

HERMES MICROVISION, INC.

Rules and Procedures Governing Board of Directors

Meetings

1. Purpose

In order to establish a good board meeting governance system, strengthen its supervision function and reinforce its management efficiency, the Company specifically set up the Rules and Procedures for personnel across the board to comply with.

2. Applicable scope

Unless otherwise stated by law or the Articles of Incorporation of the Company, the Rules and Procedures shall be followed as the rules and procedures of the Company's board of directors meetings

3. Legal basis

The Rules and procedures are set up in accordance with Paragraph 8 of Article 26-3 of the Securities and Exchange Act and the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies"

4. Holding of board of directors meetings

4.1 Convening of board of directors meetings and meeting notification

4.1.1 The Company's board of directors shall hold a board meeting at least once a quarter, for which the meeting notification shall specify the reason for the meeting and be served to each director at least seven days before the date scheduled for such meeting. However, the board meeting may be convened at any time in case of emergency.

4.1.2 The notification referred to in the preceding paragraph may be served by means of e-mail if agreed by the recipient.

4.1.3 Except for emergency or with proper reasons, all matters listed in "8.2" of the Rules and procedures shall be specified in the meeting notification and shall not be brought up as extemporary motions.

4.2 Meeting notification and meeting materials

The unit designated by the Company's board of directors for handling meeting affairs is the financial unit. The financial unit shall enquire opinions from respective directors in advance, so as to plan and draft the meeting agenda and schedule. It shall follow the time regulated in "4.1.1" to notify all the directors of the meeting and provide sufficient meeting materials. Any director who considers the meeting materials provided to be insufficient may request the unit in charge of the matters related to the meeting to supply supplementary materials. In the event that the director still considers the supplementary materials to be insufficient, the meeting can be postponed after resolved by the board of directors.

4.3 Preparation and placement of required documents, such as the attendance book, and proxies of directors.

When a board meeting is held, an attendance book shall be made ready for directors attending the meeting to sign. Those directors who take part in a video conference shall be deemed to attend the meeting in person. If a director appoints another director to attend the meeting on his or her behalf, a letter of proxy shall be provided for each time of meeting and the scope of authorization for the meeting shall be specified in the letter of proxy. An authorized director shall only be appointed by one of other directors.

4.4 Venue and time to hold a board of directors meeting

In principle, a board of directors meeting shall be held at the place where the Company is located and during office hours. However, the meeting can be held at an appropriate place and time convenient for directors to attend if required by business needs.

4.5 Chairperson and acting chairperson

The Company's board meeting shall be convened and chaired by the chairperson of the board of directors, except for the first meeting of each term of the board of directors which shall be convened and chaired by the director who receives a majority of votes at the shareholders' meeting. In case that there are two or more meeting conveners, the chairperson of the meeting shall be elected from among themselves. If the chairperson is on leave or cannot exercise his or her power and authority for any reason, the deputy-chairperson shall replace the chairperson. If there is no deputy-chairperson, or the deputy-chairperson is also on leave or cannot exercise his or her power and authority for any reason, the chairperson shall appoint a

standing director as acting chairperson. If there is no standing director, the chairperson shall appoint one director as acting chairperson. If the chairperson does not designate any acting chairperson, the acting chairperson shall be elected by standing directors or directors from among themselves.

4.6 Reference materials and attendance personnel

4.6.1 When holding a board meeting, the meeting affairs responsible unit shall prepare related materials for the attending directors to refer to. According to the content of the proposed motions, the board of directors may notify relevant departments of the Company or the personnel of the Company's subsidiaries to attend the meeting, report the Company's current business status and answer questions arising from directors, so as to help directors better understand the Company's current status before adopting proper resolutions. It may also invite the Company's certified public accountant, lawyer and other professionals to attend the meeting, give required explanation and offer expert opinions for directors to refer to. However, the aforesaid invited persons or personnel shall all leave the meeting when it comes to discussion and resolution.

4.7 Holding of board of directors meetings

4.7.1 When it is time to start a meeting and a majority of the entire body of directors is present, the chairperson of the board of directors shall immediately call the meeting to order. However, if the number of the directors present is less than half of the entire body of directors, the chairperson may announce postponement of the meeting. Such postponement shall be limited to two times only. If the number of the directors present does not constitute the quorum after two times of postponement, the chairperson shall announce further postponement of the meeting.

4.7.2 After the chairperson announces further postponement of a meeting, he or she may re-convene the meeting in accordance with the procedure regulated in "4.1" before holding the meeting.

4.7.3 The entire body of directors referred to above and in "7.2.2" shall be calculated according to the incumbent directors.

