

Subparagraph 2, Paragraph 2, Article 3 of “Regulations Governing the Permission of Investment by Nationals in Mainland Area”

Control power prescribed by the Article 3, Paragraph 2, Subparagraph 2 of the *Measures Governing Investment Permit to the People of Mainland Area* shall be when Mainland Area individual, legal person, organization or any other institution having the following circumstances over a third-area company:

1. Having control over the majority of the votes pursuant to an agreement with other investors;
2. Having control over the financial, operational, and/or human resources policies pursuant to the law or regulations or contractual commitments;
3. Having the right to appoint or discharge a majority of the directors on the board (or other organizations determining the company’s operational policies), which has control over the company’s operations;
4. Having control over the majority of the votes of the directors on the board (or other organizations determining the company’s operational policies), which has control over the company’s operations; or
5. Other circumstances evidencing having control power in accordance with the International Financial Reporting Standards (IFRS) or ROC Statements of Auditing Standards

