

Taiwan Cement Corporation
Audit Committee Charter

Adopted on 2015/06/18 through 1st Board of Director Meeting of 22nd Session
Amended on 2017/11/10 through 18th Board of Director Meeting of 22nd Session

Article 1 (Basis for the adoption of these Rules)

This Charter is adopted pursuant to Article 14-4 of Securities Exchange Act and Article 3 of the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.

Article 2 (Scope)

Matters concerning the number, term of office, powers, rules of procedure for meetings, and resources to be provided by the TCC when the Audit Committee ("the Committee") exercises its powers shall be handled in accordance with this Charter.

Article 3 (Supervision)

The main function of the Audit Committee is to supervise the following matters:

1. Proper presentation of TCC's financial reports.
2. The hiring (and discharge), independence, and performance of certificated public accountants of the TCC.
3. The effective implementation of the internal audit system of the TCC.
4. Compliance with relevant laws and regulations by the TCC.
5. Management of the existing or potential risks of the TCC.

Article 4 (The number and terms of members)

The Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise.

The term of an independent director of the Committee shall be 3 years, and may be re-elected to further terms. When the number of the independent director of the Committee falls below that prescribed in the preceding paragraph or in TCC's article of incorporation due to dismissal for whatever reason, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed or fall into any vacancy, a special shareholders meeting shall be called within 60 days from the date of the occurrence to hold a by-election to fill the vacancies. °

Article5 (Mutatis mutandis)

Powers conferred by the Securities and Exchange Act, the Company Act, and any other law to be exercised by supervisors, except for those set forth in Article 14-4, paragraph 4 of the Securities and Exchange Act, shall be exercised by the Committee.

The provisions of Article 14-4, paragraph 4 of the Securities and Exchange Act, in regard to the Company Act as concerns the actions of supervisors or their role as representatives of a company, apply mutatis mutandis to the independent director members of the Committee.

Article6 (The powers of the Committee)

The powers of the Committee are as follows:

1. The adoption of or amendments to the internal audit system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal audit system.
3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
4. Matters in which a director is an interested party.
5. Asset transactions or derivatives trading of a material nature.
6. Loans of funds, endorsements, or provision of guarantees of a material nature.
7. The offering, issuance, or private placement of equity-type securities.
8. The hiring or dismissal of a certified public accountant, or their compensation.
9. The appointment or discharge of a financial, accounting, or internal audit officer.
10. Annual and semi-annual financial reports.
11. Other material matters as may be required by the TCC or by the competent authority.

The matters under the preceding paragraph shall be subject to the approval by simple majority of the entire members of the Committee and shall be submitted to the board of directors for a resolution.

Any matter in the paragraph 1, with the exception of subparagraph 10, that has not been approved by simple majority of the entire members of the Committee may be

adopted with the approval of two thirds or more of the entire board of directors.

The term 'Asset transactions or derivatives trading of a material nature' in the paragraph 5 means asset transactions or derivatives trading of a material nature which shall be subject to the approval of board of directors according to Acts, Regulations Governing the Acquisition and Disposal of Asset, or other regulations. The term 'Loans of funds, endorsements, or provision of guarantees of a material nature' in the paragraph 6 means loans of funds, endorsements, or provision of guarantees of a material nature which shall be subject to the approval of board of directors according to Acts or standard operating procedure of the TCC.

"The entire members," as used herein, shall be counted as the number of members actually in office at the time.

The convener of the Committee shall represent the Committee to the public.

Article7 (Convening and notice of meetings)

The Committee shall convene at least once quarterly, and may call a meeting at its discretion whenever necessary.

In calling a meeting of the Committee, a notice of the reasons for convening the meeting shall be given to each independent director member at least 7 days in advance. In emergency circumstances, however, the meeting may be called on shorter notice.

A notice of convening a committee may be by written, electronic transmission or fax.

A member of the Committee shall be elected as the convener and chair by and from the entire members of the Committee. When the convener is on leave or unable to convene a meeting for any reason, the convener shall appoint another independent director of the Committee as acting convener; if the convener does not make such an appointment, one independent director of the Committee shall be elected by and from other independent directors of the Committee to serve as convener.

The Committee may request the managers of relevant departments, internal audit officers, certified public accountants, attorneys, or other personnel of the TCC to attend the meeting as non-voting participants and provide pertinent and necessary information, provided that they shall leave the meeting when discussion or voting takes place.

When the Committee calls a meeting, it shall furnish the members of the Committee present at the meeting with relevant materials for reference as necessary.

Article8 (Attendance and Resolutions)

When a meeting of the Committee is held, an attendance book shall be made available for signing-in by the members in attendance and made available for future reference.

Members shall attend meetings of the Committee in person; if a member is unable to attend in person, that member may appoint another member as the proxy to attend the meeting. Attendance via telecommunications is deemed as attendance in person.

