

Franbo Lines Corp.

Doc. No.	Board Meeting Procedures	Date of Establishment
CX14		December 1, 2009
Version: 10		Date of Revision
Pages : 第 0 頁共 8 頁		March 7, 2024

Document Revision Summary					
Revision	Revision Date	Description of Changes	Revised By	Reviewed By	Approved By
3	106.08.04	Please refer to the Detailed Comparison of Amended Provisions	Kevin Cheng	Chairman	Board
4	106.10.25		Kevin Cheng	Chairman	Board
5	108.03.08		Kevin Cheng	Chairman	Board
6	108.08.02		Kevin Cheng	Chairman	Board
7	109.03.06		Kevin Cheng	Chairman	Board
8	109.09.10		Kevin Cheng	Chairman	Board
9	111.11.04		Kevin Cheng	Chairman	Board
10	113.03.07		Kevin Cheng	Chairman	Board

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1. Purpose and Scope of Application :

1.1. Purpose :

To establish a sound system of corporate governance for the Board of Directors, ensure effective supervisory functions, and strengthen management capabilities, these Rules are formulated in accordance with Article 2 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” for compliance.

1.2. Scope of Application :

Unless otherwise provided by laws, regulations, or the Articles of Incorporation, the proceedings of the Company’s Board of Directors shall be conducted in accordance with these Rules.

2. Responsible Unit: The Stock Affairs Section shall be the unit responsible.

3. Operating Procedures :

3.1. The rules governing the proceedings of the Company’s Board of Directors, including the main agenda items, operating procedures, matters to be recorded in the meeting minutes, public announcements, and other compliance requirements, shall be conducted in accordance with these Rules.

3.2. Convening of Board Meetings and Meeting Notices :

3.2.1 The Company’s Board of Directors shall be convened at least once every quarter.

3.2.2 When convening a meeting of the Board of Directors, the reasons for convening shall be specified in the notice, which shall be given to all directors at least seven days in advance. In the event of an emergency, a meeting may be convened at any time. Where the recipient consents, the aforementioned meeting notice may be delivered by electronic means. °

3.2.3 The matters listed under Article 3.11 of these Rules shall be enumerated in the reasons for convening the meeting and shall not be raised as extempore motions.

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3.3. Meeting Notices and Meeting Materials :

3.3.1 The unit responsible for handling matters relating to meetings of the Company's Board of Directors shall be the Stock Affairs Section of the Finance & Accounting Department.

3.3.2 The unit responsible shall prepare the agenda for the Board meetings and provide adequate meeting materials, which shall be delivered together with the notice of meeting. If any director deems the materials insufficient, he or she may request supplementation from the unit responsible. Where the director considers that the proposal materials remain inadequate, the matter may, by resolution of the Board, be deferred for further deliberation.

3.3.3 To assist directors in the performance of their duties and to enhance the effectiveness of the Board, when handling matters requested by directors, appropriate and timely information shall be provided within seven days of such request. The form and quality of the information must enable directors to make decisions based on sufficient understanding of the relevant data and to duly fulfill their responsibilities as directors.

3.4. Signing Registers and Proxy Attendance by Directors :

3.4.1 When convening a meeting of the Company's Board of Directors, a signing register shall be provided for attending directors to sign in, and attendance records shall be accumulated for reference.

3.4.2 Directors shall attend Board meetings in person. If unable to attend in person, a director may appoint another director as proxy in accordance with the Company's Articles of Incorporation. Participation via video conference shall be deemed as in-person attendance.

3.4.3 When a director appoints another director as proxy to attend a Board meeting, a written proxy form specifying the scope of authority regarding the items on the agenda shall be issued for each meeting. A proxy director may accept appointment from only one director at a time. °

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3.5. Principles for the Location and Time of Board Meetings :

The location and time for convening the Company's Board of Directors shall be at the Company's premises during office hours, or at a location and time convenient for directors to attend and suitable for holding the Board meeting.

3.6. Chairman of the Board and Acting Chairman :

3.6.1 When a Board meeting is convened by the Chairman of the Board, the Chairman shall preside over the meeting. However, for the first Board meeting of each term, the director who receives the highest number of votes representing the shareholders' election rights at the shareholders' meeting shall convene the meeting and preside as chairman. If there are two or more convening directors, they shall elect one among themselves to preside.

3.6.2 When the Board is convened by a majority of directors in accordance with Paragraph 4 of Article 203 or Paragraph 3 of Article 203-1 of the Company Act, the directors shall elect one among themselves to act as chairman.