4.8 Evidence produced by the audio or video recording of the proceedings of a board meeting

4.8.1 The entire proceedings of a board meeting shall be recorded in an audio or video format as the evidence. Such evidence shall be retained for at least five years, in which the retention can be made in an electronic form.

4.8.2 If any litigation in relation to the resolution(s) adopted by the board of directors arises prior to expiration of the preceding retention period, the relevant audio or video evidence shall continue to be retained until closure of such litigation.

4.8.3 If a meeting is held by the way of video conference, the audio and video data shall form part of the meeting minutes, and shall be properly kept during the existence of the Company.

4.9 Motion discussion

In principle, the motions to be discussed in a board meeting shall be processed in accordance with the meeting proceedings set out in the meeting notification. However, with the approval of a majority of the directors present, the meeting proceedings may be altered. Without approval of more than half of directors present, the chairperson shall not declare adjournment of the meeting. The chairperson may determine the time to announce a break or negotiation in the process of the meeting. During the meeting, if the number of directors present is fewer than half of the directors attending the meeting, the chairperson shall declare suspension of the meeting as proposed by the directors present, in which "4.7.1" and "4.7.2" shall be applicable.

4.10 Directors' speeches and chairperson's direction of the meeting proceedings

After a speech given by an attending director, the chairperson may respond to it on his or her own, designate related personnel to respond, or request the professionals in attendance to offer relevant information. When there is any repetitive speech for a same motion or the speech is beyond the agenda scope which may affect the speech of any other director or interfere with the proceedings, the chairperson may stop the speech.

5 Resolution

5.1 The chairperson may declare close of discussion and put the motion to the vote when he or she believes that it's time for resolution. If no

objection from the directors is present after enquired by the chairperson, the resolution shall be deemed to be adopted. The directors present shall not include the ones who are not allowed to exercise the voting right as specified in "6" of the Rules and procedures. If there is any objection after enquired by the chairperson, the chairperson shall put it to the vote. The resolution method shall be determined by the chairperson from any of the following methods. However, if the directors present have any objection to the resolution method selected by the chairperson, the method shall be determined by a majority:

5.1.1 Voting by a show of raising hands or voting machines

5.1.2 Roll call voting

5.1.3 Voting by ballots

5.1.4 Any other voting process chosen by the Company

5.2 Unless otherwise prescribed by the Company Act and the Company's Articles of Incorporation, any resolutions of the board of directors shall be adopted by a majority of the directors present. For revision or replacement of a same motion, the chairperson shall decide the sequence of the resolutions in which the original motion shall be included. If any of the resolutions is adopted, the others shall be deemed to be vetoed and no future voting shall be required. If it is required to have ballot examiners and ballot counters for motion resolutions, the chairperson shall designate them, in which the ballot examiners shall be the shareholders. The voting results shall be announced on the spot and recorded in the meeting minutes. If the resolution adopted at a board meeting is material information as regulated by law or stipulated by Taiwan Securities Exchange Corporation (Gre Tai Securities Market), the Company shall transmit the content to the Market Observation Post System within the regulated time limit.

6 Recusal system for directors

The director or the institutional director having conflict of interests with the meeting agenda which may adversely affect the Company's interests shall elaborate on the major content of its stakes for the following items at the board meeting in question and is not allowed to participate in the discussion and resolution, whereas they shall enter recusal in discussion and

resolution, and are not allowed to represent any other director to exercise the voting right.

6.1 The matters having conflict of interests with a director or an institutional director, e.g. they may adversely affect the Company's interests.

6.2 The director is convinced that he or she shall enter recusal, and as resolved by the board of directors, he or she shall enter recusal.

Paragraph 3 of Article 206 and Paragraph 2 of Article 180 of the Company Act shall apply to the director who is prohibited from exercising his or her voting right in the resolution of the Company's board meeting as regulated in the preceding paragraph.

7 Meeting minutes and signatory matters

7.1 The proceedings of a board meeting shall be recorded in a meeting minutes book, in which the following matters shall be clearly and accurately stated:

7.1.1 Term (year), time and venue of the meeting

7.1.2 Name of the chairperson

7.1.3 Director attendance status, including the names and numbers of the directors who were present, excused or absent.

7.1.4 Names and titles of the attendants who are not directors.

7.1.5 Name of the note taker

7.1.6 Matters which were reported

7.1.7 Matters which were discussed

The method and result of the resolution for each agenda item, summaries of speeches made by directors, experts and other personnel, the names of the directors involving conflict of interests as regulated in "6" of the Rules and procedures, the explanation of the major content of stakes, the reason for a director's entering or not entering recusal, the recusal status, any opposed or qualified opinions which are on record or in a written statement and the opinions issued in writing by independent directors in accordance with "8.5" of the Rules and procedures.

