



X-LEGEND Entertainment Corp.

Articles of Association of Remuneration Committee

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Article 1: Purpose

In order to well found the corporate governance and the system of remuneration to the Company's directors, supervisors and managerial officers, the Company established the Remuneration Committee (hereinafter referred to as the "Committee") and defined the Articles of Association of the Committee in accordance with Article 14-6 of the Securities and Exchange Act and the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.

Article 2: Number and tenure of the Committee members

1. The Committee members are appointed upon resolution of the board of directors, including the Company's independent directors and others appointed upon resolution of the board of directors. The total number of the members shall be no less than three persons, and one independent director shall be elected as the convenor.
2. The member's term of office commences from the date when the member is appointed by the board of directors and ends upon expiration of the board of directors. The reelected member, if any, shall assume the post until expiration of the original term of office.
3. Where any member is discharged with causes and there are less than three members, the new members shall be elected in the most recent directors' meeting.
4. The appointment and change of the Committee member shall be announced and reported by the Company on the information reporting website designated by the competent authority within 2 days commencing immediately from the date of occurrence of the event.

Article 3: Professionalism and qualification for dismissal

The Committee member shall acquire one of the following professional qualifications and possess the work experience for more than five years:

1. Lecturer or above in commerce, law, finance, accounting or subjects required by the business of the company in public or private colleges or universities.



2. Pass the qualification examination with proper licensing by the national Government Apparatus as court judge, prosecutor, lawyers, certified public accountant or other professional designations required by the business of the Company.
3. Required work experience in commerce, law, finance, accounting or others required by the Company.

A person who is under any of the following circumstances shall not act as the Committee member. If he/she has been appointed as such, he/she shall certainly be discharged:

1. Circumstances referred to in Article 30 of the Company Law.
2. Violation of the qualifications for the Committee member referred to herein.

Article 4: Independence

The Committee members shall be free from any of the following circumstances within two years prior to the appointment and during the term of office:

1. An employee of the Company or its affiliates.
2. A director or supervisor of the Company or its affiliates; excluding the capacity of independent director of the Company or its parents, or a subsidiary directly or indirectly held by the Company with more than a 50% stake.
3. A natural person, spouse, underage children, or under the title of a third party who holds more than 1% of the outstanding shares issued by the Company or among the top 10 natural person shareholders.
4. A spouse, kin at the second pillar under the Civil Code, or the lineal blood relatives within the fifth pillar under the Civil Code as specified in item 1 through 3.
5. A director, supervisor or employee of a corporate shareholder who holds more than 5% of the outstanding shares issued by the Company, or a director, supervisor or employee of a corporate shareholder who is among the top 5 shareholders.
6. A director, supervisor, manager or shareholder holding more than 5% of the outstanding shares of specific company or institution in business or financial relation with the Company.
7. A professional, owner, partner, director, supervisor, manager of proprietorship, partnership, company or institution that provide business, legal, financial and accounting services to the Company or its affiliates or a spouse to the aforementioned persons.

Any member who was an independent director of the Company or its affiliates referred to in the preceding item 2 or item 6 of any specific company or institution in business or financial relation, but is dismissed now shall not apply the requirements about "two years



prior to the appointment" referred to in the preceding paragraph.

The specific company or institution referred to in the item 6 of Paragraph 1 shall mean the company or institution which meets any of the following circumstances:

1. It holds 20 percent or more and no more than 50 percent of the total number of issued shares of the Company.
2. It holds shares, together with those held by any of its directors, supervisors, and shareholders holding more than 10 percent of the total number of shares, in an aggregate total of 30 percent or more of the total number of issued shares of the Company, and there is a record of financial or business transactions between it and the Company. The shareholdings of any of the aforesaid persons include shares held by the spouse or minor children of the person or by the person under any other's name.
3. It, together with any of its affiliates, is the source of 30 percent or more of the operating revenue of the Company.
4. It, together with any of its affiliates, are the source of 50 percent or more of the quantity or the total purchase amount of principal raw materials (those that account for 30 percent or more of the total purchase amount, and are indispensable and key raw materials in product manufacturing) or principal products (those accounting for 30 percent or more of the total operating revenue) of the Company.