3.6.3 If the Chairman of the Board is on leave or otherwise unable to exercise his/her powers, the Vice Chairman shall act on his/her behalf. If there is no Vice Chairman, or the Vice Chairman is also on leave or unable to exercise powers, the Chairman shall designate an Executive Director to act as proxy. If no Executive Director is appointed, the Chairman shall designate a director to act as proxy. If the Chairman does not designate a proxy, the Executive Directors or the directors shall elect one among themselves to act as proxy.

3.7. Reference Materials, Attendees, and Convening of the Board :

3.7.1 When the Company's Board of Directors convenes, the management departments shall prepare relevant materials for attending directors to consult at any time. °

3.7.2 Depending on the content of the agenda, relevant personnel from departments or subsidiaries may be notified to attend the Board meeting.

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3.7.3 When necessary, certified public accountants, lawyers, or other professionals may be invited to attend and provide explanations. However, they shall leave the meeting during discussions and voting.

3.7.4 The chairman of the Board shall declare the meeting open once the scheduled meeting time has arrived and a majority of directors are present.

3.7.5 If, at the scheduled meeting time, less than half of all directors are present, the chairman may announce a postponement of the meeting on the same day, limited to a maximum of two times. If the quorum is still not met after two postponements, the chairman shall reconvene the meeting in accordance with the procedures set forth in Section 3.2.

3.7.6 For the purposes of the preceding paragraph, “all directors” shall be calculated based on the number of directors in office.

3.8. Recording or Videotaping of Board Meetings for Evidence :

3.8.1 The proceedings of the Company’s Board of Directors meetings shall be recorded in full, either by audio or video, and preserved for a minimum of five years. Such preservation may be in electronic form.

3.8.2 If, before the expiration of the preservation period, any litigation arises concerning matters resolved by the Board, the relevant audio or video recordings shall continue to be preserved until the conclusion of the litigation.

3.8.3 For meetings held via video conference, the audiovisual recordings shall constitute part of the meeting records and shall be properly preserved for the duration of the Company’s existence.

3.9. Agenda Items :

The agenda for the Company’s regular Board meetings shall include at least the following items :

3.9.1. Reporting Items :

3.9.1.1. Minutes of the previous meeting and the status of their implementation.

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3.9.1.2. Significant financial and business reports.

3.9.1.3. Internal audit reports.

3.9.1.4. Other important reports.

3.9.2. Discussion Items :

3.9.2.1. Discussion items carried over from the previous meeting.

3.9.2.2. Discussion items scheduled for the current meeting.

3.9.3. Extraordinary Motions.

3.10. Discussion of Proposals :

3.10.1 The Company's Board of Directors shall conduct discussions in accordance with the agenda set out in the meeting notice. However, with the consent of a majority of the attending directors, the agenda may be modified.

3.10.2 Without the consent of a majority of the attending directors, the chairman shall not unilaterally declare the meeting adjourned. If, during the proceedings of the Board meeting, the number of directors present falls below a majority of the attending directors, the chairman shall, upon proposal by the directors present, declare a temporary suspension of the meeting, and the provisions of Section 3.7.5 shall apply mutatis mutandis.

3.10.3 If, during the proceedings of the Board meeting, the chairman is unable to preside or fails to declare adjournment in accordance with the above provisions, the appointment of a proxy chairman shall follow the provisions of Section 3.6.3.

3.11. Matters Requiring Discussion by the Board :

The following matters shall be submitted to the Company's Board of Directors for discussion :

3.11.1. The Company's operational plans.

3.11.2. Annual financial reports and the second-quarter financial reports subject to audit and verification by certified public accountants.

3.11.3. Establishment or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act (hereinafter referred to as the "SEA"), and assessment of the effectiveness of the internal control system.

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3.11.4. Establishment or amendment of procedures for major financial transactions, including acquisition or disposal of assets, derivative transactions, loans to others, endorsements, or guarantees for others, in accordance with Article 36-1 of the SEA.

3.11.5. Issuance, public offering, or private placement of securities with equity characteristics.

3.11.6. Election or removal of the Chairman of the Board.

3.11.7. Appointment or removal of financial, accounting, or internal audit executives.

3.11.8. Donations to related parties or major donations to non-related parties. However, donations of a public welfare nature made for urgent disaster relief due to significant natural disasters may be submitted for ratification at the next Board meeting.

For the purposes of the preceding paragraph, “related parties” refer to parties as defined under the Financial Reporting Standards for Securities Issuers; “major donations to non-related parties” refer to individual donations or cumulative donations to the same recipient within one year amounting to NT\$100 million or more, or reaching 1% of the net operating revenue or 5% of the paid-in capital as stated in the most recent audited financial statements.

