluation shall be conducted in compliance with this Procedure.
6. The calculation of the transaction amounts referred to in the preceding articles shall be done in accordance with Article 6, paragraph 1 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.
7. Where the company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 4

Procedure for determining trading terms

1. Company engaging in acquisition or disposal of assets, when the transaction meets the requirements in this Procedure as notification and reporting standard, shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution; on the other hand, the Chairman shall be duly authorized if the transaction does not reach notification and reporting standard. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.
2. Acquisition or disposal of assets thereof in compliance with Article 185 in Company Law shall be submitted for resolution and approval in the shareholders meeting.
3. The method of resolutions over prices of preceding assets and its reference basis shall further comply with the following provisions:
 - A. Acquisition or disposal of respective securities traded on centralized exchange market or Taipei Exchange shall be determined based on the current equity or bond prices.
 - B. Acquisition or disposal of respective securities not traded on centralized exchange market or Taipei Exchange shall be taken into consideration with net value per share, technology and profitability, future development potential, market interest rates, bond coupon rates and debtor's credit as well as the most recent trading price.
 - C. The acquiring or disposing of real estate, equipment or right-of-use assets shall be negotiated with reference to announced present value, assessed present value, actual transaction price or book value of neighboring real estate, quotations from suppliers, and so on. If the transaction does not reach notification and reporting standard regulated in this Procedure, other professional appraisers shall be conducted for appraisal.
 - D. Acquisition or disposal of memberships, potential benefits shall be considered as well as most recent trading price. Acquisition or disposal of patents, copyrights, trademarks, franchise rights, and other intangible assets, international or market practices, lifetime and the impact on Company's technology and business shall be considered.
 - E. Company that conducts a merger, demerger, acquisition, or transfer of shares shall review business nature, net value per share, asset worth, technology and profitability, production capacity and future development potential.

Article 5

Execution unit

The execution unit of the company for long and short-term respective securities investment is the financial department, and the execution unit of real estate and equipment is the user department and relevant authorities

Article 6

Public announcement and regulatory filing procedures:

1. Public announcement standard and regulatory filing procedures

Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event.

- A. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof 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, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- B. Merger, demerger, acquisition, or transfer of shares.
- C. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the "Procedures Governing the Derivatives Trading" adopted by the company.
- D. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.
- E. 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 counterparty is not a related party, and the amount the company expects

to invest in the transaction reaches NT\$500 million.

- F. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area, or the amount of transaction reaches 20 percent or more of paid-in capital or NT\$300 million. Provided, this shall not apply to the following circumstances:
- (1) Trading of domestic government bonds or foreign public bonds with a credit rating not lower than Country's sovereign rating.
 - (2) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
 - (3) Where done by professional investors—securities trading on securities exchanges or OTC markets, or overseas bonds or subscription of ordinary corporate bonds and general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of index investment securities), or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
2. The Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.
3. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:
- A. Change, termination, or rescission of a contract signed in regard to the original transaction.
 - B. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - C. Change to the originally publicly announced and reported information.

Article 7

The Procedures of Assets Value Evaluation

In acquiring or disposing of real estate, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held 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; the same procedure shall also be followed whenever there is any subsequent change 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 all the appraisal results for the assets to be acquired are higher than the transaction amount, or all 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 and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - B. 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 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
5. Except where a limited price or specified price is employed as the reference basis for

the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report shall be obtained within 2 weeks counting inclusively from the date of occurrence, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph, shall be obtained within 2 weeks counting inclusively from the date of appraisal report.

Article 8

The Scope and Limitation of Investment

Company and its subsidiaries, in addition to acquiring assets or right-of-use assets for operating use, may engage in investment of real estate for non-operating use and securities, and its limitation are as follows:

1. The total amount of acquisition of real estate and right-of-use assets for non-operating purpose shall not exceed 40 percent of Company's net value, and subsidiaries shall not exceed 40 percent of its net value.
2. The amount of investment in security shall not exceed 100 percent of Company's net value, and subsidiaries shall not exceed 100 percent of its net value.
3. The total amount of investment in each security shall not exceed 40 percent of Company's net value, and subsidiaries shall not exceed 40 percent of its net value.

Article 9

Control and Management in Subsidiaries Engaging in Acquisition and Disposal of Assets

1. Subsidiaries shall establish "Procedures for Acquisition or Disposal Assets" in compliance with provisions in "Regulations Governing the Acquisition and Disposal of Assets by Public Companies." After the procedures have been approved by the board of directors, they shall be submitted to a shareholders' meeting for approval; the same applies when the procedures are amended.

Definition of subsidiaries shall be regulated and recognized under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

2. Subsidiaries engaging in acquisition or disposal of assets shall conduct in compliance with provisions in "Procedures for Acquisition or Disposal Assets."
3. Information required to be publicly announced and reported in accordance with the provisions of the preceding Chapter on acquisitions and disposals of assets by the company's subsidiary that is not itself a public company in Taiwan shall be reported by the

company itself.

The paid-in capital or total assets of the subsidiary of the company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article 6, paragraph 1.

