

Ministry of Finance Directions for Appointment of Responsible Persons and Managers to State-owned and State-Controlled Enterprises

I. General Provisions

1. The Ministry of Finance (hereinafter referred to as the MOF) specifically enacts these guidelines to improve the appointment administration and performance evaluation of personnel appointed by the MOF to serve as responsible persons, managers, directors, and supervisors in State-owned and state-controlled enterprises.

2. These guidelines shall apply to the following state-owned and state-controlled enterprises unless the MOF approves exceptional measures under particular circumstances:
 - (1) State-owned enterprises with shares held by or investments from the MOF
 - (2) State-controlled enterprises with shares held by the MOF
 - (3) State-owned enterprises with investments from the enterprises described in Subparagraph 1 and state-controlled enterprises with investments from the enterprises described in the two preceding paragraphs if the shareholding is over 20% and the total investment exceeds NT\$100 million
 - (4) State-controlled enterprises with investments from the enterprises described in Subparagraphs 1 and 2 of Point 2 if the shareholding does not exceed 20% or the total investment is less than NT\$100 million, but the chairperson or general manager of the state-controlled enterprise in question is appointed as a result of the recommendation of the MOF

3. Terminology:
 - (1) Responsible person: an individual representing the equity of the MOF in an enterprise with investments from the MOF or a company with investments from such an enterprise and holding the highest position with the authority to make management policy decisions and the status of representing the enterprise externally; the job title can be chairperson, chair of board of directors, or a title of equivalent status

- (2) Manager: a chief executive responsible for implementing the decisions of the shareholders' assembly or board of directors of the enterprise; the job title can be general manager, chief executive officer, vice general manager, auditor general, senior manager, or a title of equivalent status
- (3) Director/supervisor: an individual representing the equity of the MOF as a director or supervisor or holding a position of equivalent status
- (4) Government shares labor director: an individual appointed by the labor union of an enterprise with shares held by the MOF and state-owned enterprises totaling more than 20%
- (5) Personnel with the duty of direct supervision: Civil servants with the duty and authority to supervise an enterprise by reviewing cases and documents

II. Appointment, Reassignment and Remuneration

4. Appointment of directors, supervisors and general managers to represent the equity of the MOF in enterprises described in Subparagraphs 1 and 2 of Point 2 and recommended appointment of directors, supervisors and general managers to enterprises described in Subparagraphs 3 and 4 of Point 2 shall comply with the following regulations:

- (1) Meeting one of the following qualifications:
 - A. Having held a first level executive or higher position in a state-owned or state-controlled enterprise for at least five years
 - B. Having held a grade-10 senior position or a position of the equivalent level in a government agency with duties associated with the enterprise to be appointed to for at least three years
 - C. Currently serving or having served as the chief or vice chief of a government agency the work of which is related to the enterprise in question or the director or deputy director of a state-owned or state-controlled enterprise with operations similar to those of the enterprise in question, or having specialized knowledge and at least five years of work experience associated with the operations of the enterprise in question

- D. Having published specialized publications or completed specialized research related to the operations of the enterprise in question
 - E. Having been a professor or associate professor in educational institutions in or outside the country for at least three years
 - F. Having been an accountant or lawyer or served in a specialized technical profession for at least five years
- (2) In addition to meeting one of the qualifications specified in Subparagraph 1, candidates for supervisor positions shall also have experience in or capacity for account auditing and financial analysis.
- (3) The qualifications of candidates recommended to be appointed to serve as directors, supervisors and general managers in state-owned and state-controlled enterprises specified in Subparagraphs 3 and 4 of Point 2 shall be evaluated according to Subparagraphs 1 and 2 of Point 2 and related regulations.
- (4) Government shares labor directors shall meet one of the following qualifications:
- A. Meeting one of the qualifications specified in Subparagraph 1
 - B. Having been a section chief or assistant manager in the headquarters of an enterprise or held a position of equivalent status
 - C. Having served in an enterprise for at least five years
- (5) Restrictions on candidates for the positions of director, supervisor, responsible person and general manager:
- A. Personnel to be assigned as responsible persons, general managers, directors or supervisors to enterprises described in Point 2 may not be older than 65 years of age at the time of appointment and shall be replaced when reaching 68 years of age whether the term has expired or not.
 - B. Responsible persons and general managers appointed to enterprises described in Point 2 by the Executive Yuan or the MOF shall require the permission of the Executive Yuan or the MOF for service extension each year after reaching 65 years of age. After turning 68 years of age, they shall be replaced unless further service is approved by the Executive Yuan or the MOF under special circumstances.

