



Title	Management Regulations Governing the Appointment/Dismissal and Handover of Accounting/Financial Personnel and Auditors		
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1. Purpose

The Regulations are established to perfect the appointment/dismissal and handover procedures of the financial/accounting personnel and auditors.

2. Scope

All the procedures related to the appointment/dismissal of the financial/accounting personnel and auditors shall be carried out in accordance with the Regulations.

3. Responsibility and authority

3.1 Management unit: Responsible for amendment of the Regulations

3.2 Management unit head: Has the authority to approve the appointment/dismissal of the general financial/accounting personnel pursuant to the "Hierarchical Responsibility Management Regulations"(CMP-101).

3.3 Chairman: The appointment/dismissal of the auditors shall be reported by the principal audit officer to the Chairman for approval.

3.4 Board of directors: Responsible for the appointment/dismissal of the chief accountant and principal audit officer.

4. Procedure

None

5. Contents

5.1 Appointment qualifications: Pursuant to the "Employee Election and Appointment Management Regulations"(CMP-102).

5.1.1 Financial/accounting personnel: Must have graduated from business or management departments or have experience in financial accounting.

5.1.2 Principal financial/accounting officer: Must possess one of the following qualifications:

5.1.2.1 Having gained the qualification to practice as a certified public accountant.

5.1.2.2 Having a minimum total of five years of experience as a chief accountant or principal accounting officer in a public company or a financial institution in the areas of securities, futures, banking or insurance.

5.1.2.3 Having a minimum total of three years of experience in accounting or internal auditing in a public company or a financial institution in the areas of securities, futures, banking or insurance or a minimum total of three years' experience in accounting or auditing-related duties in a public service agency or state-owned enterprise and meeting one of the following requirements:

A. Having graduated from the accounting department, section or graduate program of a domestic or foreign junior college or higher-

B. Evel educational institution recognized by the Ministry of Education, or holding an equivalent certificate in the same area from a junior college or higher-level educational institution.

C. Having completed a minimum total of 20 credit hours of accounting and/or auditing courses at a domestic or foreign junior college or higher-level educational institution recognized by the Ministry of Education.

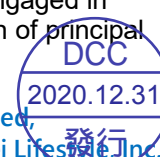
D. Having passed the accounting or auditing test in the junior-grade or higher-level civil service examinations or their equivalents.





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- 5.1.2.4 Having completed a minimum total of 20 credit hours of accounting and/or auditing courses at a domestic or foreign junior college or higher- level educational institution recognized by the Ministry of Education, while also having a minimum total of three years' experience in auditing at a joint accounting firm conforming with the Regulations Governing Approval of Certified Public Accountants to Audit and Attest to the Financial Reports of Public Companies.
- 5.1.3 The principal audit officer and auditors must possess one of the following qualifications:
- 5.1.3.1 Having a minimum total of two years of experience as an auditor in a public company or a securities- or futures-related firm.
- 5.1.3.2 Having a minimum total of two years' experience in auditing in a joint or an incorporated CPA firm conforming with Article 2 of the Regulations Governing Approval of Certified Public Accountants to Audit and Attest to the Financial Reports of Public Companies (hereinafter referred to as the Auditing and Attestation Regulations).
- 5.1.3.3 Having a minimum total of three years of experience as a sales representative in a public company.
- 5.1.3.4 Having a minimum total of three years of experience as a computer programmer or system analyst.
- 5.1.3.5 Holding a CPA exam qualification certificate, a CIA certificate issued by the Institute of Internal Auditors or a CISA certificate issued by the ISACA.
- 5.1.4 A person who meets any of the following conditions shall not serve as a principal accounting officer/accounting personnel or a principal audit officer/auditor:
- 5.1.4.1 Having received a final and unappealable sentence for violating the Organized Crime Prevention Act and 5 years have not yet passed since completion of the sentence.
- 5.1.4.2 Having received a final and unappealable sentence for a fixed term of imprisonment of 1 year or more for violating the Act, "Banking Act", "Financial Holding Company Act", "Trust Enterprise Act", "Act Governing Bills Finance Business", "Financial Asset Securitization Act", "Clauses of the Real Estate Securitization Act", "Insurance Act", "Futures Trading Act", "Securities Investment Trust and Consulting Act", "Foreign Exchange Regulation Act", "Credit Cooperatives Act Of The Republic Of China", "Agricultural Finance Act", "Farmers Association Act", "Fishermen Association Act", "Money Laundering Control Act", "Certified Public Accountant Act", "Business Entity Accounting Act" or any other financial regulatory act, provided that this restriction shall not apply when more than 3 years have passed since the term was completed, the term of probation expired, or pardon was granted.
- 5.1.4.3 Having received a final and unappealable sentence of a fixed term of imprisonment of 1 year or more for committing the crime of fraud, breach of trust, embezzlement, or forgery of instruments or seals or having been convicted of having committed embezzlement during his/her years of service as a government employee, provided that this restriction shall not apply when more than 3 years have passed since the term was completed, the term of probation expired, or pardon was granted.
- 5.1.4.4 The term during which a financial institution has refused to honor the person's negotiable instruments has not yet expired, or the person has a record of overdue loans, collection demands, or bad debt at a credit information processing agency designated by the competent authority.
- 5.1.4.5 Having been declared bankrupt and having not been reinstated.
- 5.1.4.6 Having been suspended or barred from practice or been dismissed from a position by the competent authority, and the term of the suspension has not expired or less than 3 years have passed since being barred from practice or dismissed.
- 5.1.4.7 Having no or being limited in capacity to make juridical acts.
- 5.1.4.8 Any other circumstance sufficient for a determination that the person has engaged in dishonest or improper activities, indicating his/her unfitness for the position of principal





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accounting officer.