For the purposes of Paragraph 1 and the preceding paragraph, the terms "parent" and "affiliate" shall have the meaning given in Statement of Financial Accounting Standards No. 5 and 7 issued by the Accounting Research and Development Foundation of the Republic of China.

Upon enforcement of the Articles and until March 18, 2014, less than one-thirds of the Committee members may be exempted from the requirements about directors referred to in the item 2 of Paragraph 1. Notwithstanding, none of said members shall act as the convener or chairperson of the Committee meeting.

Article 5: Scope of power

1. The Committee shall exercise the care of a good administrator in faithfully performing the official powers listed below, and shall submit its recommendations for deliberation by the board of directors. Notwithstanding, the recommendations for deliberation by the board of directors shall be limited to those for the remuneration to shareholders expressly defined in the Articles of Incorporation or handled by the board of directors with authorization upon resolution of a shareholders' meeting:
 - (1) Prescribe and periodically review the performance review and remuneration policy,



- system, standards, and structure for directors, supervisors and managerial officers.
- (2) Periodically evaluate and prescribe the remuneration of directors, supervisors, and managerial officers.
2. When performing the powers referred to in the preceding paragraph, the Committee shall follow the principles listed below:
- (1) With respect to the performance assessment and remuneration of directors, supervisors and managerial officers of the Company, it shall refer to the typical pay levels adopted by peer companies, and take into consideration the reasonableness of the correlation between remuneration and individual performance, the Company's business performance, and future risk exposure.
- (2) It shall not produce an incentive for the directors or managerial officers to engage in activity to pursue remuneration exceeding the risks that the Company may tolerate.
- (3) It shall take into consideration the characteristics of the industry and the nature of the Company's business when determining the ratio of bonus payout based on the short-term performance of its directors and senior management and the time for payment of the variable part of remuneration.
3. "Remuneration" as used in the preceding two paragraphs includes cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures. Its scope shall be consistent with that of remuneration to directors, supervisors, and managerial officers as set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies.
4. When deliberating the recommendations of the Committee, the board of directors shall give comprehensive consideration to matters including amounts of remuneration, payment methods, and the Company's future risk.
5. If the board of directors will decline to adopt, or will modify, a recommendation of the Committee, it shall require the consent of a majority of the directors in attendance at a meeting attended by two-thirds or more of the entire board, which in its resolution shall give the comprehensive consideration under the preceding paragraph and shall specifically explain whether the remuneration passed by it exceeds in any way the recommendation of the Committee.
6. If the remuneration passed by the board of directors exceeds the recommendation of the Committee, the circumstances and cause for the difference shall be specified in the board meeting minutes, and shall be publicly announced and reported on the



information reporting website designated by the competent authority within 2 days counting from the date of passage by the board of directors.

7. If decision-making and handling of any matter relating to the remuneration to directors and managerial officers of a subsidiary is delegated to the subsidiary but requires ratification by the board of directors of the parent company, the parent company's remuneration committee shall be asked to make recommendations before the matter is submitted to the board of directors for deliberation.
8. The managerial officers referred to herein include:
 - (1) President and equivalents.
 - (2) Vice president and equivalents.
 - (3) Assistant vice president and equivalents.
 - (4) Financial dept. supervisor.
 - (5) Accounting dept. supervisor.
 - (6) Other persons empowered to manage the Company's business and sign instruments on behalf of the Company.

Article 6: Meeting requirements

1. The Committee shall call the meeting at least twice per year.
2. In calling a meeting of the remuneration committee, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each member and the relevant attendees at least 7 days in advance. In emergency circumstances, however, the meeting may be convened at any time.
3. When the Company has selected independent directors in accordance with the Articles, at least one independent director shall participate on the Committee, and the entire membership shall unanimously elect the independent director to serve as the convener and meeting chair. If there is no independent director, one member shall be elected as the convener and meeting chair by and from among the entire membership. When the convener goes on leave or otherwise for any reason whatsoever is unable to convene a meeting, the meeting shall be convened by another independent director of the committee designated by the convener, or if there is no other independent director on the Committee, by another member elected by and from among the other members of the Committee.
4. The Committee meeting agenda shall be drawn up by the convener. Other members also may submit motions for deliberation by the committee. The meeting agenda shall be provided to the Committee members in advance.



