

Sunshine Social Welfare Foundation Bylaws

- First amendment made on May 2, 1985 during the 18th meeting of the 1st Board of Trustees of Sunshine Education Foundation
- Second amendment made on April 25, 1992 during the 22nd meeting of the 1st Board of Trustees of Sunshine Social Welfare Foundation
- Third amendment made on December 10, 1994 during the 19th meeting of the 2nd Board of Trustees of Sunshine Social Welfare Foundation
- Fourth amendment made on April 24, 1999 during the 7th meeting of the 4th Board of Trustees of Sunshine Social Welfare Foundation
- Fifth amendment made on September 26, 2009 during the 10th meeting of the 7th Board of Trustees of Sunshine Social Welfare Foundation
- Sixth amendment made on November 7, 2009 during the 7th provisional meeting of the 7th Board of Trustees of Sunshine Social Welfare Foundation

Chapter 1 General Principles

- Article 1 This foundation shall be known as 'Sunshine Social Welfare Foundation' (hereinafter referred as "the Foundation").
- Article 2 The Foundation's head office is located at 3F, 91, Nanking East Rd., Sec. 3, Taipei City. Branches shall be established upon the approval of the government authorities concerned.
- Article 3 The Foundation was established for the social welfare purpose of burn survivors and people with facial disfigurement, which include:
- Social work services, psychological counselling and guidance, legal services, vocational counselling, professional training, sheltered workshop, social entrepreneurship and other social welfare endeavours;
 - Education, care, special education, welfare services, assistance and so on;
 - Rehabilitation treatment and relevant research;
 - Social education, national or international academic exchange, conferences and publishing;
 - Projects under the guidance of government-run supervising agencies;
 - Other social welfare endeavours that benefit people with disabilities, children, youths, women and elderly people.
- The expenditure on the implementation of the aforementioned social welfare work may not be lower than 70% of the combined amount of annual interest from endowments and other regular income.
- Article 4 A donation of NT\$500,000 for the initial endowment (or assets) of the Foundation was made by LI Wen, SUN Miao-Hsueh and

CHEN Chun-Liang. This initial endowment was then followed up with further resource mobilization. When necessary, donations received must be included in the Foundations' nominal assets and asset change registration must be made.

Chapter 2 Organization and Authority

Article 5 The Board of Trustees is the highest decision-making body of the Foundation.

The Foundation shall have a Board of Trustees with thirteen members. Trustees may elect among themselves three to five Managing Trustees. The first Board of Trustees shall be composed of members chosen by the founding members. For subsequent Boards of Trustees, current Trustees, clients and public-minded people shall nominate double or more the number of candidates needed, who will then be selected by anonymous voting. Major donors and spouses or relatives within three degrees of kinship shall not hold more than one third of the seats on the Board of Trustees.

Over one third of Trustees shall be clients or people who possess expertise or work experience in areas relevant to the founding purpose of the Foundation.

Article 6 Trustees may not be compensated for their role as Trustees. Their tenure shall be of three years, which may be renewed. The number of Trustees whose tenure is renewed may not be more than four-fifth of the total number of Trustees. During their tenure, in the event of a Trustee's resignation (dismissal) or inability to attend meetings, the current Board of Trustees will appoint a new Trustee who will only complete the remaining length of the tenure.

Article 7 The Foundation shall have one Chairperson and one Deputy Chairperson, who will be nominated from the Managing Trustees and be elected by Trustees. Their tenure shall be of three years and they may be re-elected once. During their tenure, in the event of the Chairperson and Deputy Chairperson's resignation (dismissal) or inability to attend meetings, the current Board of Trustees will elect a new Chairperson or Deputy Chairperson from the Managing Trustees, who shall only complete the remaining length of the tenure.

The Chairperson represents the Foundation. In the event the Chairperson is unable to execute his/her functions, the

Deputy Chairperson shall represent him/her. In the event the Deputy Chairperson is unable to execute his/her functions, the Board of Trustees shall immediately elect one substitute from the Managing Trustees.

Article 8

The Foundation shall have one to three Supervisors, who shall not be employed by the Foundation. The tenure of Supervisors is the same as the current Board of Trustees, Trustees shall nominate double to triple the number of candidates needed among clients, or professionals with legal, accounting, finance, social welfare or other relevant expertise, who will then be elected by anonymous voting.