- C. Civil servants with the duty and authority to supervise enterprises directly may not concurrently serve as directors or supervisors in such enterprises. However, besides the minister and deputy minister of the MOF, if civil servants to be assigned to hold concurrent positions vow to abide by regulations against conflicts of duty and transfer of benefits and the minister of the MOF has signed the Checklist for Government Agency Appointment of Civil Servants to Serve as Directors or Supervisors in Enterprises under Their Direct Supervision, they may be appointed to take such positions. If civil servants holding current positions break the law or fail to fulfill their duties, they shall be held liable.
- D. In addition to statutorily permitted concurrent positions specified in regulations or charters, a civil servant may not hold more than two concurrent positions as directors or supervisors in state-owned or state-controlled enterprises, foundations, or associations, or hold other important positions with actual executive authority, such as deputy chief executive officer, deputy secretary general or higher.
- E. A responsible person or general manager of an enterprise described in Point 2 may not concurrently serve as the responsible person, general manager, director or supervisor in another enterprise except under the following circumstances:
- a. Representing the original enterprise to be the responsible person, the general manager, a director or supervisor in an enterprise in which the original enterprise has invested and the representation is approved by the MOF
 - b. Currently holding a position in a foundation or a non-profit organization
 - c. The MOF has given approval under the special circumstances.
- F. A director or supervisor serving as the responsible person, general manager or chief executive officer may not take the position of responsible person, general manager or chief executive officer of the surviving company within three years after a financial or insurance business merger unless government shares remain the dominant shares in the surviving company.
- G. Directors or supervisors with concerns about avoidance of conflicts of interest with respect to other enterprises may not concurrently serve as directors or supervisors of such other enterprises.

H. Confidential and full-time employees of government agencies and schools may not concurrently serve as directors or supervisors in enterprises.

5. The appointment and recommended appointment of responsible persons, managers, directors, and supervisors to enterprises described in Point 2 shall be conducted according to the regulations set forth in the List of Matters to Be Reported to the MOF with Regard to Appointment of Personnel to Enterprises with Shares Held by the MOF (see Appendix 1).
6. The labor union of each enterprise shall elect its labor directors to represent government shares in accordance with the regulations established by the union and present the results in writing for the enterprise to submit to the MOF for appointment.
7. Under one of the following circumstances, directors and supervisors representing the equity of the MOF in enterprises described in Subparagraphs 1 and 2 of Point 2 may be replaced:
 - (1) One of the restrictions described in Subparagraph 5 of Point 4 exists.
 - (2) They break the law or neglect their duties when serving as directors or supervisors.
 - (3) Their failure to follow related regulations when executing duties jeopardizes the interests of the MOF or the enterprises defined in Point 2.
 - (4) Job changes occur and they are unable to continue to hold concurrent positions.
 - (5) They cannot or are unsuitable to carry out duties for some reason.
 - (6) Other situations occur and make them unfit for the positions.

The MOF may make adjustments to the duties of a director or supervisor at any time due to needs in business promotion and government shares management.

The MOF may reappoint directors or supervisors to enterprises described in Subparagraphs 3 and 4 when any of the situations described in Paragraph 1 occurs; the MOF may suggest the original enterprise dismiss the appointed directors or supervisors when the situations listed in the two preceding paragraphs occur.

8. Disbursement of part-time pay for directors and supervisors appointed or recommended by the MOF shall be conducted according to the following regulations:
- (1) According to the Standards for Disbursement of Part-time Pay for Military Personnel, Civil Servants and Teachers, the pay for each part-time position shall be NT\$8,500 per month at the maximum (the pay for each part-time managing director or resident supervisor shall be NT\$12,750 per month at the maximum). Each individual may be paid for two part-time jobs at the most and the total amount may not exceed NT\$17,000. Any excessive amount shall be turned in to the treasury or appropriated to be part of the earnings of the enterprises such personnel are assigned to. However, the number of fees and amount of part-time pay for teachers of public universities, researchers at Academia Sinica, and other personnel approved by the Executive Yuan shall not be subject to the aforesaid regulation and the limitations specified in letters from the Executive Yuan.
 - (2) The regulation regarding civil servants set forth in the preceding subparagraph shall apply to retired civil servants *mutatis mutandis*.
 - (3) The part-time pay shall be NT\$30,000 for a private citizen serving as a managing director or resident supervisor and NT\$20,000 for a private citizen serving as a director or supervisor. The pay for an additional part-time position shall be NT\$5,000. The excess amount shall be turned in to the treasury or appropriated to be part of the earnings of the enterprise such an individual is assigned to.
 - (4) As specified in the Standards for Disbursement of Part-time Pay for Military Personnel, Civil Servants and Teachers, a labor director representing government shares in enterprises described in Subparagraph 1 of Point 2 shall have no part-time pay. A labor director representing government shares in enterprises described in Subparagraph 2 of Point 2 may be paid for the part-time position, but the entire amount shall be turned in to the treasury.
 - (5) A director or supervisor serving as the responsible person or manager of an enterprise shall not be paid for the part-time position by the enterprise.

9. Payment of employee remuneration for MOF staff members appointed or recommended to be directors or supervisors shall be conducted according to the following regulations:

- (1) Directors and supervisors, including those serving as responsible persons and managers or holding other positions are forbidden to collect employee salaries from the enterprise, but not labor directors representing government shares and working as employees.
- (2) If it is specified in the company charter that directors and supervisors are eligible to collect employee salaries, the salaries shall be turned in to the treasury or appropriated to be part of the earnings of the enterprise.

If the positions of directors and supervisors described in Subparagraph 3 of Point 2 are held by managers who have served in the enterprise for five consecutive years or longer and they are entitled to collect salaries as employees, they may be excluded from the restriction specified in Sub Paragraph 1.