5.2 Appointment, performance evaluation and wages:

- 5.2.1 The appointment and performance evaluation of the financial/accounting personnel and auditors shall be performed pursuant to the “Employee Election and Appointment Management Regulations”(CMP-102), “Hierarchical Responsibility Management Regulations”(CMP-101) and “Performance Evaluation and Promotion Management Regulations”(CMP-111).
- 5.2.2 The appointment, performance evaluation and wages of the auditors shall be reported by the principal audit officer to the Chairman for approval.
- 5.2.3 The appointment of the chief accountant and principal audit officer shall be approved by the board of directors.

5.3 Resignation or dismissal:

- 5.3.1 The resignation or dismissal of the financial/accounting personnel shall be subject to the “Employee Resignation Management Regulations”(CMP-106).
- 5.3.2 The resignation or dismissal of the auditors shall be reported to the Chairman for approval.
- 5.3.3 In addition to being subject to the “Employee Resignation Management Regulations”(CMP-106), the resignation or dismissal of the chief accountant and principal audit officer shall be approved by the board of directors.

5.4 Handover

- 5.4.1 The handover procedure shall be carried out when there is any change to the duties of the financial/accounting personnel, principal audit officer and auditors or when they are removed from their duties. The head of the department shall supervise the handover procedure performed by the accounting personnel.
- 5.4.2 If the successor has any questions about the accounts handed over by the previous financial/accounting personnel, the predecessor shall give detailed explanations for the questions.
- 5.4.3 The predecessor shall still be responsible for the financial statements and account books prepared prior to the handover.
- 5.4.4 The chief accountant shall conduct the handover procedure according to the following regulations:
 - 5.4.4.1 The “Work Handover List”(CMP-108.03) shall be prepared for handover.
 - 5.4.4.2 On the date of handover, the “Main Account Balance Table” (for accounting) and “Detailed Account Table” (for accounting) shall be prepared according to the “ERP Computer System Operating Rules”(QWI-ADM003) and included in the “Work Handover List”(CMP-108.03), and then handed over to the successor. The predecessor and successor shall affix their seals and signatures to these documents.
 - 5.4.4.3 Catalogs shall be prepared for the certificates, account books, statements and files to be handed over and included in the handover checklist. The predecessor and successor shall place their seals on the last line of each catalog for verification.
- 5.4.5 The general financial/accounting personnel shall conduct the handover procedure according to the following regulations:
 - 5.4.5.1 A checklist shall be prepared for the certificates, account books, financial statements and files that the predecessor were in charge of and that are to be handed over for the confirmation of the predecessor and successor.
 - 5.4.5.2 All the accounting-related information and unfinished cases shall be handed over to the successor.
- 5.4.6 The chief accountant shall completely carry out the handover procedure within 10 days after his/her successor takes over; the general financial/accounting personnel shall complete the



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handover procedure within 7 days after the successor assumes his/her post.

5.4.7 Where the financial/accounting personnel is not able to perform the handover procedure for whatever reasons, his/her substitute may conduct the procedure on behalf thereof. However, the personnel shall be held liable for any responsibility resulting therefrom.

5.4.8 In case of a dispute about the matters handed over, the personnel supervising the handover procedure shall mediate the dispute. Where the dispute cannot be settled by the supervising personnel, it shall be reported to his/her superior for mediation.

5.4.9 After the chief accountant fully completes the handover procedure, he/she shall make a report to his/her superior.

5.5 Substitution: Pursuant to the "Substitute Management Regulations"(CMP-109). A substitute shall implement relevant procedures in compliance with the "accounting system"(CM-003) after the handover.

5.6 Punishment: If the financial/accounting personnel's handover is not complete, resulting in any loss incurred by the Company, he/she shall take the responsibility for the loss and the personnel concerned in the incomplete handover shall be jointly and severally liable therefor.

6.Relevant regulations

6.1 Hierarchical Responsibility Management Regulations(CMP-101)

6.2 Employee Election and Appointment Management Regulations(CMP-102)

6.3 Employee Resignation Management Regulations(CMP-106)

6.4 ERP Computer System Operating Rules(QWI-ADM003)

6.5 Substitute Management Regulations(CMP-109)

6.6 Accounting system(CM-003)

6.7 Performance Evaluation and Promotion Management Regulations(CMP-111)

7.Forms to be used

7.1 Work Handover List(CMP-108.03)

7.2 Main Account Balance Table(for accounting)

7.3 Detailed Account Table(for accounting)

