Contributions Articles of Taiwan Accreditation Foundation

(The 10th amendment)

Chapter 1: General Provision

Article 1: This Foundation is named as "Taiwan Accreditation Foundation" (hereinafter referred to as the "TAF"). Its establishment and management methods shall be regulated by the Civil Code and other relevant laws.

Article 2: The TAF is incorporated for the purpose to provide fair, objective, independent, and international specifications compliant third-party accreditation services to meet social and economic development demands.

Article 3: Scope of operations of the TAF is as follows:

1. Accreditation of management system certification bodies;
2. Accreditation of product certification bodies;
3. Accreditation of personnel certification bodies;
4. Accreditation of validation & verification bodies;
5. Accreditation of inspection bodies;
6. Accreditation of laboratories;
7. Accreditation of reference material producers;
8. Accreditation of proficiency testing providers;
9. R&D of prospective accreditation competence;
10. GLP National Compliance Monitoring Program;
11. International affairs;
12. Talent incubation, training and promotion; and
13. Other accreditation related operations.

Article 4: The TAF is established at 23F., No.27, Sec. 2, Jhong-jheng

E. Rd., Danshuei District., New Taipei City 251-70, Taiwan and may set up and maintain offices, branches or liaisons at home and overseas as may be required by the operation.

Chapter 2: Organization & Administration

Article 5: The TAF shall have the board of directors, which shall be composed of nine (9) to fifteen (15) directors and shall be an odd-number of directors; one of them shall serve as the President. The President shall be elected from among directors; the same rule shall apply to the removal of the President. The ratio of either gender of directors may not be lower than one-third.

Article 6: Directors shall be served by the following persons:

1. Three (3) to five (5) representatives of Contributors;
2. Three (3) to five (5) representatives of government agencies; and
3. Three (3) to five (5) scholars/experts.

The above said persons shall include the compliance assessment experts, compliance assessment bodies, and representatives of manufacturers or suppliers, users, government and non-government agencies; among them, the representatives of government agencies and scholars/experts shall be selected and recommended by the Ministry of Economic Affairs, and the representatives of Contributors shall be nominated, selected and appointed by the bord of directors of the previous term.

If a director is unable to serve as the director due to change of office or for a cause before expiration of his/her term of office, the TAF may request the original appointing entity to appoint another succeeding representative. Such succession shall become effective upon the arrival of the notice of selection, designation, agreement or reappointment to the TAF according to the contents of the notice. The succeeding director shall serve the remaining

term until the expiration of the term of directors of such term.

Article 7: The President shall represent the TAF externally and shall manage all affairs of the board of directors.

Article 8: Functional authorities of the board of directors are as follows:

1. Preparation and promotion of work plan;
2. Review of annual budget and final accounts;
3. Proposal of disposal of or creation of encumbrance on real estate;
4. Appointment and removal of key personnel;
5. Appointment and removal of directors;
6. Proposal of merger or consolidation;
7. Proposal of amendment to the Contributions Articles;
8. Supervision on the impartiality of accreditation business; and
9. Decision and handling of other important matters.

On issues involving his/her own interest, a director may not participate in votes, and may not exercise the right to consent on behalf of another director.

Article 9: The board of directors shall convene a meeting at least once a half year. The standing supervisor shall attend such meeting in a non-voting capacity. The President shall convene and preside over all meetings of the board of directors. If the President is unable to attend a meeting, the President shall designate one director to act as his/her agent. In case of failure in designating such agent, one director shall be elected from among themselves to act as the chairperson of the meeting.

The ordinary resolution of the board of directors shall be adopted with consents of a majority of attending directors at a meeting attended by a majority of all directors.

However, the following matters of the special resolution shall be resolved with consents of a majority of attending

directors at a meeting attended by two-thirds or more of all directors, and shall be reported to the competent authority for approval and applied to the court of necessary disposition before execution thereof.

1. Proposal of amendments to the Contributions Articles;
2. Use of funds;
3. Disposal of or creation of incumbrance on real estate.
4. The appointment and removal of directors.

Article 10: Directors shall serve the term of four (4) years and are eligible for reelection; however, the number of directors who are reelected upon expiration of each term may not exceed two-thirds of all total number of the reappointed (reelected) directors. The directors served concurrently by public servants whose office changes following the change of their official posts under the preceding paragraph shall not be counted in the number of reappointed (reelected) directors.

Article 11: The TAF shall have one (1) Chief Executive Officer, who shall serve the term of four (4) years and is eligible for reelection. The Chief Executive Officer shall be nominated by the President and then appointed with consent of the board of directors. The same rule shall apply to the removal of appointment. The Chief Executive Officer shall manage all affairs according to the resolution of the board of directors and under supervision of the President.

Article 12: The TAF may establish various committees and may retain advisers if business so requires.

Article 13: The TAF shall establish personnel, accounting, internal control and audit systems, which shall be submitted to the board of directors for adoption and shall then be reported to the competent authority for approval.

Article 14: (Deleted)

Article 15: The TAF may formulate various regulations in addition to those under the preceding paragraph depending on actual needs. Such regulations shall become operative upon

approval of the President.