10. The salaries, bonuses, and cash benefits of full-time directors and supervisors appointed or recommended by the MOF shall be paid according to the regulations of each enterprise. If the total non-fixed income (such as performance bonuses and other bonuses) exceeds the total amount of fixed income (including the basic salary and executive allowance), the excessive amount shall be turned in to the treasury or appropriated to be part of the earnings of the enterprise they are assigned to, but not labor directors representing government shares.

Non-fixed incomes that are not paid until the following year shall be regarded as incomes received during the year in which the causes for such incomes take place.

Whether the directors or supervisors appointed or recommended by the MOF are part-time or full-time positions, the pay to be disbursed for their service shall be turned in to the treasury or appropriated to be part of the earnings of the enterprise they are assigned to.

Payment of salaries for responsible persons and general managers appointed or recommended by the MOF to serve in state-controlled enterprises shall be conducted according to the Ministry of Finance Standards for Payment of Salaries for Chairpersons and General Managers Appointed or Recommended to State-Controlled Enterprises and Companies with Investments from Such Enterprises.

The monthly pension, preferential deposit interest rate, and remuneration for retired, discharged, and resigned military personnel, civil servants, teachers, and retirees from public financial institutions transferred or reappointed who now work as responsible persons, managers, directors, or supervisors in enterprises shall be determined according to regulations with regard to retirement of military personnel, civil servants, and teachers, and to other regulations of the Executive Yuan.

III. Responsibilities

11. The directors and supervisors appointed to enterprises with investments from the MOF and companies with investments from such enterprises represent the MOF. They have the responsibility to abide by related regulations and guidelines and to fulfill their duties to safeguard the interests of government shares by attending meetings regularly and participating in decision making.
12. Among the responsible person, general manager, managing director, directors, resident supervisor, and supervisors, the MOF shall designate one individual as the contact person. The missions of the contact person are as follows:
 - (1) Coordinating the directors and supervisors to express their opinions in board of directors meetings and board of supervisors meetings as well as convening preliminary director and supervisor meetings if necessary
 - (2) Safeguarding the interests of government shares and supervising enterprises to operate according to law
 - (3) Providing information with regard to the management condition of the enterprise (such as board of directors meeting minutes) on a regular basis and providing the

company's annual financial statement and shareholders' meeting minutes after each meeting

- (4) Keeping a close watch on the management condition of the enterprise and staying in touch with the MOF
 - (5) Filling out the Contact Person Mission Report Sheet (as shown in Appendix 2) after each board of directors, supervisors, and shareholders' meeting
 - (6) Reporting to the MOF in writing to describe the course of events, handling process and likely impact, as well as informing the board of directors immediately after any critical error with regard to risk control, law observance (including money laundering prevention), internal control or internal audit systems taking place and to raise concerns about the enterprise's rating dropping or getting penalized by competent authorities in and outside the country or any other major incident likely to have negative influence on company management and the interests of government shares
 - (7) Presenting to the MOF must write a description of the course of events, the procedure taken, and its likely impact, and inform the board of directors at the earliest time about important matters that should be reported as specified by the competent authority of the industry.
13. Contact persons shall report to the MOF for approval when directors and supervisors representing the shares of the MOF in enterprises and institutions described in Subparagraphs 1 and 2 of Point 2 handle the following important matters:
- (1) Enactment and revision of charters
 - (2) Approval or termination of contracts regarding leasing all business operations, delegation of management, or joint management with others
 - (3) Assignment or acceptance of all or the principal parts of business or property
 - (4) Critical financial changes
 - A. Financial ratio change before and after assignment achieving over 20%
 - B. Assignment of long-term equity having an effect on numbers of directors and supervisors representing government shares
 - C. Allocation of earnings

D. Capital increase or reduction

E. Losses exceeding one third of the capital or losses of a reinvested business exceeding 50% after evaluation using the equity method

- (5) Enactment and revision of regulations governing the making of guarantees (limited to institutions not making guarantees for business)
- (6) Important reinvestment cases (the amount to be invested exceeding NT\$100 million) unless the operations of the enterprise include making investments
- (7) Important personnel cases (such as appointment or dismissal of general manager, chief executive officer, vice general manager, or personnel of equivalent status)
- (8) Dissolution or merger
- (9) Other important matters having an effect on the interests of government shares

Contact persons in enterprises described in Subparagraph 1 of Point 2 shall report the above-mentioned important matters to the MOF for approval within five days after decisions are made in meetings. Contact persons in enterprises described in Subparagraph 2 of Point 2 shall obtain the opinion of each government shares representative before consultations or meetings and present related information along with the opinions to the MOF for approval ten days before decisions are made in a consultation meeting.

The approaches of negotiation before consultations or meetings include requesting each government shares representative to provide opinions in writing (format as shown in Appendix 3) and convening preliminary meetings for discussions. The written opinions and meeting minutes shall be sent to the MOF. If the government shares representatives have different opinions after negotiations, the contact person shall negotiate again and report the result and suggestions to the MOF.

Directors and supervisors appointed by the MOF shall put forth proposals with regard to the approved opinions mentioned in Paragraph 1 during consultations or meetings. Afterwards, the contact person shall report the consultation or meeting conclusions to the MOF. If the conclusions are inconsistent with the approved opinions, the contact person shall report the handling process and result to the MOF.

