

## Guidelines for the Establishment and Operation of the National Development Fund Investment Review Committee, Executive Yuan

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1. To meet the needs of participating in investment, the Executive Yuan National Development Fund (hereinafter referred to as the “NDF”) established an Investment Review Committee in accordance with Article 9 of the Regulations Governing the Management and Utilization of the NDF.
2. The Investment Review Committee shall consider the following matters:
  - (1) Application for investment of the NDF. However, this restriction shall not apply to urgent cases regarding significant policies, which are approved by the convener or deputy convener and another Special Project Investment Review Committee.
  - (2) Cases of sale of shares held by the NDF that is not traded publicly (in TSWE or OTC).
  - (3) Other cases submitted and proposed by the NDF.

The cases passed by the Investment Review Committee shall be submitted to the Management Committee for resolution.
3. The Investment Review Committee consists of 62 to 80 members, including professionals in finance, technology, market, management and industrial policy. The term of office shall not exceed two years, and the members may be reappointed.

The Investment Review Committee Members referred to in the preceding paragraph are divided into two categories: Technical Committee members and General Committee members. The General Committee members are composed of 14 to 16 professionals with expertise in financial, market, management and industrial policies. The executive secretary of the NDF shall be an ex-officio member of the General Committee.

The Technical Committee is composed of professionals in technological fields, and is divided into eight groups, i.e. Information and Communications Hardware Industry, Information Technology Application Service Industry, Electromechanical and Mechanical industry, Chemical and Materials industry, Biotechnology and Medical (materials) industry, Green Energy and Environmental Protection industry, Cultural Innovation and Leisure industry and Logistics and Transportation industry. Each group has 6 to 8 members.

In light of the change in industrial structure, the convener shall appoint professionals in relevant fields to serve as Technical Committee member for the application cases that cannot be classified into the categories referred to in the preceding paragraph according to the industrial characteristics of the application cases. Such committee member shall be dismissed after the completion of the review.

If the Investment Review Committee member is a representative of a government agency, the successor shall hold the post when his/her predecessor is discharged due to the change of duty. In case of vacancy of other members, the NDF shall appoint another member to make up his/her term of office.

4. The NDF shall appoint one of the General Committee members to be the convener of the Investment Review Committee. The convener shall convene the meeting and serve as the chairman. If the convener fails to attend the meeting, the convener shall appoint one of the members present to serve as the chairman.

The Investment Review Committee shall invite the Technical Committee members of the relevant groups according to the nature of the reviewing case, and shall jointly examine the case with the General Committee members generated by drawing lots. The convener and the executive secretary of the NDF shall be the ex-officio General Committee members of each review meeting. However, attendees from government agencies should account for no more than one-third of the members who should attend each meeting.

The number of General Committee members in the preceding paragraph plus the convener and the executive secretary of the Committee shall be the same as that of the Technical Committee members invited. However, in the case of applying for Strengthening the Investment in AIA Joint Venture Capital to participate in the investment review, the number of General Committee members shall not include the number of ex-officio committee members specified in Point 8 of Guidelines for Strengthening the Management of Investment in AIA Joint Venture Capital, while the restriction that representatives of government agencies shall not account for more than one-third of members who should attend does not apply.

The General Committee members shall draw lots in accordance with the principle of fairness, impartiality and openness. The staff unit shall make a drawing record and keep the same with the minutes of the Investment Review Committee for future reference.

If more than half of the members present indicate that supplementary information is required for the review, the Investment Review Committee may specify the items of supplementary information and notify the applicant to prepare relevant information before submitting them for deliberation.

5. Each meeting of the Investment Review Committee shall be attended by more than half of the General Committee and more than half of the Technical Committee members invited.

Members shall attend the meeting of the Investment Review Committee in person and shall not appoint any other person to act as agents. If a member representing a government agency is unable to attend the meeting in person, he or she may appoint a representative to attend the meeting, make a statement, and vote at the meeting.