Article 16: The TAF has three (3) supervisors, one (1) of whom is the standing supervisor. Supervisors shall serve a term of four (4) years, and are eligible for reelection upon expiration of the term.

Article 17: Supervisors shall be served by the following persons:

1. One representative of the Contributors;
2. One representative of the government agency; and
3. One scholar/expert.

The standing supervisor shall be elected from among supervisors. The ratio of either gender of supervisors may not be lower than one-third.

The representative of the government agency and the scholar/expert under the preceding paragraph shall be elected and recommended by the Ministry of Economic Affairs; the representative of the Contributors shall be nominated, elected and appointed by the board of supervisors of the previous term.

If a supervisor is unable to serve as the supervisor due to change of office or for a cause before expiration of his/her term of office, the TAF may request the original appointing entity to appoint another succeeding representative. Such succession shall become effective upon the arrival of the notice of selection, designation, agreement or reappointment to the TAF according to the contents of the notice. The succeeding supervisor shall serve the remaining term until the expiration of the term of supervisors of such term.

Article 18: Functional authorities of supervisors are as follows:

1. Supervision on business operation and financial status;
2. Audit of financial accounts, books, documents and assets information; and
3. Review of significant resolutions of the board of

directors.

When supervisors conduct the affairs under the preceding paragraph, the standing supervisor may, with consents of all supervisors, represent the TAF to retain attorneys and CPAs for the review thereof.

Chapter 3: Assets

Article 19: The assets of the Foundation are in the form of cash amounting New Taiwan Dollars Thirty Five Million and Eight Hundred Thousand (NT$35,800,000.00) respectively contributed by the following entities:

1. NT$12,300,000 by Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs (MOEA);
2. NT$2,000,000 by Taiwan Power Company;
3. NT$2,000,000 by CPC Corporation, Taiwan;
4. NT$2,000,000 by Industrial Technology Research Institute;
5. NT$2,000,000 by Taiwan Testing and Certification Center;
6. NT$2,000,000 by Automotive Research & Testing Center;
7. NT$2,000,000 by Taiwan Electrical and Electronic Manufacturers Association;
8. NT$2,000,000 by SGS Taiwan;
9. NT$2,000,000 by China Steel Corp.;
10. NT$1,500,000 by Taiwan Semiconductor Manufacturing Co., Ltd.;
11. NT$1,200,000 by Nan Ya Plastics Corporation;
12. NT$1,000,000 by Tung Ho Steel Enterprise Corp.;
13. NT$1,000,000 by Berlin Co., Ltd.;
14. NT$1,000,000 by Uni-President Enterprises Corp.;
15. NT$500,000 by I Pao Electronic(IPE) Co., Ltd.;
16. NT$500,000 by Asia Technical Services;
17. NT$500,000 by Hung Ta Instrument Co., Ltd; and
18. NT$300,000 by Feng Hsin Iron & Steel Co., Ltd.;

All the assets at the amount of NT$35,800,000 are listed as the establishment funds.

Article 20: Sources of funds of the TAF are as follows:

1. Incomes of research projects and services provided as contracted;
2. Subsides from or projects contracted by government agencies;
3. Donations from public/private organizations or individuals at home and overseas;
4. Interests incurred from the funds; and
5. Any other incomes from practicing of business of the TAF.

Article 21: Any assets contributed and registered shall not be found of any shortage in the course of the business operation. If any assets are depreciated, allowance for depreciation shall be provided annually. If any assets have an increase in value, the increased value shall be deemed as the registered assets.

Article 22: Without approval of the competent authority, the registered assets may not be disposed of.

Article 23: The TAF is prevented from making any investment in any profitable business unless such investment is required to maintain the survival of the TAF or to develop the public interest business of the TAF and provided with the approval from the competent authority.

Article 24: The preparation and review of annual budget and final accounts of the TAF shall be conducted in accordance with the following procedures:

1. Before the beginning of a year, the work plan shall be formulated and the budget shall be prepared in accordance with the contents, formats and time limits as prescribed by the competent authority, and submitted to the board of directors for adoption, and then submitted to the competent authority for recordation.
2. After the end of a year, the work results and final

accounts shall be submitted to the board of directors for adoption, and then submitted to all supervisors for conducting audit separately, and then submitted together with the audit report for the previous year prepared by the supervisors to the competent authority for recordation.

Article 25: Salaries, bonuses, and other remunerations of full-time President and chief executive officer and part-time pay of directors and supervisors to be paid by the TAF shall be adopted by the board of directors and then submitted to the competent authority for approval.

The salaries of full-time President and Chief Executive Officer under the preceding paragraph may not exceed the salary of the Minister of Economic Affairs.

Chapter 4: Bylaws

Article 26: If the objective of the TAF cannot be attained due to change in circumstances, the TAF may be dissolved by the competent authority.

Article 27: If the TAF is dissolved by the competent authority, the liquidation shall be conducted by law, and the remaining assets after the liquidation shall belong to the Ministry of Economic Affairs.

Article 28: The Contributions Articles shall become operative after approval of the competent authority and the registration with the court. The same rule shall apply to the amendment hereof.

Article 29: The Contributions Articles are formulated on June 30, 2003.

Note: In case of any discrepancy between the Chinese text and the English translation thereof, the Chinese text shall govern.