During their tenure, in the event of a Supervisor's resignation (dismissal) or inability to attend meetings, the Board of Trustees will appoint a new Supervisor who shall only complete the remaining length of the tenure.

Supervisors may exercise their authority independently, verifying at any time the implementation of the following matters:

1. Monitoring the development and implementation of the Foundation's work;
2. Inspecting and auditing funds, deposits and all the assets of the Foundation;
3. Inspecting the financial situation and books;
4. Reviewing accounts.

Article 9

In the event that the tenure of Trustees or Supervisors expires but the Chairperson has not called for a new election, over one third of the Trustees may co-sign a letter informing the Chairperson of the need to hold a board meeting. Alternatively, the Supervisors may inform the Chairperson of the need to hold a board meeting. In the event that ten days after having received the notice, the Chairperson has not yet called a board meeting, the government-run supervising agency may be asked by a letter co-signed by at least one third of Trustees or by a petition made by the Supervisors to choose one person within the Board of Trustees to call the meeting.

Article 10

Authority of the Board of Trustees:

1. To draft and amend Foundation bylaws;
2. To carry out the election and dismissal of Trustees, Supervisors, Managing Trustees, Deputy Chairperson and

- Chairperson;
3. To plan and amend the Foundation's organizational structure;
 4. To verify and approve the reports and resolutions of the Board of Managing Trustees;
 5. To review the annual activity plan;
 6. To review budgets and final financial reports;
 7. To raise funds;
 8. To oversee the safekeeping, utilization and supervision of the endowment as well as carry out financial auditing;
 9. To make other decisions pertaining to important matters.

Article 11

Board meetings shall in principle be held once every three to four months. If the Chairperson deems it necessary or if a motion is adopted by over one third of the Board of Trustees, a provisional meeting may be held.

When over one third of Trustees put forth a motion to hold a provisional meeting, a written demand to hold the meeting must be submitted to the Chairperson, stating the meeting's purpose and reasons.

The Chairperson shall call a meeting within ten days of receiving the demand. If the meeting has not been convened by the Chairperson within this time, Trustees who put forth the motion will choose among themselves one person to convene the meeting.

Resolutions adopted during the Board of Trustees' meeting shall become valid if at least half of the members are present at the meeting and if the resolutions are accepted by at least half of the voting members present. However, for the following major resolutions, at least two thirds of the Trustees must be present, approval of at least two thirds of the members present is needed and the government-run supervising agency must be informed and must give its approval before a resolution can be implemented:

1. Drafting and amendment of bylaws;
2. Resolution of major property and realty appropriation matters, determination of responsibilities or changes in use;
3. Dissolution of the Foundation or modifications of its purpose;
4. Election or dismissal of Trustees, Supervisors, Managing Trustees, Deputy Chairperson and Chairperson;
5. Investments.

Every Trustee, Supervisor and the government-run supervising

agency shall be notified by letter of the meeting agenda at least ten days before board meetings regarding the aforementioned major resolutions. In addition, the government-run supervising agency may send representative(s) to the meeting. Meeting minutes shall be sent to every Trustee and Supervisor of the Foundation, as well as the government-run supervising agency for reference.

Article 12 Authority of the Managing Trustees:

1. To implement the resolutions adopted by the Board of Trustees;
2. To recruit or dismiss Managers of every department;
3. To review annual activity plans, budgets and final financial reports.

Article 13 Managing Trustees meetings shall be held once every month. If the Chairperson deems it necessary or if a motion is adopted by over half of the Managing Trustees, a special meeting shall be held.

Resolutions adopted by the Managing Trustees' meeting become valid if they are accepted by at least half of the voting members present.

Article 14 Meetings of Trustees and Managing Trustees are called and chaired by the Chairperson. In the event that the Chairperson cannot chair the meeting or must not be present because the resolutions discussed directly pertain to his person, the Deputy Chairperson or one Trustee recommended by his/her peers shall chair the meeting instead.

Article 15 In the event that a Trustee cannot attend the meeting, he/she should appoint by writing a Trustee to act as his/her deputy. Trustees can act as a deputy for only one Trustee, and the number of deputies shall not exceed one third of the members present at a meeting.

Article 16 Trustees and Supervisors shall avoid conflicts of interest in the course of carrying out their duties.