When the number of members attending the Investment Review Committee is less than the minimum number of members required in Paragraph 1 due to early departure of members, the chairman shall announce the meeting to be adjourned and re-examined at a later date.

6. The proposal to be considered by the Investment Review Committee shall not be put to the vote until the chairman has synthesized the opinions of all the members present and stated the investment conditions (if no conditions are attached, no statement is required).

If more than half of the members present indicate that supplementary information is required for the review, the Investment Review Committee may specify the items of supplementary information and notify the applicant to prepare relevant information before submitting them for deliberation.

7. The decision of the Investment Review Committee shall be made by ballot, and the result shall be either approval or disapproval. If the application is rejected, the applicant may apply for a review, but only for twice.

8. The review shall be conducted with the consent of a majority of the members present. However, the consent of more than two thirds of the members present shall be obtained if:

- (1) The amount of investment application to the NDF exceeds NT\$1 billion.

- (2) The amount of investment application to the NDF exceeds 30% of the total amount of the fundraising.
  - (3) Where the total shareholding ratio of a single group in the equity structure of the applicant exceeds 50% of the total equity. The shareholding ratio of a single group shall be calculated in accordance with the determination of related parties and related enterprises in the Company Act or relevant securities acts and regulations.
  - (4) The share price of the applicant is more than NT\$20 per share.
  - (5) Where the ratio of shares from technology investment of the application exceeds 20%.
9. The votes mentioned in the previous point shall be designed and provided by the NDF. At the time of voting, the Investment Review Committee members shall clearly indicate “approval” or “disapproval” on the votes, otherwise it shall be deemed as a dissenting vote.

After the votes are collected, announced and resolved by the chairman of the meeting, they shall be sealed in a manila envelope and signed, and submitted to the NDF for confidential processing. However, if necessary, it may be opened for inspection with the approved of the convener or deputy convener.

After the meeting of the Investment Review Committee, the staff of the NDF shall file the written opinions and votes of the Investment Review Committee members, and make minutes of the results of the meeting.

10. The Investment Review Committee members shall operate in a fair and objective manner and in a spirit of independence, and shall not disclose the contents of the review cases and the opinions of other members to the public.
11. In case of any of the following circumstances, the members of the Investment Review Committee shall recuse themselves and shall not participate in the review:
- (1) The member or his/her spouse holds any position in the applicant company or left the company for less than one year.
  - (2) The member or his/her spouse and the promoter, director, supervisor, managerial officers or shareholder with more than 10% of the shares of the applicant company are collateral relatives by blood with a spouse, immediate family or a third degree relative.
  - (3) The member and his/her spouse have a joint venture or interest sharing relationship with the applicant company or its promoters, directors, supervisors, managers or shareholders with more than 10% of the shares.

If a member has circumstances mentioned in the preceding paragraph or other specific facts that may affect his or her independence and does not voluntarily withdraw from the meeting, the convener shall order him or her to withdraw.

If the number of members present is less than the minimum number of members required by Paragraph 1 of Point 5 due to the circumstances mentioned in the preceding two paragraphs, the chairman shall announce the adjournment of the meeting and re-examine the application at a later date.

12. The NDF may dismiss a member if the member:
  - (1) Attends less than half of the number of meetings to be attended in a year.
  - (2) Violates the confidentiality provisions of Point 10.
  - (3) Violates the provisions on voluntary withdrawal or persuasion withdrawal under Point 11.
  - (4) Other special circumstances.
  
13. In light of the changes in industrial structure, the NDF shall strengthen the function of professional deliberation in a timely manner. If necessary, with the approval of the convener of the Investment Review Committee, and the convener or deputy convener and signature of the executive secretary, the Committee shall employ a number of professionals as special consultants according to the industrial characteristics of the investment case.

The special consultant referred to in the preceding paragraph may attend the review meeting of the projects to provide professional advice for the reference of the review committee. However, the special consultant shall not vote in the meeting.
  
14. These Guidelines shall be submitted to the Management Committee for approval before implementation. The same applies when these Guidelines are amended.