

Acer Incorporated
**2009 General Shareholders'
Meeting Agenda**



Meeting Date: June 19, 2009 www.acer-group.com



DISCLAIMER

THIS IS A TRANSLATION OF THE AGENDA FOR THE 2009 GENERAL SHAREHOLDERS' MEETING (THE "AGENDA") OF ACER INCORPORATED (THE "COMPANY"). THE TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMED ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE AGENDA SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

**ACER INCORPORATED (THE “COMPANY”)
Regulations For The Conduct Of Shareholders’ Meetings**

1. These Regulations shall govern the conduct of Shareholders’ Meetings of the Company.
2. Shareholders in attendance, or their proxies, shall sign for their attendance on an attendance card. The number of shares in attendance shall be counted according to the number of shares represented by those attendance cards so submitted.
3. Attendance and votes of Shareholders’ Meetings shall be counted based upon the number of shares in attendance.
4. The location of Shareholders’ Meetings shall be either where the Company is located, or any other place deemed convenient for the shareholders to attend and proper for holding such meeting. The Shareholders’ Meetings shall be held no earlier than 9 a.m. and no later than 3 p.m. on the designated meeting date.
5. The Board of Directors shall call the Shareholders’ Meetings. The chairman of the Board of Directors shall preside over the meeting. If the chairman of the Board of Directors is not available for the meeting then the vice-chairman of the Board of Directors shall act on his/her behalf to preside over the meeting. If neither the chairman nor the vice-chairman of the Board of Directors is available for the meeting, the chairman shall designate a director of the Board of Directors to act on his/her behalf to preside over the meeting. The Board of Directors shall elect a director to act on the chairman’s behalf if the chairman appoints no designee. Other than the Board of Directors, a person entitled by law to call a Shareholders’ Meeting shall preside over the meeting, if and when such meeting is called.
6. The Company may designate legal attorneys, certified-public-accountants, and management officers to attend the meetings.
7. The Shareholders’ Meetings shall be recorded in their entirety by video or audio recording equipment , and such records shall be kept on file for one year following each of the meeting respectively.
8. The person who presides over the meeting shall call the meeting in session upon the designated time of the meeting. However, such person may announce postponement of the meeting if at the designated time shares in attendance fail to exceed half of the issued and outstanding shares of the Company. Postponement in a meeting shall be announced no more than two times with the total time up to one hour. If, after the second postponement in the meeting, shares in attendance are less than a quorum but more than one-thirds of the issued and outstanding shares, the shareholders may still proceed such meeting in accordance with Article 175 of the Company Law to adopt provisional resolutions. Before the meeting is adjourned, if shares in attendance have reached a required quorum, the person presiding over the meeting may, in accordance with Article 174 of the applicable Company Law, submit those provisional resolutions so adopted for a final resolution at the meeting.
9. If Shareholders’ Meeting is called by the Board of Directors, the Board of Directors shall set the agenda of the meeting. The meeting shall proceed in compliance with the agenda so set by the Board of Directors unless otherwise changed by resolution adopted by the meeting. During the meeting, the person presiding over the meeting may allocate an appropriate amount of time for recess. Unless otherwise adopted by a resolution, the person presiding over the meeting may not adjourn the meeting prior to the end of the proceedings (special proposal included) of the meeting. If the chairman declares the adjournment of the meeting in a manner in violation of such rules governing the proceedings of meetings, a new chairman of the meeting may be elected by a resolution to be adopted by a majority of the voting rights represented by the shareholders attending the said meeting to continue the proceedings of the meeting.
10. A shareholder in attendance who wishes to make an oral statement at the meeting shall first submit an oral statement form, in stating the main purpose of his/her statement, his/her name and shareholder’s account number, and the person to preside over the meeting shall determine the order of such oral statements to

be made. Shareholder in attendance submitting an oral statement form but without making an actual oral statement shall be deemed as making no any oral statement. In the event of any conflict between the contents of the oral statement form and the actual oral statement, the actual oral statement shall prevail.

Any other the shareholders shall not interfere in any way when a shareholder is making his/her oral statement. The person presiding over the meeting shall stop any such interference.

11. Unless otherwise approved by the person presiding over the meeting, each shareholder may make oral statements only twice for a same proposal or matter under deliberation; and each oral statement shall not exceed 5 minutes. Otherwise, the person presiding over the meeting may stop the shareholder from making further statements.
12. A legal entity acting as a proxy for a shareholder to attend the meeting may appoint only one representative to attend the meeting. If more than one representative is appointed to attend the meeting, only one person elected among them can make oral statements on each proposal respectively.
13. The person presiding over the meeting may reply to the oral statements, or may designate appropriate person to reply to the oral statements made by shareholders in attendance.
14. The person presiding over the meeting may announce conclusion of discussion of a proposal as he/she may deem appropriate and may submit the proposal for adopting a resolution.
15. The person presiding over the meeting shall appoint persons among the shareholders in attendance to audit the voting process. The person presiding over the meeting shall also appoint persons to count the votes. The result of the vote shall be announced immediately, and a record of the same shall be made accordingly.
16. Unless otherwise provided in the Company Law or the Company's Articles of Incorporation, a proposal may be adopted as a resolution by a majority of the shares in attendance voting in favor thereof. A resolution shall be deemed adopted if no opposition is raised when the person presiding over the meeting makes an oral inquiry to the shareholders concerning the acceptance of the same, and such resolution shall have the same effect as a vote by ballot.
17. The person presiding over the meeting shall determine the order of voting on amendment proposals or substituted proposals accompanying with their original proposals. As soon as one of those proposals is adopted as a resolution, other proposals in conflict regarding the same matter shall be deemed denied and shall require no further vote.
18. The person presiding over the meeting may direct monitors (or security guards) to maintain order at the meeting. Monitors (or security guards) shall wear a badge marked "SECURITY" or "MONITOR" when performing their duties at the meetings.
19. In the event of force majeure, the person presiding over the meeting may suspend a meeting and may announce at a latter time when the meeting shall be resumed as he/she deems appropriate; or the shareholders shall make a resolution at the meeting to resume the meeting within 5 days without the need to make any further written notices or published announcements to shareholders.
20. The applicable Company Law, its relevant regulations, and the Company's Articles of Incorporation shall govern any matter not provided herein.
21. These Regulations, and any amendments thereto, shall become effective upon approval by the shareholders.
22. Approved by the General Shareholders' Meeting held on May 15, 1990.
First Amendment approved by the General Shareholders' Meeting held on April 26, 1996.
Second Amendment approved by the General Shareholders' Meeting held on May 29, 1998.
Third Amendment approved by the General Shareholders' Meeting held on June 11, 2003.