Aforementioned conflicts of interest refer to Trustees or Supervisors who obtain benefits for themselves or for others, either through acts or omissions, directly or indirectly.

Trustees, Supervisors or interested persons may not engage in sale, lease, contract and other transactions with the

Foundation. If the aforementioned actions result in prejudice for the Foundation, the perpetrator shall be liable for damage.

“Others” as referred by this article means spouses or relatives within two degrees of kinship.

Article 17 The Foundation shall have a CEO to oversee the overall operations of the Foundation. The CEO shall be nominated by the Chairperson and approved by the Board of Trustees. If the post of CEO becomes vacant during the tenure, the Chairperson will appoint a substitute for a period no longer than six months. Managers for every department will be nominated by the CEO and approved by the Managing Trustees.

The CEO shall prepare the annual work plan and budget before the start of the fiscal year. The annual work plan and budget can be implemented after approval from the Board of Trustees. An annual report and accounts must be submitted to the Board of Trustees for review after the end of the fiscal year.

Article 18 The Board of Trustees shall pass a resolution to dismiss a Trustee, a Supervisor or the CEO if he/she falls under any one of the following circumstances:

1. Has been sentenced by court to limited imprisonment for more than 6 months for premeditated crime, without possibility suspension of sentence.
2. Has been declared insolvent and rights have yet to be reinstated.
3. Has been put under legal guardianship which has yet to be revoked.
4. Has been unable for some reason to perform duties.
5. Has violated the law or these by-laws, thus constituting danger to public welfare or to the interests of the Foundation.

Chapter 3 Accounting and Management of Funds

Article 19 The fiscal year of the Foundation starts on January 1 and ends on December 31 each year.

Article 20 The Foundation uses an accrual-based accounting system and accounting books must be established to record in detail all accounting matters. The aforementioned

accounting books, as well as the receipts for income and expenses must be audited by an accountant.

Article 21 The endowment of the Foundation shall be deposited in a special account for fixed deposits in a domestic financial institution. The assets of the Foundation may not be deposited with Trustees, other persons or non-financial institutions.

Grants and donations received by the Foundation from all sources shall be immediately deposited in a special account of the Foundation. If moveable property, securities and real estate are donated, registration of the transfer of ownership shall be made immediately according to relevant regulations, and kept under safe custody for future use.

Article 22 Upon approval from the Board of Trustees, the Foundation's financial assets shall be managed and used in the following manners, with report made to the competent government-run supervising agency for reference:

1. Purchase of government bonds or bonds and bills from private companies.
2. Purchase of real estate for the Foundation's use.

Principles of safety and reliability will help enhance financial revenues from investment. The total amount of investment shall not be more than one half of the balance remaining from the deduction of the minimum initial endowment of NT\$30 million to the total amount of assets as registered in the Juristic Person Registration.

Article 23 Assets of the Foundation may not be used as guarantee or loaned to any Trustee or other person.

Article 24 One month before the start of a new fiscal year, the Foundation will prepare the annual activity plan, as well as the income and expenditure budget to be submitted to the Board of Trustees for approval. The above mentioned documents shall then be submitted to the government-run supervising agency for approval and reference.

Article 25 Within three months after the end of a fiscal year, the Foundation will prepare a final financial report made up of the following statements to be submitted for review during a joint meeting of the Board of Trustees and the Supervisors. These documents, along with the meeting records, shall be sent to the government-run supervising agency for approval and reference:

1. Annual report on project implementation;
2. Statement of income and expenditures;
3. Statement of assets and liabilities;
4. Property inventory;
5. Final account report
6. Report on the use of funds for the last fiscal year;
7. Auditing and financial reports prepared by a certified accountant.

Article 26 The Foundation shall not use the capital sum of the endowment, and shall only use the interest from the endowment, and for no other purposes than those stated in Article 3 of these bylaws.

Chapter 4 Supplementary Provision

Article 27 Upon dissolution of the Foundation, the residual properties shall be donated to the local autonomous groups of the area(s) where the Foundation is located or to similar social welfare organizations.

Article 28 Matters not covered by these bylaws shall be subjected to relevant legal regulations.

Article 29 These bylaws will come into effect after approval by the government-run supervising agency and completion of statutory procedures. The same applies when any amendments are made to these bylaws.