A member of the Committee that appoints another member as the proxy to attend a meeting of the Committee shall in each instance issue a written proxy stating the scope of authorization with respect to the items on the meeting agenda.

Resolutions at meetings of the Committee shall be adopted with the approval of simple majority of the entire members. The result of a vote shall be made known immediately and recorded in writing.

If for a legitimate reason it is impossible to hold a meeting of the Committee, matters on the meeting agenda shall be adopted with the consent of two thirds or more of the entire board of directors. Nevertheless, a written opinion indicating approval or disapproval shall be obtained from each independent director member with respect to the matters under Article 6, paragraph 1, subparagraph 10.

The proxy under paragraph 2 may only accept a representation of one Committee member only.

Article9 (Proceedings)

Discussions at a meeting of the Committee shall be included in the meeting minutes, which shall faithfully record the following:

1. The session, time, and place of the meeting.
2. The name of the meeting chair.
3. Attendance by the independent director members, including the names and the number of members present, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.

	<p>7. Agenda items: For each proposal, the method of resolution and the result; a summary of the comments of the members of the Committee and experts and other persons present at the meeting; name of the independent director who is an interested party as referred to in paragraph 1 of Article 11, explanation of the material aspects of the interest the director has, the reason why the director should or should not recuse himself or herself and whether or not the director has rescued; and any objections or reservations expressed.</p> <p>8. Extraordinary motions: The name of the mover; the method of resolution and the result for each motion; a summary of the comments of the members of the Committee and experts and other persons present at the meeting; name of the independent director who is an interested party as referred to in paragraph 1 of Article 11, explanation of the material aspects of the interest the director has, the reason why the director should or should not recuse himself or herself and whether or not the director has rescued; and any objections or reservations expressed.</p> <p>9. Other matters required to be recorded.</p> <p>The attendance book constitutes part of the minutes for each meeting of the Committee and shall be appropriately preserved during the existence of the TCC.</p> <p>The minutes of a Committee meeting shall be signed or sealed by both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Corporation.</p> <p>The meeting minutes prescribed herein may be produced and distributed in electronic form.</p>
Article 9-1	<p>Any and all meetings of the Committee shall be audio-recorded or videotaped from beginning to adjournment of the meeting as evidence and the files shall be kept for at least five (5) years. The files may be stored in the electronic form.</p> <p>If any litigation relating to a resolution of the meeting of the Committee commences before the expiry of the period in which the evidence shall be kept in accordance with the preceding paragraph, the relevant data of audio-recorded or videotaped evidence shall continually be kept until the conclusion of the litigation.</p> <p>For a meeting of the Committee convened via videoconferencing, the audio-recorded and videotaped data shall be part of the minutes of the meeting and shall be properly kept during the existence of the Corporation.</p> <p>(Arrangement of Agenda)</p> <p>The Company's Secretary of the Board ('Secretary') shall to handle the administrative matters relating to the Committee. The Secretary is responsible for assisting the Committee about the planning of agenda, notice of convening a meeting, process of meeting, documentation of meeting, or other relevant matters.</p>
Article10	
Article11	<p>(Recusal system)</p> <p>An independent director of the Committee shall explain the material aspects of the interest he or she has when he or she is an interested party with respect to a given agenda item. When such a relationship is likely to prejudice the interests of the TCC, the director shall not attend the discussion and voting and shall recuse himself or herself therefrom. Also, they shall not exercise the voting right for and on behalf of another independent director member.</p> <p>If, for the reason stated in the preceding paragraph, an agenda item cannot be resolved at a meeting of the Committee, it shall be reported to the board of directors, which shall resolve the item.</p>
Article12	<p>(The resource provided by the TCC for Committee)</p> <p>The Committee may resolve to retain the service of an attorney, certified public accountant, or other professionals to provide advice with respect to matters in connection with Article 3 and Article 6. The costs of their services shall be borne by the TCC.</p>
Article13	<p>(Obligation)</p> <p>The Committee members shall exercise the due care of a good administrator and faithfully perform the duties prescribed in this Charter; they shall be accountable to the board of directors and shall submit their proposals to be resolved by the board.</p>
Article14	<p>(Amendment to these Rules and relevant execution matters)</p>

The Committee shall conduct periodic reviews of matters relating to this Charter and present the results for amendment by the board of directors.

The execution of tasks relating to resolutions adopted by the Committee may be delegated to the convener or other Committee members for follow-up, with a written or verbal report to be presented to the Committee during the implementation period. When necessary, the matter shall be presented for ratification or a report made at the next meeting of the Committee.

Article15

(Others)

This Charter, and any amendments hereto, shall come into force after the adoption by resolutions of the board of directors.