

Advanced Ceramic X Corporation

Rules Governing the Scope of Powers of Independent Directors

Article 1

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.

Article 2

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

Article 3

At least one independent director shall attend the board of director's 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 following, each independent director 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:

1. Corporate business plan.
2. Annual financial reports signed or sealed by the chairman, a manager or an accounting chief, and financial reports for the second quarter audited and attested by a certified public accountant (CPA).
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act (the "Act"), and an assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, monetary loans to others, and endorsements or guarantees for others.
5. Matters in which a director 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.
11. A donation to a related party or a major donation to a non-related party, provided 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.
12. 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.

The term "related party" in subparagraph 11 of the preceding paragraph means a related party as defined in 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 NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of capital as stated in the CPA-attested financial report for the most recent year.

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.

Article 4

The company may shall take out liability insurance for all its independent directors with respect to liabilities under the law resulting from the performance of duties during their terms of office.

The company shall report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for independent directors, at the next board meeting.

Article 5

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. 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

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

Article 7

The company may not obstruct, refuse, or evade the actions of independent directors in business execution. As they deem necessary for business execution, independent directors may request the board to appoint relevant personnel or to may hire by themselves professionals for assistance. Any relevant expenses necessary are borne by the company.

Article 8

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