When proposing extempore motions during consultations or meetings, directors and supervisors appointed by the MOF are required to put forth appropriate proposals from the standpoint of protecting the interests of government shares and report the consultation or meeting conclusions to the MOF.

14. When the terms of directors and supervisors in enterprises described in subparagraphs 1 and 2 expire and reelections are held, the MOF may request contact persons to present the list of candidates for directors and supervisors to represent government shares 20 days before the reelection (or 20 days prior to nomination when candidates are to be nominated). In listed companies, before the reelection, responsible persons and general managers appointed by the MOF shall have a firm grasp of the employee equity conditions as well as their influence on the election, work out appropriate measures, and report to the MOF.

After the reelection, if the number of directors representing governments achieves more than two thirds of non-independent directors, the directors representing government shares may support a private shares director to be the managing director provided that balance between the interests of government shares and corporate governance is taken into consideration.

15. Directors and supervisors shall attend meetings in person. Those unable to attend are required to arrange due procedure and delegate other directors and supervisors to attend on their behalf. The ones serving as responsible persons, managing directors, and resident supervisors shall attend in person at least three quarters of the meetings each year while those holding the positions of directors and supervisors shall attend at least two thirds of the meetings.
16. Directors shall fulfill the responsibility of overseeing the effectiveness of the risk control, law observance, internal control, and internal audit systems and report the performance of each system to the board of directors regularly. If any of the important matters described in Subparagraphs 6 and 7 of Point 12 occurs, directors shall report

to the board of directors immediately and also request each business unit, functional committee, branch office, and subsidiary to report to the board of directors in order to assure management risks can be reduced at the earliest time.

Supervisors shall exercise the right to investigate according to related regulations set forth in the Company Act and may request the board of directors to provide reports and represent the company to appoint lawyers and accountants to review the reports. At the same time, supervisors also have the responsibility to oversee the company's audit plans and internal control system and immediately request the company to make improvements when finding imperfections. The results of investigations and reviews and imperfection improvement suggestions shall be presented to the MOF for reference.

17. To enhance the functions of the board of directors and board of supervisors, directors and supervisors shall fulfill their duties to protect the interests of government shares. When attending board of directors meetings and board of supervisors meetings, they shall actively participate in motion discussions and propose concrete suggestions with regard to management performance, risk control, law observance, internal control, and internal audit systems as well as other issues able to affect the interests of government shares. Once any suggestions are accepted, the contact person shall register them in the attendance record (see Appendix 4) in detail and the record shall be presented along with the Contact Person Mission Report Sheet to serve as a reference when the MOF evaluates the performance of directors and supervisors who represent government shares.
18. If directors and supervisors appointed or recommended are civil servants, they shall take the initiative to inform the MOF or the enterprises they are assigned to of the date of their retirement or job changes before they retire or their main jobs are changed.

IV. Performance Evaluation

19. In addition to the evaluation items for responsible persons and general managers whose performance evaluation is conducted according to the MOF's guidelines for annual performance evaluation in affiliated enterprises, the items to be evaluated for directors and supervisors representing the equity of the MOF in enterprises described in Subparagraphs 1 and 2 of Point 2 are as follows:

(1) Chairpersons and general managers:

- A. Number of board of directors meetings attended
- B. Results of management of the enterprise (management target achievement and growth, including sales, earnings per share, return on equity, return on assets, employee productivity, etc.)
- C. Results of supporting government policies and pushing the enterprise to achieve policy targets
- D. Board of directors performance and results of implementation of risk control, law observance, internal control and internal audit systems
- E. Other concrete outstanding deeds

(2) Directors:

- A. Number of board of directors meetings attended
- B. Participation in discussions of important issues in board of directors meetings and related meetings
- C. Participation in and contribution to the enterprise (proposing concrete suggestions with regard to mid- and long-term management policies, management targets, annual plan, annual budget, management performance, and risk control, law observance, internal control and internal audit systems)
- D. Other concrete outstanding deeds

(3) Supervisors:

- A. Number of board of supervisors meetings attends and number of board of directors meetings present
- B. Documents from the board of directors audited and reports and opinions presented

C. Supervision of the enterprise's business operations and financial condition, and presentation of concrete suggestions with regard to business operations, financial condition, management performance, and risk control, law observance, internal control and internal audit systems in board of directors meetings and board of supervisors meetings

D. Other concrete outstanding deeds

If the situation described in Item 4, Subparagraph 1 of the preceding paragraph occurs and the enterprise is sanctioned by the authority of the industry or certain important matters are not reported to the board of directors or the MOF according to regulations, points deduction will be conducted depending on the seriousness. More points shall be deducted if a fine of more than NT\$100 million is imposed by a competent authority in or outside the country, any money laundering regulation is violated, or the interests of government shares are severely jeopardized. The level of accountability shall be determined according to the duration of the course of events leading to the sanction and whether efforts are made to handle the incident and alleviate the damage.

20. Responsible persons, general managers, directors and supervisors appointed by the MOF shall perform self evaluations in accordance with Appendixes 5, 6, and 7 within two months after the end of a year and the contact person shall present the results to be reviewed by the MOF.