5. When the Committee is held, the Company shall provide an attendance book for signature by the members attending the meeting and thereafter made available for reference.
6. Remuneration committee members shall attend the committee meeting in person; a member who cannot attend in person may appoint another member to attend as their proxy. Attendance via tele or video-conference is deemed as attendance in person. A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of another director only.
7. A Committee member appointing another member to attend the committee meeting in his or her place shall in each instance issue a written proxy stating the scope of authorization with respect to the reasons for the meeting.
8. A resolution of the Committee shall require the approval of one-half or more of all of the members. During voting, if the Committee chairperson solicits and receives no dissents, the motion is deemed passed, with equivalent force as a resolution by vote. The results of voting shall be made known immediately, and recorded in writing.

Article 7: Meeting minute

1. The minutes shall be prepared of the discussions at the Committee, and the minutes shall record the matters listed below in a detailed and accurate manner:
 - (1) Session, time, and place of the meeting.
 - (2) Name of the meeting chairperson.
 - (3) Member attendance, specifying the names and number of members in attendance, excused, and absent.
 - (4) Names and titles of those present at the meeting as nonvoting participants.
 - (5) Name of minutes taker.
 - (6) Report.
 - (7) Agenda items: the resolution method and outcome of each motion, and any objections or reservations expressed by any Committee member.
 - (8) Extraordinary motions: the name of the mover, the resolution method and outcome of the motion, and summarize the comments made by, and any objections or reservations expressed by, any committee member, expert, or other person.
 - (9) Other notes.
2. Where there is any matter about which a member expresses an objection or reservation that has been included in records or stated in writing, it shall be stated in the meeting minutes and within two days of occurrence of the event be published on an



information reporting website designated by the competent authority.

3. The Committee attendance book constitutes an integral part of the minutes of each meeting of the Committee.
4. The meeting minutes shall bear the signature or seal of the chairperson and the minute taker. The minutes shall be distributed to each committee member within 20 days after the meeting, and shall be submitted to the board of directors and treated as important records of the Company, and shall be preserved for 5 years.
5. If before the end of the preservation period under the preceding paragraph, any litigation arises with respect to any matter in connection with the Committee, the minutes shall be preserved until the litigation is concluded.
6. The production and distribution of the minute referred to in Paragraph 1 shall be carried out by electronic transmission.
7. If the Committee meeting is convened by video conference, the video conference audiovisual data constitute an integral part of the meeting minutes.

Article 8: Avoidance of conflict of interest

The Committee members who meet any of the following circumstances shall recuse themselves from the voting for the agenda:

1. In conflict of interest with them or their representatives and thereby is likely to injure the Company's interest;
 2. The members consider that they should recuse themselves from the motion voluntarily.
- Where it is impossible for the Commission to make any resolution due to the requirements referred to in the preceding paragraph, it shall report the same to the board of directors and the board of directors shall make the resolution.

Article 9: Audit and consultation

1. The Commission may resolve to retain any attorney-at-law, CPA or other professional personnel to conduct audit or provide advice on the issues related to exercise of power, at the Company's expenses.
2. The Committee may invite directors, managerial officers of relevant departments, internal auditors, certified public accountants, legal consultants, or other personnel to attend meetings as nonvoting participants and provide relevant necessary information.

Article 10: Authorization



The execution of tasks relating to matters resolved by the Committee may be delegated to the convener or other member or members of the Committee for follow-up and handling, and shall make written reports to the Committee during the period in which they are handling such tasks. When necessary, they shall submit them for ratification, or report them, to the Committee at next meeting.

Article 11: Attendance allowance

1. The Committee members, supervisors and external experts may receive the attendance allowance at the rates authorized by the board of directors.
2. The Company's workers who attend the Committee meeting as nonvoting participants shall not receive the attendance allowance.
3. The remuneration to the CPA and legal advisor retained by the Company shall be paid in the manner defined in the retainer contract. The preceding item shall apply where the retainer contract does not define the way to pay the remuneration.

Article 12: Unless otherwise provided herein, the parliamentary procedure of the Committee meeting shall apply the Company's Parliamentary Rules for the Directors Meetings.

Article 13: The Articles shall be enforced upon resolution of the board of directors. The same shall apply where the Articles are amended.