

KMC (Kuei Meng) International Inc. (“the Company”)  
Rules Governing the Scope of Powers of Independent Directors

Article 1 Basis of adoption

To ensure good corporate governance and establish a sound independent director system, these Rules are adopted pursuant to Article 26, paragraph 1 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2 Scope of application

Except as otherwise provided by law and regulation or by the articles of incorporation, matters concerning the duties of independent supervisors of the Company shall be as set out in these Rules.

Article 3 Scope of Duties

The following matters shall be submitted to the board of directors for resolution. When an independent director objects to or expresses reservations about any of the matters, it shall be recorded in the board meeting minutes. If an independent director intends to express an objection or reservations is but unable to attend the board meeting in person, then unless there is a legitimate reason to do otherwise, the independent director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes:

1. The Company's business plan.
2. Annual and semi-annual financial reports.
3. Review of the adoption or amendments to the internal control system of the Company.
4. Review of the adoption or amendments to the procedures for handling material financial or business activities, such as acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
5. Matters in which a director or a supervisor is an interested party.
6. Asset transactions or derivatives trading of a material nature.
7. Loans of funds, endorsements, or provision of guarantees of a material nature.
8. The offering, issuance, or private placement of equity-type securities.
9. The hiring or dismissal of a certified public accountant and their compensation.
10. The appointment or discharge of a financial, accounting, or internal audit officer.

Other matters required by law, regulation, or the articles of incorporation to be approved by resolution at a shareholders meeting or a board meeting, or any matter of a material nature as prescribed by the competent authority.

Article 4 Liability insurance

The Company may take out liability insurance for its independent directors.

#### Article 5 Remuneration

The Company shall set the remuneration of the independent directors in its articles of incorporation or by a resolution of a shareholders meeting, and may consider providing a reasonable level of remuneration different from that of ordinary directors and supervisors. The Company may also, in accordance with procedures prescribed by law, consider providing remuneration for independent directors in the form of a fixed monthly salary, rather than as distributions from the earnings of the company.

#### Article 6 Continuing education

All independent directors of the Company shall pursue continuing education including attending the relevant training courses as required.

#### Article 7 Right to know

Neither the Company nor other board members may obstruct, refuse, or evade the actions of independent directors in the performance of their duties. As they deem necessary to performing those duties, independent directors may request the board to appoint relevant personnel or to hire professionals for assistance.

Any expenses necessary to the hiring of professionals or the exercise of powers by the independent directors under the preceding paragraph shall be borne by the Company.

#### Article 8 Implement and Amendment

These Rules and any amendments hereto, shall be implemented after adoption by the board of directors.