21. The results of evaluation of performance of responsible persons, general managers, directors, and supervisors shall serve as important reference in decision of whether they will be appointed again. The MOF shall issue written notifications to those failing to achieve the competency standard (more than 70 points but less than 80 points) to request them to present their statements. The ones unable to give a reasonable statement or make improvements and those proven incompetent shall be replaced.

22. Appointment, management, and evaluation of performance of responsible persons, managers, directors, and supervisors assigned to state-owned enterprises with shares held by or investments from the MOF and companies with investments from such state-owned enterprises shall be conducted according the regulations in these guidelines.

Appointment, management, and evaluation of performance of responsible persons, managers, directors, and supervisors assigned to state-controlled enterprises with shares held by the MOF and companies with investments from such enterprises shall be conducted according regulations established by each enterprise or in accordance with these guidelines.

Appendix 1

List of Matters to Be Reported to the MOF with Regard to Appointment of Personnel to Enterprises with Shares Held by the MOF

Work items		MOF Contact Person in an State-controlled Enterprise	Department of Personnel	National Treasury Administration	Notes (Legal Basis)
1. Appointment of the following personnel to state-owned enterprises with shares held by or investments from the MOF	1. Chairperson, chair of the board or other equivalent positions		1. To be presented for ratification		1. Regulations Regarding Duties of Directors and Supervisors Assumed as Concurrent Positions by Civil Servants in Private Enterprises with Government Investments or Reinvestments and Foundations and Associations with Government Donations or Funding 2. Executive Yuan Yuan-Shou-Ren-Li-Zi Letter No. 0970063199 dated Aug. 14, 2008 3. Matters Needing Attention in Presentation of Personnel Cases in All Competent Authorities Affiliated to the Executive Yuan 4. Guidelines for Appointment of Persons in Charge, Managers, Directors and Supervisors to State-owned Enterprises Affiliated to the Executive Yuan 5. Ministry of Finance Guidelines for Appointment of Persons in Charge, Managers, Directors and Supervisors to Public and Private Enterprises 6. If the Ministry of Finance has
	2. General manager, vice general manager, auditor general, senior manager or equivalent positions		2. Carbon copy to the National Treasury Administration		
	3. Appointment of directors and supervisors			1. To be presented for ratification 2. Carbon copy to the Department of Personnel	
2. Appointment of the following personnel to state-controlled enterprises and with shares held by the MOF	1. Chairperson			To be reported	
	2. General manager				
	3. Directors and supervisors				
	4. Vice general manager, auditor general or equivalent positions	To be reported to the MOF		To be reported	
3. Recommended appointment of the following personnel to be equity representatives in state-owned enterprises with reinvestments from state-owned enterprises with shares held by or investments from the MOF	1. Chairperson	To be reported to the MOF	1. To be presented for ratification		
	2. General manager, vice general manager, auditor general, senior manager or equivalent positions		2. Carbon copy to the National Treasury Administration		
	3. Recommended appointment of directors and supervisors	To be reported to the MOF		To be reported	
4. Recommended appointment of the following personnel as equity representatives to state-controlled enterprises with reinvestments from state-owned enterprises with shares held by or investments from the MOF (shares exceeding 20% and investments totaling more than NT\$100 million)	1. Chairperson	To be reported to the MOF		To be reported	
	2. General manager	To be reported to the MOF		To be reported	
	3. Reelection of all directors and supervisors	To be reported to the MOF		To be reported	
	4. Replacement of directors or supervisors	(1) Positions held concurrently by representatives of the	Reporting not needed		

		state-owned enterprise				already assigned a government shares representative to a subsidiary enterprise according to the abovementioned Items 3, 4 and 5, the Ministry or Finance government shares representative in the parent company need not present reports to the ministry.
		(2) Positions not held concurrently by representatives of the state-owned enterprise (recruited externally)	To be reported to the MOF		To be reported	
5. Recommended appointment of the following personnel as equity representatives to state-controlled enterprises with reinvestments from state-controlled enterprises with shares held by or investments from the MOF (shares exceeding 20% and investments totaling more than NT\$100 million)	1. Chairperson		To be reported to the MOF		To be reported	7. When handling appointment of MOF staff members and chiefs of agencies affiliated to the MOF to be directors and supervisors according to Items 1 to 6, the National Treasury Administration shall also CC the Department of Personnel 8. The Civil Service Ethics Department shall be CC'ed when appointment or dismissal of directors or supervisors who represent MOF equity according to Items 1 and 2 involves property declaration of public officials., 9. According to the Ministry of Finance Tai-Cai-Rong-Zi (2) Letter No. 0920051288 dated Nov. 20, 2003, when a government agency or state-owned enterprise holding shares of a private
	2. General manager		To be reported to the MOF		To be reported	
	3. Reelection of all directors and supervisors		To be reported to the MOF		To be reported	
	4.Reappointment of directors and supervisors	(1)Positions held concurrently by representatives of the state-controlled enterprise with shares held by the MOF	Reporting not needed			
(2) Positions not held concurrently by representatives of the state-controlled enterprise (recruited externally)		To be reported to the MOF		To be reported		
6. Recommended appointment of the following personnel as equity representatives to state-controlled enterprises with reinvestments from state-owned enterprises or state-controlled enterprises with shares held by or investments from Ministry of Finance (shares less than 20% and investments totaling less than NT\$100 million)	1. Chairperson		To be forwarded to the MOF		To be reported	
	2. General manager		To be forwarded to the MOF		To be reported	
	3. Reelection of all directors and supervisors		To be forwarded to the MOF		To be reported	
	4.Replace ment of directors and supervisors	(1) Positions held concurrently by representatives of the original	Reporting not needed			