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A. TABLE OF MEETING PROCEDURES

1. Meeting Begins
2. Opening Speech of the Chairman
3. Report Items
4. Proposed Resolutions
5. Special Motion
6. Closing of Meeting

B. MEETING AGENDA

1. Report Items

- (1) To report the business of 2008
- (2) To report the stock exchange and new issuance of shares due to the acquisition of E-TEN Information Systems Co. Ltd.
- (3) To report the amendments to "Acer Incorporated 2008 Discounted Employee Stock Option Plan" (ESOP)
- (4) Supervisors' audit report

2. Proposed Resolutions

- (1) To accept 2008 Financial Statements and Business Report
- (2) To approve the proposal for distribution of 2008 profits
- (3) To approve the capitalization of 2008
- (4) To approve issuance of discounted employee stock option
- (5) To approve amendments to Acer's "Procedures Governing Lending of Capital to Others"
- (6) To approve amendments to Acer's "Procedures Governing Endorsement and Guarantee"

3. Special Motion

4. Closing of Meeting

C. Report Items

- (1) To report the business of 2008 (Please refer to page 17)
- (2) To report the stock exchange and new issuance of shares due to the acquisition of E-TEN Information Systems Co. Ltd.
 1. For the purpose to integrate the resources, expand the operation scale, enrich the product mix, and further improve the operating efficiency, the Company enter a share exchange program with the result that E-ten become a 100% owned subsidiary of the Company, which is approved by the General Shareholders' Meeting of the Company and of E-ten held on June 13, 2008, and approved by the FSC on July 15, 2008 with authorized code NO. 0970034139.
 2. According to "The Contract of Share Conversion", the exchange ratio is Ace : E-ten=1:1.07, which means the shareholders of E-ten will receive 1 common share of the Company with every 1.07 common share of E-ten.
 3. The share exchange date was set on September 1, 2008, and the Company totally issued 168,158,878 new shares to exchange 179,930,000 shares of E-ten. The shares conversion and capital amendment registration were approved by the MOEA on October 14, 2008 with authorized commercial code NO. 09701262870.
- (3) To report the amendments to "Acer Incorporated 2008 Discounted Employee Stock Option Plan" (ESOP).

In order to comply with the new Check-list for ESOP Application and competent regulations, and also refer to CPA's opinions, the amendment of "Acer Incorporated 2008 Employee Stock Opinion Plan" was approved by BOD on August 28, 2008.

For details, please refer to the "Comparison Table of Acer Incorporated 2008 Employee Stock Option Plan Before and After the Amendments" (Please refer to page 25 to 28).

- (4) Supervisors' audit report

To: The 2009 General Shareholders Meeting

The Board of Directors of the Company has prepared the 2008 financial report, including balance sheet, statement of income, statements of changes in stockholders' equity, and statement of cash flows. Sonia Chang and Agnes Yang at KPMG have been retained by the Board of Directors of the Company to issue an audit report. The undersigned supervisors have reviewed the audit report and the aforesaid documents, which made by The Board of Directors in compliance with Article 228 of the Company Law, and did not find any incompliance. In accordance with Article 219 of the Company Law, it is hereby submitted for your review and perusal.

Supervisor: George Huang

Supervisor: Carolyn Yeh

Dated: April 24, 2009

D. Proposed Resolutions

ITEM 1

Proposal: To accept 2008 Financial Statements and Business Report (Proposed by the Board of Directors)

Details: (1) The 2008 Financial Statements of Acer Incorporated (including the Single Balance Sheets, Statement of Income, Statement of Change in Stockholder's Equity and Statement of Cash Flow) have been approved by the Board of Directors and reviewed by the supervisors, and hereby are submitted for acceptance. (Please refer to page 17 to 24)

(2) Please discuss

Resolution:

ITEM 2

Proposal: To approve the Proposal for Distribution of FY2008 Retained Earnings (Proposed by the Board of Directors)

Details: (1) The beginning balance of the unappropriated retained earnings of the Company is NT\$2,243,183,032 in 2008. After plusing the 2008 net income after tax of NT\$11,742,134,528, the total accumulated appropriated retained earnings is NT\$13,985,317,560.

(2) In compliance with the Company Law, to appropriate the annual retained earnings, it is required to set aside NT\$1,174,213,453 as legal surplus, NT\$1,991,615,220 as special reserve, then distribute NT\$5,550,264,286 as the dividends to the shareholders (including stock distribution of NT\$264,298,300 and cash distribution of NT\$5,285,965,986), the ending balance of the unappropriated retained earnings is NT\$5,269,224,601, which is reserved for distribution in the future.

