

Advanced Ceramic X Corporation

Rules and Procedures of Shareholders Meetings

Article 1

The rules of procedures for the company's shareholders meetings, except as otherwise provided by law, regulation, shall be as provided in these Rules.

Article 2

The company shall prepare an attendance book for shareholders to sign in, or the shareholder present may hand in an attendance card in lieu of signing on the attendance book. The number of shares representing shareholders present in the meeting shall be calculated in accordance with those indicated on the attendance book or the attendance cards.

To verify the identity of the present shareholders, the present shareholders shall have identity certificates ready for checking and verification upon their sign-in process.

Article 3

Attendance at shareholders meetings shall be calculated based on numbers of shares. When the company holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means.

A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

Article 4

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the managing directors to act as chair, where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 5

The venue for a shareholders meeting shall be the premises of the company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

The company may designate its lawyer, certified public accountant or other relevant persons to attend the shareholders meeting.

Article 6

The company shall record with an audio or video tape the whole proceedings of the shareholders meeting, and said video tape or audio tape shall be kept for at least one year.

Article 7

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 8

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting.

If the chair declares the meeting adjourned in violation of the rules of procedure, new chair in accordance by agreement of a majority of the votes represented by the attending shareholders, then continues the meeting.

After close of the said meeting, shareholders shall not elect another chair to hold another meeting at the same place or at any other place.

Article 9

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

Article 10

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

Article 11

When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

Article 12

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 13

The chair shall allow ample opportunity during the meeting for explanation ; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

Article 14

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the company.

The results of resolution(s) shall be announced in the meeting, and recorded in the meeting minutes.

Article 15

When a meeting is in progress, the chair may announce a break based on time considerations.

Article 16

Except as otherwise provided in the Company Act and in the company articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after inquiry by the chair.

Article 17

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 18

The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

Article 19

In the event that a shareholders' meeting cannot be convened on the day as shown on the notice for any reason, or the meeting cannot be continued due to any reason during the process, the chair of that shareholders' meeting is authorized to announce to postpone or to resume within five days in

accordance with Article 182 of the Company Law. The postponement or resumption mentioned in the preceding paragraph is not applicable to the convening procedures set forth in Article 172 of the Company Law.

Article 20

If the matters do not provided this rules, shall pursuant to the Company Act and other laws and regulations.

Article 21

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.