

PharmaEngine, Inc.

Rules of Independent Director's Scope of Duty

Article 1 Basis for these Rules

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

Article 2 Scope of Application for these Rules

The responsibilities and related matters of the independent directors of the Company shall be handled in accordance with the provisions of these Rules, except otherwise provided by laws or regulations or by the Articles of Incorporation.

Article 3 Scope of Responsibilities

At least one independent director must be present in person at the board meeting. All independent directors must be present at the board meeting for the following matters requiring resolution. If an independent director is unable to attend in person, another independent director must be appointed to attend in his or her stead. Any objections or reservations expressed by an independent director must be recorded in the minutes of the board meeting. If an independent director cannot attend the board meeting in person to express his or her objection or reservation, he or she shall provide a written opinion in advance unless there are valid reasons for failure to do so, and the opinion shall be recorded in the board meeting minutes.

- (1) Corporate business plans.
- (2) Annual financial report signed or stamped by the chairperson, managers, and accounting director, and financial report reviewed by an accountant.
- (3) Review of the adoption of or amendment to the internal control system.
- (4) Review of the adoption of or amendment to handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
- (5) A matter involving the personal interest of a director.
- (6) A material asset or derivatives transaction.
- (7) A material monetary loan, endorsement, or provision of guarantee.
- (8) The offering, issuance, or private placement of any equity-type securities.
- (9) The hiring, discharge, or compensation of a certified public accountant.
- (10) The appointment or discharge of a financial, accounting, or internal audit officer.
- (11) Business report.
- (12) Any matter required by any other law, regulation, or Articles of Incorporation to be approved by resolution at the shareholders' meeting or submitted to the board meeting or any significant matter prescribed by the competent authority.

Article 4 Liability Insurance

The Company shall purchase liability insurance for all independent directors to cover

their legally required liabilities for compensation arising from the performance of their duties during their term of office.

After the purchase of the liability insurance for all independent directors, the Company shall report the important details of the insurance such as the insured amount, coverage, and rate in the nearest upcoming Board of Directors meeting.

Article 5 Remuneration

The Company shall set the remuneration of the independent directors at a reasonable level of remuneration different from that of ordinary directors.

Article 6 Continuing Education

All independent directors of the Company shall pursue continuing education, including attending the relevant training courses as required, and the annual hours of training shall comply with hours required by competent authorities.

Article 7 Access to Information

The Company shall not obstruct, refuse, or avoid the performance of duties by independent directors. As they deem necessary for business execution, independent directors may request the Board to appoint relevant personnel or to hire professionals for assistance. The expenses necessary for engaging such professionals and for other independent directors to exercise their duties shall be borne by the Company.

Article 8 Enforcement

The Rules shall be implemented after being approved by the Board of Directors. For any amendments, the amended Rules shall be reported and approved by the Audit Committee and then presented and approved by the Board of Directors before implementation.

The rules were established on September 30, 2011.

The first amendment was made on December 26, 2019.

The second amendment was made on November 2, 2020.