(3) It is proposed to distribute the cash dividend of NT\$5,285,965,986 to the shareholders whose names and respective shares are in the shareholders' register on the record date for ex-dividend, at a ratio of NT\$2.0 per share. (Rounded up to NT\$1.0 and the residue will be calculated as the Company's other income)

(4) It is hereby proposed to authorize the Chairman to determine the bonus to employees (including stock and cash)

(5) The deductible tax rate of the stock and cash dividends for the shareholders shall be calculated separately. It is hereby proposed to authorize the Chairman to determine the fiscal year in which to appropriate the retained earnings.

(6) If any condition of this Earnings Distribution Proposal is changed as results of the amended laws and regulations, official ratification or ESOP's exercise, it is proposed to authorize the Board of Directors to adjust the items in this resolution.

(7) The Statements of Distribution of Retained Earnings hereby are shown as follows:

(8) Please discuss

Resolution:

Acer Incorporated
2008 Statement of Distribution of Retained Earnings

Unit: NT\$

Beginning Balance of Unappropriated Retained Earnings	2,243,183,032
Add: 2008 Net Income After Tax	11,742,134,528
Balance of Unappropriated Retained Earnings in 2008	13,985,317,560
Items of appropriation:	
Legal Surplus	(1,174,213,453)
Special Reserve	(1,991,615,220)
Stock Dividend to the Shareholders	(264,298,300)
Cash Dividend to the Shareholders	(5,285,965,986)
Subtotal	(8,716,092,959)
Ending Balance of Unappropriated Retained Earnings	5,269,224,601
Note :	
Bonus to Employee	1,500,000,000
Remunerations to the Directors and Supervisors	85,763,059

ITEM 3

Proposal: To Approve the New Issuance of Common Shares through Capital Increases (Proposed by the Board of Directors)

- Details: (1) In Accordance with the Article 240 of the R.O.C. Company Law, the Company plans to distribute NT\$264,298,300 from the unappropriated Retained Earnings. Total new issuance of common shares is 26,429,830 with the face value of NT\$10 per share. Upon approval of the relevant competent authority, the stock dividend of NT\$264,298,300 is allocated by the ratio of 10 shares from retained earnings, for every one-thousand shares held by the shareholders. The stock dividends shall be freely distributed to the shareholders whose names and respective shares are in the shareholders' register on the record date for ex-right. Fractional share shall be substituted with cash (rounded up to NT\$1.0), except the combination of shares by some shareholders, and those shares could be purchased by "Employee Welfare Committee based on the par value of NT\$10 per share.
- (2) The employee bonus of NT\$900,000,000 in 2008 will be distributed by stocks with the price per share calculated in accordance with the closing price on the day prior to 2009 General Shareholder's Meeting as and the cash and stock dividend distributed to shareholders. The fractional share will be substituted with cash.
- (3) The rights and obligations borne by the new shares in the new issuance of shares are the same as the original stocks.
- (4) Upon approval of the General Shareholder's Meeting, it is proposed to authorize the Board of Directors to decide the effective date of the ex-dividend and ex-right days.
- (5) If any condition of this Capitalization Proposal is changed as results of the amended laws and regulations, official ratification or ESOP's exercise, it is proposed to authorize the Board of Directors to adjust the items in this resolution.
- (6) Please discuss

Resolution:

ITEM 4

Proposal: To Approve Issuance of Discounted Employee Stock Options (Proposed by the Board of Directors)

- Details: (1) To reduce the impact of the Company's profit due to the new R.O.C. GAAP change for employee bonus as the expenditure effectively from January 1, 2008, and achieve the objective to attract, retain and encourage the talents of skilled employees, it is proposed to approve issuance of discounted employee stock options ("Options") in accordance with the complementary measures made and prescribed by FSC (Executive Yuan's Financial Supervisory Commission).
- (2) Acer's Employee Stock Option Plan is enclosed hereof (please refer to the Attachment 7) for your consideration. Below is the explanatory in accordance with Article 56-1 of "Regulations Governing the Offering and Issuance of Securities by Securities Issuers":
- (a) The total number of the Options to be issued, the number of shares subscribe per Option, and the number of new shares that will have to be issued to cover exercise of the Options or the number of shares that will have to be repurchased in accordance with the provisions of Article 28-2 of the "Securities and Exchange Act":
Total 14,000 units of the Options and 1,000 Acer common shares will be subscribed per Option, total 14,000,000 shares that will have to be issued to cover exercise of the Options.
- (b) The criteria for determination of the exercise price, and the reasonableness of the price:
Referring Article 53 of "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", considering the talent motivation and retention effect of incentive tool, and ensuring shareholder's equity, the grant price will be no less than 55% of the market closing price on the grant date. The actual grant price will be decided by BOD.
- (c) Qualification requirements for option subscribers, and the number of shares they are allowed to subscribe for:
It is described and prescribed under ESOP as following:
- (i) Eligibility Participants: Selective Acer worldwide permanent full time employee who are critical to global operations.
- (ii) The number of shares allowed to subscribe for: Refer to the employee's performance to global operation; the grant of Options to respective employees will be finalized following the approval of the Chairman subject to "Tight to Performance" below and consent of the Board of Directors.
- (iii) Tight to Performance: Tight to actual performance result (Revenue and PAT achievement) to grant Options.
- (d) The reasons why it is necessary to issue the Options:
In order to achieve the objective to attract, retain and encourage the talents of skilled employees who are needed for Acer, "**Acer Pay for Performance Proxy Disclosure**" is enclosed hereof (please refer to the Attachment 8) for your consideration.
- (e) Factors affecting shareholders' equity:
- (i) The expenditure amount and dilution of Acer's earnings per share:
- (a) The estimated amount to expense 14,000,000 shares will be around NT\$ 440,000,000 and amortized within 2 years.
- (b) The average expense per year is around NT\$220,000,000 in two years, the dilution to Acer's earnings per share each year will be less than NT\$0.1.