7.1.8 Extemporaneous motions

Names of motion proposers, the method and result of the resolution of each agenda item, summaries of the speeches made by directors, experts and other personnel, the names of the

directors involving conflict of interests as regulated in “6” of the Rules and procedures, the explanation of the major content of stakes, the reason for a director’s entering or not entering recusal, the recusal status, any opposed or qualified opinions which are on record or in a written statement.

7.1.9 Other matters required to be recorded

7.2 If any of the following circumstances occurs to the resolutions adopted in a board meeting, other than stating it in the meeting minutes book, the Company shall also announce and declare it on the information declaration website designated by the competent authorities within a statutory time limit.

7.2.1 The independent director has opposed or qualified opinions which are on record or in a written statement.

7.2.2 For a company setting up the audit committee, the resolution is adopted by more than two-thirds of the entire body of directors although it fails to pass the approval of the audit committee.

7.3 The attendance book of a board meeting shall be part of the meeting minutes book and properly retained during the existence of the Company.

7.4 A meeting minutes book shall be signed by the chairperson of the meeting and the note taker, and distributed to respective directors within 20 days after the board meeting, whereas it shall be kept in the Company as an important file and properly retained during the existence of the Company.

7.5 When discussing material financial business acts in relation to asset acquisition or disposal, derivative product transactions, capital lending to others, endorsement for others, or guarantee offer, etc. in a boarding meeting, the opinions from independent directors shall be taken into account, and the affirmative and opposed opinions as well as the reasons for objection shall be recorded in the board meeting minutes.

7.6 The meeting minutes may be produced and distributed in an electronic form.

8 Agenda content and matters required to be discussed at board meetings

8.1 The agenda content of a regular board meeting shall include at least the following items:

- 8.1.1 Matters to be reported
 - 8.1.1.1 Meeting minutes of the previous meeting, and execution status.
 - 8.1.1.2 Major financial and business reports.
 - 8.1.1.3 Internal audit reports
 - 8.1.1.4 Report on other important matters
- 8.1.2 Matters to be discussed
 - 8.1.2.1 The matters reserved in the previous meeting for further discussion in this meeting..
 - 8.1.2.2 Matters to be discussed in this meeting.
- 8.1.3 Extemporaneous motions
- 8.2 The following matters shall be submitted to the Company's board of directors for discussion:
 - 8.2.1 The Company's business plan
 - 8.2.2 Annual and semi-annual financial reports. The semi-annual financial report not required to be audited and certified by the certified public accountant as stated by law shall be excluded.
 - 8.2.3 The internal control system instituted or revised according to Article 14-1 of the Securities and Exchange Act (hereafter referred to as the Act).
 - 8.2.4 The handling procedures of material financial business acts in relation to asset acquisition or disposal, derivative product transactions, capital lending to others, endorsement for others, or guarantee offer, etc. which are instituted or revised in accordance with Article 36-1 of the Act.
 - 8.2.5 Public offering, issuance or private placement of any equity-linked securities.
 - 8.2.6 The appointment or discharge of a financial, accounting or internal auditing supervisor.
 - 8.2.7 The donation to a related party or material donation to a non-related party. However, the emergency charity donation made for a serious natural disaster may be submitted in the next board meeting for retroactive adoption.
 - 8.2.8 Any matters which shall be submitted to a shareholders' meeting or a board meeting for resolution according to Article 14-3 of the Act, other laws and regulations or the Articles of Incorporation, or any material matters prescribed by the competent authorities.

- 8.3 Other than the matters listed in “8.2” of the Rule which are required to be submitted to the board of directors for discussion, the level, scope and content of authorization given by the board of directors in accordance with laws and the Articles of Incorporation shall be clear and specific.
- 8.4 The related party referred to in “8.2.7” of the Rules and procedures is one defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers, whereas the material donation to a non-related party refers to the amount of each donation or accumulated donations to a same recipient within one year which is over 100 million NT dollars, 1% of the net operating income shown in the latest financial report certified by the certified public accountant, or beyond 5% of the paid-up capital. The aforesaid within one year is the one year before this time of board meeting day. Those that have been submitted to and adopted by the board of directors shall be exempt from calculation.
- 8.5 For the matters which shall be resolved by the board of directors as prescribed by Article 14-3 of the Act, independent directors shall attend the meeting in person, or appoint other independent directors to attend the meeting on their behalf. In the event that an independent director has any opposed or qualified opinions, the opinions shall be recorded in the board meeting minutes book. Those independent directors who cannot attend a board meeting in person to express their opposed or qualified opinions, unless that they have due reason, they shall present their opinions in writing in advance, which shall be recorded in the board meeting minutes book.

9 Implementation and revision

The Rules and procedures shall come into effect after approved by the general manager and adopted by the board of directors. The same shall also apply in case of any revision.