		enterprise with investments from the MOF				enterprise needs to reappoint staff members of the agency or state-owned enterprise to be directors or supervisors of a subsidiary of the private enterprise, there is no need to report to the MOF in advance. Likewise, if a similar situation regarding Item 3, 4, 5 or 6 occurs, reporting shall not be necessary.
		(2) Positions not held concurrently by representatives of the original enterprise with investments from the MOF (recruited externally)	To be forwarded to the MOF		To be reported	10. In addition to the regulations set forth in this list, personnel cases involving chairpersons and general managers of reinvested enterprises with direct or indirect dominant government shareholding shall also be conducted in accordance with the instructions specified in the Ministry of Finance Tai-Cai-Ku-Zi Letter 09703521750 dated Dec. 26, 2008.

Appendix 2

Mission Report Sheet for Contact Persons for Directors and Supervisors Appointed by the MOF to State-Owned and State-Controlled Enterprises and institutions

Contact Person Mission Report Sheet	Name of institution	
	Data time	
	Contact person	
Enterprise management condition this period		
Suggestions of directors and supervisors representing government shares for review of enterprise management		

Appendix 3**Opinions of Government Shares Representatives Appointed to State-owned and State-Controlled Enterprises a by the MOF**

Name of institution	
Case	
Case description	
Opinion about this case	Description of opinion
(Check)	
<input type="checkbox"/> Agree	
<input type="checkbox"/> Disagree	

Government shares representative :

Signature _____

Date: mm _____ dd _____, yy _____

Appendix 4

Attendance Record of Directors and Supervisors Appointed to State-owned and State-Controlled Enterprises and Institutions by the MOF

Name of institution				Title of meeting				Time: mm_____ dd_____, yy_____
Name of director or supervisor	Attendance			Suggestions accepted	Execution of tasks assigned		Note	
	In person	By agent	Absent		Completed as scheduled	Not executed		
Handling unit opinion					Instruction			

Appendix 5

Annual Performance Evaluation Form for Responsible Persons, Managers, Directors and Supervisors Appointed to State-Owned and State-Controlled Enterprises by the MOF							
Service Unit		Job title		Name			
Institution appointed to		Job title		Term duration			
Period of evaluation: mm dd, yy to mm dd, yy							
Subject	Evaluation indicator	Assessment indicator				Self-evaluation	Reevaluation
		Item	Indicator	Rating	Points	Check v	Check v
Chairperson or general manager	1. Number of meetings attended (Note 1)	Meetings attended in person each year not to be less than 3/4 (Meetings actually attended _____, Meetings to be attended _____)	Meetings attended/meetings to be attended $\geq 4/5$	Excellent	12		
			Meetings attended/meetings to be attended $< 4/5$ but $\geq 3/4$	Acceptable	10		
			Meetings attended/meetings to be attended $< 3/4$	Inferior	8		
	2. Enterprise target achievement rate (Note 2)	(1) Annual sales (hundred million NTD) (Note 3) 1. Expected target value 2. Actual achievement value 3. Actual value of the previous year Achievement rate=2/1 Growth rate=(2-3)/3	Achievement rate $\geq 110\%$	Excellent	8		
			Achievement rate $\geq 85\%$ but $< 110\%$	Acceptable	7		
			Achievement rate $< 85\%$	Inferior	6		
			Growth rate $\geq 10\%$	Excellent	7		
			Growth rate $\geq 3\%$ but $< 10\%$	Acceptable	6		
			Growth rate $< 3\%$	Inferior	5		

<p>(2) Earnings per share (NTD)</p> <p>1. Expected target value 2. Actual achievement value 3. Actual value of the previous year</p> <p>Achievement rate=2/1 Growth rate=(2-3)/3</p>	Achievement rate $\geq 110\%$	Excellent	8		
	Achievement rate $\geq 85\%$ but $< 110\%$	Acceptable	7		
	Achievement rate $< 85\%$	Inferior	6		
	Growth rate $\geq 10\%$ or turning the company from loss into profit	Excellent	7		
	Growth rate $\geq 3\%$ but $< 10\%$ or reducing the margin of loss per share	Acceptable	6		
	Growth rate $< 3\%$ or the margin of loss per share growing	Inferior	5		
	<p>(3) Return on equity (%)</p> <p>1. Expected target value 2. Actual achievement value 3. Actual value of the previous year</p> <p>Achievement rate=2/1</p>	Achievement rate $\geq 110\%$	Excellent	8	
Achievement rate $\geq 85\%$ but $< 110\%$		Acceptable	7		
Achievement rate $< 85\%$		Inferior	6		
<p>(4) Return on assets (%)</p> <p>1. Expected target value 2. Actual achievement value 3. Actual value of the previous year</p> <p>Achievement rate=2/1</p>	Achievement rate $\geq 110\%$	Excellent	8		
	Achievement rate $\geq 85\%$ but $< 110\%$	Acceptable	7		
	Achievement rate $< 85\%$	Inferior	6		
<p>(5) Employee productivity (thousand NTD)</p> <p>1. Expected target value</p>	Achievement rate $\geq 110\%$	Excellent	8		