- (ii) Where previously issued shares will be used to cover the warrants, explain what financial burden this will impose on the company: Not Applicable
- (3) It is proposed to authorize the meeting of the Board of Directors with full power to adjust or amend ESOP except for the opposite stipulations of the competent laws and regulations.
- (4) Please discuss

Resolution:

ITEM 5

Proposal: To Approve Amendments to Acer's "Procedures Governing Lending of Capital to Others". (Proposed by the Board of Directors)

Details: (1) To comply with the "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies" amended on January 15, 2009 per Order No. Financial-Supervisory-Securities-IV-0980000271 of the Financial Supervisory Commission, Executive Yuan, it is proposed to partially amend Articles of the Company's "Procedures Governing Lending of Capital to Others".

(2) Please discuss

Comparison Table of Acer's Procedures Governing Lending of Capital to Others Before and After Revision

Before Revision	After Revision	Purpose
<p>Article 7. The Standards for Public Announcement</p> <p>1. The Company shall enter the information regarding the rest amount available from the Company and its subsidiaries into the Market Observation Post System on or before the 10th date of each month.</p> <p>2. In the event that the amount of loan of the Company and its subsidiaries reaches the following standard, the Company shall enter the information into the Market Observation Post System within two days after the occurrence of said lending:</p> <p>a. The aggregate amount of loans reaches twenty percent (20%) or more of the Company net worth as stated in its latest financial report. Or in the event that the Company engages in further lending activities with the same enterprise after the Company makes its public announcement pursuant to these Procedures and the additional amount outstanding exceeds two percent (2%) of the net worth stated in its latest financial report.</p> <p>b. The aggregate amount of loan for any single enterprise reaches ten (10%) percent or more of the Company net worth as stated in its latest financial report. Or in the event that the Company engages in further lending activities with the same enterprise after the Company makes its public announcement pursuant to the Procedure and the additional amount outstanding exceeds two percent (2%) of the net worth started in its latest financial report.</p>	<p>Article 7. The Standards for Public Announcement</p> <p>1. The Company shall enter the information regarding the rest amount available from the Company and its subsidiaries into the Market Observation Post System on or before the 10th date of each month.</p> <p>2. In the event that the amount of loan of the Company and its subsidiaries reaches the following standard, the Company shall enter the information into the Market Observation Post System announce and report within two days after the occurrence of said lending:</p> <p>a. The aggregate amount of loans reaches twenty percent (20%) or more of the Company net worth as stated in its latest financial report. Or in the event that the Company engages in further lending activities with the same enterprise after the Company makes its public announcement pursuant to these Procedures and the additional amount outstanding exceeds two percent (2%) of the net worth stated in its latest financial report.</p> <p>b. The aggregate amount of loan for any single enterprise reaches ten (10%) percent or more of the Company net worth as stated in its latest financial report. Or in the event that the Company engages in further lending activities with the same enterprise after the Company makes its public announcement pursuant to these Procedures and the additional amount outstanding exceeds two percent (2%) of the net worth started in its latest financial report.</p>	<p>To revise this Article in accordance with Article 22 of "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies"</p>

Before Revision	After Revision	Purpose
<p>c. Making the loan by reason of business relations, the aggregate amount of loan exceeds the trading amount between the two companies in the most recent year. Or in the event that the Company engages in further lending activities with the same enterprise after the Company makes its public announcement pursuant to these Procedures and the additional amount outstanding exceeds two percent (2%) of the net worth stated in its latest financial report.</p>	<p>e. Making the loan by reason of business relations, the aggregate amount of loan exceeds the trading amount between the two companies in the most recent year. Or in the event that the Company engages in further lending activities with the same enterprise after the Company makes its public announcement pursuant to these Procedures and the additional amount outstanding exceeds two percent (2%) of the net worth stated in its latest financial report. <u>The aggregate amount of new loans reaches NT\$10 millions and exceeds two percent (2%) or more of the Company net worth as stated in its latest financial report.</u> <u>3. The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to the preceding paragraph.</u></p>	
<p>Article 10. Control Management Process of Subsidiaries When the subsidiaries in which the Company has control is lending capital to others, the subsidiaries shall enact the "Procedures Governing Lending of Capital" and file with the Board of Directors of the Company for ratification, provided that these Procedures thereto shall complied with these Procedures. The aggregate amount of loan of the subsidiaries and the aggregate amount of the loan for individual enterprise shall not exceed the following standard: 1. For the subsidiaries in which the Company directly or indirectly holds 100% of its total outstanding common shares, the aggregate amount of loans and the amount of loan for individual enterprise shall be calculated based on the net worth of the Company and the stipulations of these Procedures. 2. For the subsidiaries in which the Company did not directly or indirectly holds 100% of its total outstanding common shares, the aggregate amount of loan and the amount of loan for individual enterprise shall be calculated based on the net worth of the subsidiaries and the stipulations of these Procedures.</p>	<p>Article 10. Control Management Process of Subsidiaries When the subsidiaries in which the Company has control is lending capital to others, the subsidiaries shall enact the "Procedures Governing Lending of Capital" and file with the Board of Directors of the Company for ratification, provided that these Procedures thereto shall complied with these Procedures. The aggregate amount of loan of the subsidiaries and the aggregate amount of the loan for individual enterprise shall not exceed the following standard: 1. For the subsidiaries in which the Company directly or indirectly holds 100% of its total outstanding common shares, the aggregate amount of loans and the amount of loan for individual enterprise shall be calculated based on the net worth of the Company and the stipulations of these Procedures. 2. For the subsidiaries in which the Company did not directly or indirectly holds 100% of its total outstanding common shares, the aggregate amount of loan and the amount of loan for individual enterprise shall be calculated based on the net worth of the subsidiaries and the stipulations of these Procedures. 3. <u>Where funds are loaned between the overseas companies in which the Company directly and indirectly holds 100% voting shares or capital, such funds may be loaned free of the</u></p>	<p>To add excepted clause in accordance with Article 3, Paragraph 4 of "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies"</p>