Article 10

Penalty

When the personnel of the company engaging in acquisition or disposal of assets violate the provisions in this Procedure, their assessment shall be submitted pursuant to the Company's personnel management measures and employee handbook and their punishment shall be conducted according to the severity of the situation.

Article 11

Handling Procedure for Acquisition of real estate from or to a related party

1. Recognition Basis:

When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of this Procedure.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 3 herein.

When defining whether the transaction object is a related party, in addition to its legal form, the substantive relationship shall also be considered.

Definition of a related party shall be regulated and recognized under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

2. Resolution Procedure:

When the Company intends to acquire or dispose of real estate or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real estate or right-of-use assets thereof from or to a related party and 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, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, entering into a transaction contract or making a payment may not be proceeded until the following matters have been approved by the audit committee and board of directors:

- A. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- B. The reason for choosing the related party as a transaction counterparty.
- C. With respect to the acquisition of real estate or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with paragraph 3 and 4 in this Article.
- D. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
- E. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- F. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with this article.
- G. Restrictive covenants and other important stipulations associated with the transaction.
- H. Where the position of independent director has been created, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.
- I. Where an audit committee has been established in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.

If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

J. When the company or its subsidiary that is not a domestic public company engaging in first transaction, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall submit the information listed in paragraph 1 to the shareholders' meeting for approval, and afterwards the transaction contract and payment transfer shall be conducted. However, the transaction between the company and its parent company, subsidiaries, or its subsidiaries in between shall not be limited to this. The calculation of the transaction amounts referred to in Article 1 and the preceding paragraph shall be made in accordance with Article 6, paragraph 1 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by shareholders' meeting and the board of directors and recognized by the audit committee need not be counted toward the transaction amount.

3. Evaluation of the reasonableness of the transaction terms:

The Company that acquires real estate or right-of-use assets thereof from a related party, except for the following four situations, such as the related party acquired the real estate or right-of-use assets thereof through inheritance or as a gift; or more than 5 years will have elapsed from the time the related party signed the contract to obtain the real estate or right-of-use assets thereof to the signing date for the current transaction; or the real estate is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land; or the real estate right-of-use assets for business use are acquired by the Company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, shall evaluate the reasonableness of the transaction costs by the following means, and request for CPA's review and specific opinions:

- A. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
- B. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply

where the financial institution is a related party of one of the transaction counterparties.

C. Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

4. Conduct items for uniformly lower than the transaction price:

When the results of the Company's appraisal conducted in accordance with paragraphs of the preceding Article are uniformly lower than the transaction price, except for the following situations and objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, the matter shall be handled in compliance with Article 3 in this Procedure.

A. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:

(1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

(2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.

B. Where the Company acquiring real estate or right-of-use of leased property from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and

within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

Where the Company acquires real estate or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the provisions in this preceding article are uniformly lower than the transaction price, and there is no such circumstances as paragraph 1 and 2 in this Article, the following steps shall be taken:

- (1) A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real estate transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. A special reserve may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.
- (2) The audit committee shall comply with Article 218 of the Company Act.
- (3) Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

Article 12

Engaging in Derivatives Trading

Company engaging in derivatives trading shall conduct in compliance with “Handling Procedure for Derivatives Trading” of the company and shall pay attention to matters of risk management and assessment in order to fulfill internal control system.

Article 13

Mergers, Demergers, Acquisitions, and Transfer of Shares

1. Company engaging a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or

securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

2. Company participating in a merger, demerger or acquisition shall prepare a public report to shareholders detailing important contractual content and matters prior to the shareholders meeting and include it along with the expert opinion referred to in the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to any cause, or the proposal is rejected by the shareholders meeting, the company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.
3. Unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent, the company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting with other involving companies on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition; and the company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction with other involving companies.
4. Share exchange ratio or acquisition price:

The share exchange ratio or acquisition price of a merger, demerger, acquisition, or transfer of shares may not be arbitrarily altered unless under the below-listed circumstances.

- A. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-type securities.
- B. An action, such as a disposal of major assets, that affects the company's financial operations.

- C. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
 - D. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 - E. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 - F. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
5. The contract for participation shall record the following:
- The contract for participation by the company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the participating companies, the circumstances of the share exchange ratio or acquisition price, and shall also record the following.
- A. Handling of breach of contract.
 - B. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished or that is demerged.
 - C. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
 - D. The manner of handling changes in the number of participating entities or companies.
 - E. Preliminary progress schedule for plan execution, and anticipated completion date.
 - F. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
6. Company engaging in mergers, demergers, acquisitions or transfer of shares shall pay attention to other related matters:
- A. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information related to mergers, demergers, acquisition or transfer of shares, and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company.

- B. After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
- C. When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the relative information to the FSC for recordation.
- D. Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is not a public company, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding Article 4 and two paragraphs.

Article 14

Other significant matters

1. Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.
2. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions may not be a related party to the transaction.
3. After the procedures have been approved by the audit committee, they shall be submitted to the board of directors, and then to a shareholders' meeting for approval; the same applies when the procedures are amended.