The “within one year” period shall be calculated retrospectively from the date of the current Board meeting. Donations already approved by the Board shall be excluded from this calculation. °

For foreign companies whose shares have no par value or a par value other than NT\$10 per share, the 5% of paid-in capital mentioned in the preceding paragraph shall be calculated as 2.5% of shareholders’ equity.

3.11.9. Matters prescribed in Article 14-3 of the SEA, other matters requiring resolutions of the shareholders’ meeting or the Board of Directors under laws or the Articles of Incorporation, or other significant matters prescribed by competent authorities.

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3.11.10. Where the Company has independent directors, at least one independent director shall personally attend the Board meeting. For matters requiring Board resolution, all independent directors shall attend; if an independent director is unable to attend in person, another independent director may be appointed as proxy. Any objections or reservations by independent directors shall be recorded in the meeting minutes. If an independent director cannot personally attend to express objections or reservations, a written opinion shall be submitted in advance, except for legitimate reasons, and shall be recorded in the meeting minutes.

3.12. Voting – Part I :

3.12.1 When the chairman considers that the discussion of a proposal has reached a level sufficient for voting, he/she may announce the conclusion of the discussion and submit the proposal for a vote.

3.12.2 When a proposal is put to a vote in the Company's Board of Directors, if the chairman, after consulting all attending directors, finds no objections, the proposal shall be deemed approved. If any objections arise during the consultation, the proposal shall be submitted to a vote.

3.12.3 The voting method shall be selected by the chairman from the following options. However, if any attending director raises an objection, the chairman shall determine the method based on the opinion of the majority: :

3.12.3.1 、 Voting by show of hands.

3.12.3.2 、 Voting by roll call.

3.12.3.3 、 Voting by ballot.

3.12.3.4 、 Other voting methods adopted by the Company.

For the purposes of the preceding two paragraphs, “all attending directors” shall exclude directors who are not permitted to exercise voting rights in accordance with Section 3.14.

3.13. Voting – Part II and Appointment of Vote Supervisors and Counters :

3.13.1 Resolutions of the Company's Board of Directors, unless otherwise provided by

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the Securities and Exchange Act or the Company Act, shall require the presence of a majority of directors and shall be approved by a majority of the attending directors.

3.13.2 If there are amendments or alternative proposals to the same motion, the chairman shall determine the order of voting together with the original proposal. However, once one proposal is approved, the other proposals shall be deemed rejected and need not be voted on again.

3.13.3 If it is necessary to appoint supervisors or counters for the vote, the chairman shall designate them. Supervisors must be directors. The results of the vote shall be announced immediately and recorded in the minutes.

3.14. Director Conflict of Interest Policy :

3.14.1 A director who has a personal interest or a vested interest through a legal entity he/she represents in any matter under discussion at the Board meeting shall disclose the material aspects of such interest during the meeting. Interests held by a director's spouse, relatives within the second degree of consanguinity, or companies controlled or subordinated by the director shall be deemed as personal interests of the director. If such interests may be detrimental to the Company's interests, the director shall not participate in discussions or vote on the matter and shall abstain from acting as a proxy for other directors.

3.14.2 For directors prohibited from exercising voting rights under the preceding paragraph, Board resolutions shall be handled in accordance with Paragraph 2 of Article 206 of the Company Act, mutatis mutandis applying Paragraph 2 of Article 180.

3.15. Minutes of Meetings and Signing :

The proceedings of the Company's Board of Directors shall be recorded in minutes.

The minutes shall accurately record the following :

3.15.1. The session (or year) of the meeting, and the date, time, and location.

3.15.2. Name of the chairman.

3.15.3. Attendance of directors, including names and number of those present, on leave, or absent.

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3.15.4. Names and titles of attendees who are present by invitation.

3.15.5. Name of the recorder.

3.15.6. Reporting items.

3.15.7. Discussion Items : The method and result of the resolution for each proposal; summaries of statements by directors, experts, and other personnel; names of directors with conflicts of interest pursuant to Section 3.14.1, explanation of material aspects of such interests, reasons for recusal or non-recusal, recusal status, objections or reservations (if recorded or submitted in writing), and written opinions submitted by independent directors in accordance with Section 3.11.9.

3.15.8. Extraordinary Motions : Name of the proposer; method and result of the resolution; summaries of statements by directors, experts, and other personnel; names of directors with conflicts of interest pursuant to Section 3.14.1, explanation of material aspects of such interests, reasons for recusal or non-recusal, recusal status, and objections or reservations (if recorded or submitted in writing).