Before Revision	After Revision	Purpose
	<p><u>limitation of the aggregate amount of short-term funding under Article 3 Paragraph 1, the limits to each single borrower under Paragraph 3 Clause a and Article 4.</u></p>	
<p>Article 14 The loan made before the implementation of these Procedures shall be filed with the Board of Directors for approval and complied with these Procedures to process the lending, provided that if the loan exceeded the amount limit, the excess portion shall be discharged by installment.</p>	<p>Article 14 The loan made before the implementation of these Procedures shall be filed with the Board of Directors for approval and complied with these Procedures to process the lending, provided that if the loan exceeded the amount limit, the excess portion shall be discharged by installment. <u>Where the borrower later becomes unqualified in accordance with these Procedures or its rest amount exceeds the limit as a result of changes of condition, the Company shall adopt rectification plans, submit the rectification plans to all the supervisors and complete the rectification subject to the plan schedule.</u></p>	<p>To add Paragraph 2 in accordance with Article 16 of "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies"</p>
<p>Article 17 Approved by General Shareholder's Meeting held on January 15, 1993; (ignored)</p>	<p>Article 17 Approved by General Shareholder's Meeting held on January 15, 1993; (ignored) The 9th amendment was made on June 19, 2009.</p>	<p>To increase the date of amendment</p>

Resolution:

ITEM 6

Proposal: To Approve Amendments to Acer’s “Procedures Governing Endorsement and Guarantee” (Proposed by the Board of Directors)

Details: (1) To comply with the “Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies” amended on January 15, 2009 per Order No. Financial Supervisory Securities IV-0980000271 of the Financial Supervisory Commission, Executive Yuan, it is proposed to partially amend Articles of the Company’s “Procedures Governing Endorsement and Guarantee”.

(2) Please discuss

Comparison Table of Acer’s Procedures Governing Endorsement and Guarantee Before and After Revision

Before Revision	After Revision	Purpose
<p>Article 2 Applicability The Company may provide endorsement and/or guarantee for the following companies and if it is necessary, the securities shall be obtained:</p> <ol style="list-style-type: none"> 1. The companies with which it has business relations. 2. Subsidiaries in which the Company holds more than 50% of its total outstanding common shares. 3. For companies that are jointly invested by the Company or through its subsidiary, and if the respective shareholders of such companies make endorsements and/or guarantees in proportion to their respective shareholding. 	<p>Article 2 Applicability The Company may provide endorsement and/or guarantee for the following companies and if it is necessary, the securities shall be obtained:</p> <ol style="list-style-type: none"> 1. The companies with which it has business relations. 2. Subsidiaries in which the Company holds more than 50% of its total outstanding common shares. 3. For companies that are jointly invested by the Company or through its subsidiary, and if <u>all</u> the respective shareholders of such companies make endorsements and/or guarantees in proportion to their respective shareholding. <u>The above referred investment means the investment by the Company directly or indirectly through its subsidiaries in which the Company holds 100% voting shares or capital.</u> <p><u>The endorsements and/or guarantees may be provided among or between the companies in which the Company directly or indirectly holds 100% voting shares or capital.</u></p>	<p>To revise this Article in accordance with Article 5 of “Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies”</p>
<p>Article 7 The Internal Control Procedure of the Company’s Subsidiaries When any subsidiaries in which the Company holds more than 50% of its total outstanding common shares provide endorsements and/or guarantees to other companies, the proposal shall be submitted to the Chairman of the board of the Company for approval and filed with the Board of Directors of the Company for recordation. The Company shall comply with these Procedures to make a public announcement.</p>	<p>Article 7 The Internal Control Procedure of the Company’s Subsidiaries When any subsidiaries in which the Company holds more than 50% of its total outstanding common shares provide endorsements and/or guarantees to other companies, <u>the subsidiaries shall enact the “Procedures Governing Endorsement and Guarantee” in accordance with these Procedures and</u> the proposal shall be submitted to the Chairman of the board of the Company for approval and filed with the Board</p>	<p>To revise this Article in accordance with Article 13 of “Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies”</p>