	2. Actual achievement value 3. Actual value of the previous year Achievement rate=2/1 Growth rate=(2-3)/3	Achievement rate $\geq 85\%$ but $< 110\%$	Acceptable	7		
		Achievement rate $< 85\%$	Inferior	6		
		Growth rate $\geq 10\%$	Excellent	7		
		Growth rate $\geq 3\%$ but $< 10\%$	Acceptable	6		
		Growth rate $< 3\%$	Inferior	5		
3. Supporting government policies and pushing the enterprise to achieve policy targets	(Describe how policy targets were achieved)	Completely achieving policy targets	Excellent	17		
		Partially achieving policy targets	Acceptable	15		
		Failing to achieve policy targets	Inferior	13		
4. Board of directors performance and results of implementation of the risk control, law observance, internal control and internal audit systems	Critical errors occurring in company management and receiving heavy sanctions from competent authorities (Note 4)	Causing the company to receive serious sanctions	Unacceptable	-1 to -20		
	Failing to report certain matters to the board of directors and the MOF (Note 5)	Impeding the effectiveness of company governance				
5. Other concrete outstanding deeds	(List the deeds and provide evidence to facilitate the review) (Note 6)			1 to 10		
Total score (Note 7)						
Comments	Total score: More than 80 points More than 70 points but less than 80 points Less than 70 points		<input type="checkbox"/> Competent <input type="checkbox"/> Competency to be reviewed and adjustments to be made at the right time <input type="checkbox"/> Incompetent			

Notes: This list is established according to Point 19 of the Ministry of Finance Directions for Management of Appointment of Responsible Persons, Managers, Directors and Supervisors to State-Owned and State-Controlled Enterprises.

1. If the term expires before the end of a year, the number of meetings attended is calculated according to the actual service period; actual attendance means attendance in person, delegated attendance not included.
2. Enterprise target achievement rates do not apply to the overall economy or in conditions after occurrence of force majeure. If there are unusual situations, describe them and give yourself ratings and points.
3. Expected target value refers to the company's budget level not financial forecasts.
4. Those sanctioned by the competent authority of the industry or failing to report certain matters to the board of directors or the MOF according to regulations shall be subject to points deductions depending on the seriousness. In cases where the fine imposed by the competent authority in or outside the country exceeds NT\$100 million, violations of money laundering prevention regulations are involved, or the interests of government shares are seriously jeopardized, heavier points deductions shall be imposed.
5. Failing to report to the MOF or the board of directors according to Points 12, 13 and 16
6. Rate your own other concrete outstanding deeds and fill in the points.
7. The full score is 100 points. Those scoring 80 points are considered competent, more than 70 points but less than 80 points are to undergo competency review and make adjustments at the right time, and less than 70 points are incompetent.

Government shares
representative:

Reviewed by:

Unit chief:

Agency chief

Appendix 6

Annual Performance Evaluation Form for Responsible Persons, Managers, Directors and Supervisors Appointed to State-Owned and State-Controlled Enterprises by the MOF							
Service unit		Job title		Name			
Institution appointed to		Job title		Term duration			
Period of evaluation: mm dd , yy to mm dd , yy							
Subject	Evaluation indicator	Assessment indicator				Self-evaluation	Reevaluation
		Item	Indicator	Rating	Points	Check v	Check v
Director	1. Number of meetings attended (Note 1)	Managing directors: Meetings attended in person each year not to be less than $\frac{3}{4}$	Meetings attended/meetings to be attended $\geq 4/5$	Excellent	40		
		(Meetings actually attended _____, Meetings to be attended _____)	Meetings attended/meetings to be attended $< 4/5$ but $\geq 3/4$	Acceptable	30		
			Meetings attended/meetings to be attended $< 3/4$	Inferior	25		
		Directors: Meetings attended in person each year not to be less than $2/3$	Meetings attended/meetings to be attended $\geq 3/4$	Excellent	40		
		(Meetings actually attended _____, Meetings to be attended _____)	Meetings attended/meetings to be attended $< 3/4$ but $\geq 2/3$	Acceptable	30		
			Meetings attended/meetings to be attended $< 2/3$	Inferior	25		
	2. Participating in and reporting important issues (Note 2)	When there is a contact person, the contact person shall report directors' participation in discussions of important issues during board of directors meetings or related meetings or present the opinion sheet. When there is no contact person, directors shall present the report.	All carried out according to regulations	Excellent	25		
			Partially carried out according to regulations	Acceptable	20		
			Failing to carry out according to regulations	Inferior	10		
	3. Participation in and contribution to the enterprise	Proposing concrete advice or improvement suggestions with the advice and suggestion getting recorded in meeting minutes	Number of speeches $\geq 80\%$	Excellent	25		
Number of speeches $\geq 50\%$ but $< 80\%$			Acceptable	20			