3.15.9. Other matters required to be recorded.

3.15.10. For Board resolutions, if any of the following occur, in addition to being recorded in the minutes, they shall be publicly reported within two days from the date of the Board meeting on the information reporting website designated by the competent authority :

3.15.10.1. Independent directors have objections or reservations, and such are recorded or submitted in writing.

3.15.10.2. For companies with an audit committee, if a resolution is approved by two-thirds or more of all directors without the approval of the audit committee.

3.15.11. The Board sign-in register shall be part of the minutes and properly preserved during the Company's existence. The minutes shall be signed or sealed by the chairman and the recorder, distributed to all directors within twenty days after the meeting and included in the Company's important records for proper

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preservation throughout the Company's existence. The preparation and distribution of minutes may be conducted electronically.

3.16. Supplementary Provisions :

Except for the matters specified in Section 3.11 that must be submitted to the Company's Board of Directors for discussion, any authority delegated by the Board in accordance with laws or the Company's Articles of Incorporation shall have clearly defined levels, scope, and matters. Blanket delegation is not permitted. The content of such delegation shall comply with relevant laws, regulations, and internal control procedures. Matters of significant importance shall still require Board resolution. The delegated authorities are as follows :

3.16.1. Authorize the Chairman to approve all important contracts.

3.16.2. Authorize the Chairman, based on the Company's funding needs, to fully handle matters related to loan amounts, terms, and conditions with all financial institutions the Company transacts with.

3.16.3. Authorize the Chairman regarding the appointment of directors and supervisors for investee companies.

3.16.4. For other delegated matters not listed above, the authorized amount shall comply with the Articles of Incorporation, internal control regulations, and relevant procedures.

3.17. Regarding subsidiary board control procedures, to accommodate the laws and regulations of the jurisdictions in which subsidiaries operate, as well as the nature of their business operations, the Company may adjust the content of the subsidiaries' internal control systems flexibly, as illustrated in Appendix 1. Except as specified in Appendix CX14-A, the board meeting procedures of the Company's subsidiaries shall comply with the *Procedures for Board Meetings of Public Companies*, be conducted in accordance with these operational procedures, and be submitted to the Company's Board of Directors for record and approval.

4.1 The formulation and amendment of these rules and operational procedures shall be approved by the Company's Board of Directors.

5. Key Control Points :

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5.1. Whether directors are notified of regular Board meetings within the time limits prescribed by the Company Act.

5.2. Whether directors prohibited from exercising voting rights have recused themselves and refrained from participating in discussions on relevant matters.

5.3. Whether the proceedings and records of meetings are properly preserved in accordance with regulations.

5.4. Whether matters requiring Board discussion are submitted to the Board for discussion and resolution.

6. Reference Materials :

6.1 Procedures for Board Meetings of Public Companies.

6.2 Articles of Incorporation of the Company.

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The board meeting procedures of the Company's directly or indirectly invested subsidiaries, except for those specified in the table below, shall be conducted in accordance with the *CX14 Board Meeting Procedures* of Chengder Marine Co., Ltd.

Clauses	Article Content	Directly or indirectly invested subsidiaries of the Company
3.2.1	The Company's Board of Directors shall convene at least once every quarter.	Considering the laws and regulations of the jurisdictions in which the subsidiary operates and the nature of its business, this provision is deemed not applicable.
3.2.2	The convening of the Board of Directors shall state the purpose of the meeting and provide notice to all directors at least seven days in advance. However, in case of emergencies, the Board may be convened at any time. The notice of convening under the preceding paragraph may be delivered electronically with the consent of the recipients.	Considering the laws and regulations of the jurisdictions in which the subsidiary operates and the nature of its business, this provision is deemed not applicable.
3.4.1	When convening a meeting of the Company's Board of Directors, a sign-in register shall be provided for attending directors to record their attendance, and attendance rates shall be accumulated for reference.	Considering the laws and regulations of the jurisdictions in which the subsidiary operates and the nature of its business, this provision is deemed not applicable.
3.9.1	Report Items: 3.9.1.1 Minutes of the previous meeting and the status of their implementation. 3.9.1.2 Significant financial and business reports. 3.9.1.3 Internal audit reports. 3.9.1.4 Other important reporting matters.	Considering the laws and regulations of the jurisdictions in which the subsidiary operates and the nature of its business, this provision is deemed not applicable.
3.15.11	The Board of Directors' sign-in register shall be considered part of the meeting minutes and must be properly preserved throughout the Company's existence. The meeting minutes shall be signed or stamped by the meeting chairman and the recorder, and distributed to all directors within twenty days after the meeting. The minutes shall also be included in the Company's	Considering the laws and regulations of the jurisdictions in which the subsidiary operates and the nature of its business, this provision is deemed not applicable.

	important records and properly maintained. The preparation and distribution of the minutes under the preceding paragraph may be carried out electronically.	
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