Before Revision	After Revision	Purpose
	of Directors of the Company for recordation. The Company shall comply with these Procedures to make a public announcement.	
<p>Article 10 The Standards for Public Announcement</p> <p>1. The Company shall make a public announcement on the amount of the Company and its subsidiaries endorsements and/or guarantees on or before the 10th date of each month. In addition, in the event that the amount meets of the following standards, the Company shall make a separate public announcement and enter the same into the Market Observation Post System:</p> <ol style="list-style-type: none"> a. The total amount of endorsements worth and/or guarantees reaches fifty percent (50%) or more of the Company net worth as stated in its latest financial report. Or after the announcement, the amount of endorsements and/or guarantees has been increased by 5% or more of the Company net worth as stated in its latest financial report. b. The amount of endorsement and/or guarantee in favor of any single enterprise reaches twenty percent (20%) or more of the Company net worth as stated in its latest financial report. Or after the announcement, the amount of endorsements and/or guarantees has been increased by 5% or more of the Company net worth as stated in its latest financial report. c. The amount of endorsement and/or guarantee for any single enterprise reaches 10 million NTD, and the aggregate amount of the endorsements and/or guarantees, long-term investment, and loans to that enterprise reaches thirty percent (30%) or more of the Company net worth as stated in its latest financial report. Or after the announcement, the amount of endorsements and/or guarantees has been increased by five percent (5%) or more of the Company net worth as stated in its latest financial report. d. The aggregate amount of endorsement and/or guarantee provided to any single enterprise by reason of business relations exceeds the total trading amount between the two companies in the most recent year. <p>2. Time Limits for and Contents of the Public Announcement</p>	<p>Article 10 The Standards for Public Announcement</p> <p>1. The Company shall make a public announcement on the amount of the Company and its subsidiaries endorsements and/or guarantees on or before the 10th date of each month. In addition, in the event that the amount meets of the following standards, the Company shall make a separate public announcement and <u>report enter the same into the Market Observation Post System:</u></p> <ol style="list-style-type: none"> a. The total amount of endorsements worth and/or guarantees reaches fifty percent (50%) or more of the Company net worth as stated in its latest financial report. Or after the announcement, the amount of endorsements and/or guarantees has been increased by 5% or more of the Company net worth as stated in its latest financial report. b. The amount of endorsement and/or guarantee in favor of any single enterprise reaches twenty percent (20%) or more of the Company net worth as stated in its latest financial report. Or after the announcement, the amount of endorsements and/or guarantees has been increased by 5% or more of the Company net worth as stated in its latest financial report. c. The amount of endorsement and/or guarantee for any single enterprise reaches 10 million NTD, and the aggregate amount of the endorsements and/or guarantees, long-term investment, and loans to that enterprise reaches thirty percent (30%) or more of the Company net worth as stated in its latest financial report. Or after the announcement, the amount of endorsements and/or guarantees has been increased by five percent (5%) or more of the Company net worth as stated in its latest financial report. d. The aggregate amount of endorsement and/or guarantee provided to any single enterprise by reason of business relations exceeds the total trading amount between the two companies in the most recent year. <u>The aggregate amount of new endorsement and/or guarantee made reaches 30 million</u> 	<p>To revise this Article in accordance with Article 25 of “Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies”</p>

Before Revision	After Revision	Purpose
In the event that the amount of endorsements and/or guarantees of the Company reach the standard referred to the proceeding Paragraph 1 of this Article, it shall make a public announcement within two days after the occurrence of said endorsements and/or guarantees, and enter the said information into the Market Observation Post System. (omitted)	<u>NTD and five percent (5%) or more of the Company net worth as stated in its latest financial report.</u> <u>The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to this Paragraph.</u> 2. Time Limits for and Contents of the Public Announcement In the event that the amount of endorsements and/or guarantees of the Company reach the standard referred to the proceeding Paragraph 1 of this Article, it shall make a public announcement <u>and report</u> within two days after the occurrence of said endorsements and/or guarantees, and enter the said information into the Market Observation Post System. (omitted)	
Article 15 If the Company makes the endorsement and/or guarantee later becomes unqualified under Article 2, or the endorsement and/or guarantee amount exceeds the limit under these Procedures due to the change of the calculation basis, the Company shall discharge the endorsement and/or guarantee amount or the amount in excess on the date the agreement term expires or within a designated period pursuant to an internal plan. The above timeframe shall be reported to the Board of Directors.	Article 15 If the Company makes the endorsement and/or guarantee later becomes unqualified under Article 2, or the endorsement and/or guarantee amount exceeds the limit under these Procedures due to the change of the calculation basis, the Company shall <u>adopt plans and submit the plans to all the supervisors to</u> discharge the endorsement and/or guarantee amount or the amount in excess on the date the agreement term expires or within a designated period pursuant to an internal <u>the competent</u> plan. The above timeframe shall be reported to the Board of Directors.	To revise this Article in accordance with Article 20 of "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies"
Article 18 Approved by General Shareholder's Meeting held on January 15, 1993; (ignored)	Article 18 Approved by General Shareholder's Meeting held on January 15, 1993; (ignored) The 9 th amendment was made on June 19, 2009.	To increase the date of amendment

Resolution:

E. Special Motion

F. Closing of Meeting

Attachment 1

Business Report to Shareholders for Year 2008

In year 2008, Acer once again achieved record-breaking revenue and profit figures. The consolidated revenues rose 18% on-year to reach NT\$546.27B (US\$16.65B), operating income grew 38% on-year to reach NT\$14.1B (US\$429M), profit after tax was NT\$11.7B (US\$357.6M), and earnings-per-share was NT\$4.72.

Acer's share in the global PC market grew significantly, drawing vast attention from the industry and media in the second half of the year with the highly successful launch of Aspire One netbooks. According to leading IT research firm, Gartner, Acer ranked No. 3 for Total PCs with 55% growth, and No. 2 for notebooks (including netbooks) with 60% growth, globally. In both categories, Acer's on-year growth rates were the highest among the top players.

Since the acquisition of Gateway and Packard Bell, Acer has completed the integration of its resources and is now operating with powerful synergy. We conducted in-depth research and defined a new multi-brand strategy. Acer, Gateway, eMachines and Packard Bell each have clear brand positioning by geography and customer segment, and with differentiated product line design.