	(including mid- and long-term management policies, management targets, annual plans, annual budgets, management performance, risk control, law observance, internal control, internal audit, etc.) Number of speeches=number of meetings with speeches recorded in meeting minutes/actual number meetings attended	Number of speeches < 50%	Inferior	10		
4. Concrete outstanding deeds (Note 3)	Whether most specific policy-related missions assigned by the appointing agency are completed	(List the deeds and provide evidence to facilitate the review)		1 to 5		
	Other concrete outstanding deeds			1 to 5		
Score (Note 4)						
Comments	Total score: More than 80 points More than 70 points but less than 80 points Less than 70 points		<input type="checkbox"/> Competent <input type="checkbox"/> Competency to be reviewed and adjustments to be made at the right time <input type="checkbox"/> Incompetent			

Notes: This list is established according to Point 19 of the Ministry of Finance Directions for Management of Appointment of Responsible Persons, Managers, Directors and Supervisors to State-Owned and State-Controlled Enterprises

1. If the term expires before the end of a year, the number of meetings attended is calculated according to the actual service period; actual attendance means attendance in person, delegated attendance not included.
2. The term important issues refers to matters specified in Points 12 and 13 of the abovementioned guidelines.
3. Rate your own concrete outstanding deeds and fill in the points.
4. The full score is 100 points. Those scoring 80 points are considered competent, more than 70 points but less than 80 points are to undergo competency review and make adjustments at the right, and less than 70 points are incompetent.

Government shares
representative:

Reviewed by:

Unit chief:

Agency chief

Appendix 7

Annual Performance Evaluation Form for Responsible Persons, Managers, Directors and Supervisors Appointed to State-Owned and State-Controlled Enterprises by the MOF								
Service unit		Job title		Name				
Institution appointed to		Job title		Term duration				
Evaluation period: Period of evaluation: mm dd, yy to mm dd, yy								
Subject	Evaluation indicator	Assessment indicator				Self-evaluation	Reevaluation	
		Item	Indicator	Rating	Points	Check v	Check v	
Supervisor	1. Number of board of supervisors meetings attended and number of board of directors meetings present (Note 1)	Resident supervisors: Meetings attended in person each year not to be less than 3/4 1. Number of supervisor meetings actually attended 2. Number of board of directors meetings actually present 3. Meetings attended and present (1+2) 4. Number of board of supervisor meetings convened 5. Number of board of directors meetings convened 6. Number of meetings convened (4+5) Meetings attended/meetings convened=3/6	Meetings attended/meetings to be attended $\geq 4/5$	Excellent	40			
			Meetings attended/meetings to be attended $< 4/5$ but $\geq 3/4$	Acceptable	30			
			Meetings attended/meetings to be attended $3/4$	Inferior	25			
		Supervisors: Meetings present in person not to be less than 2/3 1. Number of board of supervisors meetings attended 2. Number of board of directors meetings present 3. Number of meetings attended/present (1+2) 4. Number of board of supervisor meetings convened 5. Number of board of directors meetings convened 6. Number of meetings convened (4+5) Meetings attended/convened=3/6	Meetings attended/meetings convened $\geq 3/4$	Excellent	40			
			Meetings attended/meetings convened $< 3/4$ but $\geq 2/3$	Acceptable	30			
			Meetings attended/meetings convened $< 2/3$	Inferior	25			
		2. Auditing of board of directors documents	Auditing documents provided by the board of directors and providing reports and opinions	Making active efforts to conduct different audits and providing reports	Excellent	25		

		(Those ticking off “Making active efforts to conduct different audits and providing reports” are required to present evidence to facilitate the review)	Conducting audits at the right time and providing reports	Acceptable	20		
			Failing to conduct audits and provide reports	Inferior	10		
3. Inspections of enterprise operations	Keeping a close watch on the operations and financial condition of the enterprise and proposing concrete opinions with regard to enterprise operations, financial condition and management performance as well as the risk control, law observance, internal control and internal audit systems with the proposals recorded in meeting minutes Number speeches = number of meetings with speeches recorded in meeting minutes/number of meetings attended in person		Number of speeches $\geq 60\%$	Excellent	25		
			Number of speeches $\geq 40\%$ but $< 60\%$	Acceptable	20		
			Number of speeches $< 40\%$	Inferior	10		
4. Other concrete outstanding deeds	(List the deeds and provide evidence to facilitate the review)				1 to 10		
Total score (Note 3)							
Comments	Total score: More than 80 points More than 70 points but less than 80 points Less than 70 points		<input type="checkbox"/> Competent <input type="checkbox"/> Competency to be reviewed and adjustments to be made at the right time <input type="checkbox"/> Incompetent				

Notes: This list is established according to Point 19 of the Ministry of Finance Directions for Management of Appointment of Responsible Persons, Managers, Directors and Supervisors to State-Owned and State-Controlled Enterprises.

1. If the term expires before the end of a year, the number of meetings attended is calculated according to the actual service period; actual attendance means attendance in person, delegated attendance not included.
2. Rate your own other concrete outstanding deeds and fill in the points.
3. The full score is 100 points. Those scoring 80 points are considered competent, more than 70 points but less than 80 points are to undergo competency review and make adjustments at the right time, and less than 70 points are incompetent.

Government shares
representative:

Reviewed by:

Unit chief:

Agency chief