During this global economic downturn, our competitors are inclined to take a conservative approach. Acer, however, remains positive, firmly believing that current conditions provide hidden opportunities. With our sustainable business model and lower operating costs, we aim to continue expanding market share and improve our worldwide ranking. In 2009, we expect to boost our share in the notebook market by 2~3% from the previous year with netbooks playing a key role, and to maintain healthy revenue and profit growths.

Acer shall focus on the effective implementation of our multi-brand strategy, a key factor of our success that encompasses global brand management and differentiated product line design. We will continue to minimize operational costs, improve our customer order fulfillment to meet the fast-changing demands of the PC market. Opportunities lie ahead, we've set our sights on attaining significant growth in the U.S., China and Japan markets, and ultimately, gaining a more even spread of revenues from our worldwide markets.

Acer's business model has proved to be the best for dealing in high-uncertainty business environments. We regard ourselves to be in a favorable position compared to the key PC players, and that the goal of becoming the world's No. 1 notebook vendor is in close proximity.

Finally, we thank all our shareholders for their relentless support and guidance.

Sincerely,



J.T. Wang
Acer Group CEO and Acer Inc. Chairman

Attachment 2

Independent Auditors' Report

The Board of Directors
Acer Incorporated:

We have audited the non-consolidated balance sheets of Acer Incorporated (the "Company") as of December 31, 2008 and 2007, and the related non-consolidated statements of income, changes in stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the Republic of China and with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants". Those standards and regulations require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the non-consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Acer Incorporated as of December 31, 2008 and 2007, and the results of their operations and their cash flows for the years then ended, in conformity with the related financial accounting standards of the "Business Entity Accounting Act" and of the "Regulation on Business Entity Accounting Handling" and accounting principles generally accepted in the Republic of China.

As stated in note 3(a) to the accompanying non-consolidated financial statements, effective on January 1, 2008, the Company recognized and disclosed share-based payment transactions, employee bonuses, and directors' and supervisors' emoluments according to the Republic of China Statement of Financial Accounting Standards (SFAS) No. 39 "Accounting for Share-based payments" and Interpretation (96) 052 issued by the Accounting Research and Development Foundation. The changes in accounting principle decreased the Company's net income and basic earnings per share for the year ended December 31, 2008, by NT\$1,483,776 thousand and NT\$0.60, respectively.

We have audited the consolidated financial statements as of and for the years ended December 31, 2008 and 2007 prepared by the Company. Based on our audit, we express an unqualified audit opinion with an explanatory paragraph related to a change in accounting principles and an unqualified audit opinion with on the consolidated financial statements, respectively.

KPMG
March 27, 2009

This document is an English translation of a report originally issued in Chinese. In the event of a conflict between the English translation and the original Chinese version, the Chinese language auditors' report shall prevail.

ACER INCORPORATED Non-Consolidated Balance Sheets December 31, 2008 and 2007 (Expressed in thousands of New Taiwan dollars)

Assets	2008.12.31 NT\$	2007.12.31 NT\$
Current assets:		
Cash and cash equivalents	3,292,268	1,333,012
Notes and accounts receivable, net of allowance for doubtful accounts of NT\$144,814 and NT\$50,202 as of December 31, 2008 and 2007, respectively	10,462,601	11,046,526
Notes and accounts receivable from related parties	57,004,831	49,206,053
Other receivable from related parties	855,217	766,700
Other receivable	3,301,405	580,625
Inventories	14,246,154	13,044,788
Restricted assets-current	-	1,958,585
Financial assets at fair value through profit or loss – current	311,045	708
Available-for-sale financial assets-current	43,354	1,324,654
Hedging purpose derivative financial assets-current	1,760	9,288
Deferred income tax assets-current	1,477,750	1,406,039
Prepaid expenses and other current assets	183,532	159,290
Total current assets	91,179,917	80,836,268
Funds and investments:		
Long-term equity investments under equity method	76,770,405	68,422,359
Available-for-sale financial assets-noncurrent	907,379	3,360,276
Financial assets carried at cost-noncurrent	808,960	1,070,196
Total funds and investments	78,486,744	72,852,831
Property, plant and equipment:		
Land	376,842	376,842
Buildings and improvements	578,892	578,892
Machinery and computer equipment	467,532	413,381
Transportation equipment	25,119	25,503
Office equipment	14,056	15,901
Other equipment	717,793	373,659
Leasehold improvements	26,053	26,053
Construction in progress and advance payments for purchases of property and equipment	17,048	330,897
	2,223,335	2,141,128
Less: accumulated depreciation	(598,098)	(526,414)
Net property, plant and equipment	1,625,237	1,614,714
Intangible assets	688,405	615,383
Property not used in operation	4,244,860	5,060,884
Refundable deposits	215,061	235,932
Noncurrent receivable, net of allowance for doubtful accounts of NT\$28,035 and NT\$0 as of December 31, 2008 and 2007, respectively	68,948	255,612
Deferred charges and other assets	1,537,693	1,032,346
Total assets	178,046,865	162,503,970
Liabilities and Stockholders' Equity	2008.12.31	2007.12.31

ACER INCORPORATED
Non-Consolidated Statements of Income
For the years ended December 31, 2008 and 2007
(Expressed in thousands of New Taiwan dollars, except earnings per share data)

	NT\$	NT\$
Current liabilities:		
Short-term borrowings	-	4,853,109
Notes and accounts payable	44,785,400	34,546,552
Notes and accounts payable to related parties	6,369,645	4,648,792
Financial liabilities at fair value through profit or loss – current	938,774	1,356,686
Other payables to related parties	3,235,703	2,547,183
Hedging purpose derivative financial liabilities – current	327,088	-
Royalties payable	6,538,764	5,049,076
Accrued expenses and other current liabilities	17,012,033	11,662,799
Current installments of long-term debt	8,250,000	-
Deferred inter-company profits	21,616	15,961
Total current liabilities	<u>87,479,023</u>	<u>64,680,158</u>
Long-term liabilities:		
Long-term debt	3,950,000	16,500,000
Other payable to related parties	-	841,367
Other liabilities	31,785	81,362
Deferred income tax liabilities-noncurrent	4,267,098	3,143,894
Long-term equity investment credits	-	447,475
Total long-term liabilities	<u>8,248,883</u>	<u>21,014,098</u>
Total liabilities	<u>95,727,906</u>	<u>85,694,256</u>
Stockholders' equity:		
Common stock	26,428,560	24,054,904
Capital surplus	37,129,952	29,898,983
Retained earnings:		
Legal reserve	8,786,583	7,490,689
Unappropriated earnings	13,985,318	13,551,024
Other stockholders' equity components:		
Foreign currency translation adjustment	1,241,058	2,733,899
Minimum pension liability adjustment	(283)	(173,364)
Unrealized gain on available-for-sale financial assets	(1,456,066)	2,508,663
Hedging reserve	(273,565)	15,836
Treasury stock	(3,522,598)	(3,270,920)
Total stockholders' equity	<u>82,318,959</u>	<u>76,809,714</u>
Commitments and contingencies		
Total liabilities and stockholders' equity	<u>178,046,865</u>	<u>162,503,970</u>

	2008 NT\$	2007 NT\$		
Revenues	418,939,015	319,170,192		
Cost of revenues	<u>(409,605,923)</u>	<u>(307,120,105)</u>		
Gross profit	9,333,092	12,050,087		
Changes in realized (unrealized) inter-company profits	<u>(5,655)</u>	<u>12,102</u>		
Realized gross profit	<u>9,327,437</u>	<u>12,062,189</u>		
Operating expenses:				
Selling	(2,244,566)	(2,697,796)		
Administrative	(192,142)	(163,866)		
Research and development	(99,964)	(101,205)		
Total operating expenses	<u>(2,536,672)</u>	<u>(2,962,867)</u>		
Operating income	<u>6,790,765</u>	<u>9,099,322</u>		
Non-operating income and gains:				
Interest income	277,494	410,532		
Investment gain recognized by equity method, net	4,278,030	1,208,944		
Gain on disposal of fixed assets	-	107,683		
Gain on disposal of investments, net	2,205,586	3,587,521		
Foreign currency exchange gain and gain on evaluation of financial instruments, net	220,235	-		
Other income	<u>72,227</u>	<u>152,404</u>		
	<u>7,053,572</u>	<u>5,467,084</u>		
Non-operating expenses and loss:				
Interest expense	(582,052)	(207,899)		
Other investment loss	(186,000)	-		
Loss on disposal of fixed assets	(142)	-		
Foreign currency exchange loss and loss on evaluation of financial instruments, net	-	(786,493)		
Assets impairment loss	(221,931)	-		
Other losses	<u>(688)</u>	<u>(19)</u>		
	<u>(990,813)</u>	<u>(994,411)</u>		
Income before income taxes	12,853,524	13,571,995		
Income tax expense	<u>(1,111,389)</u>	<u>(613,062)</u>		
Net income	<u>11,742,135</u>	<u>12,958,933</u>		
Earnings per common share (in New Taiwan dollars):				
	Before income taxes NT\$	After income taxes NT\$	Before income taxes NT\$	After income taxes NT\$
Basic earnings per common share – retroactively adjusted	5.17	4.72	5.58	5.33
Diluted earnings per common share	5.09	4.65		

ACER INCORPORATED
Non-Consolidated Statements of Changes in Stockholders' Equity
For the years ended December 31, 2008 and 2007
(Expressed in thousands of New Taiwan dollars)

	Retained earnings				Unappropriated earnings	Foreign currency translation adjustment	Minimum pension liability adjustment	Unrealized gain on available-for- sale financial assets	Hedging reserve	Treasury stock	Total stockholders' equity
	Common stock	Capital surplus	Legal reserve	Special reserve							
	NT\$	NT\$	NT\$	NT\$							
Balance at January 1, 2007	23,370,637	29,947,020	6,468,865	283,921	11,531,479	1,335,500	-	4,374,388	(12,780)	(3,270,920)	74,028,110
2007 net income	-	-	-	-	12,958,933	-	-	-	-	-	12,958,933
Foreign currency translation adjustment	-	-	-	-	-	1,398,399	-	-	-	-	1,398,399
Change in fair values of financial instruments	-	-	-	-	-	-	-	-	28,616	-	28,616
Appropriation approved by the stockholders:											
Legal reserve	-	-	1,021,824	-	(1,021,824)	-	-	-	-	-	-
Stock dividends and employees' bonuses in stock	684,267	-	-	-	(684,267)	-	-	-	-	-	-
Special reserve	-	-	-	(283,921)	283,921	-	-	-	-	-	-
Cash dividends	-	-	-	-	(8,997,695)	-	-	-	-	-	(8,997,695)
Directors' and supervisors' remuneration	-	-	-	-	(94,804)	-	-	-	-	-	(94,804)
Employees' bonuses in cash	-	-	-	-	(424,719)	-	-	-	-	-	(424,719)
Decrease in capital surplus resulting from long-term equity investments accounted for by the equity method	-	(169,810)	-	-	-	-	-	-	-	-	(169,810)
Cash dividends distributed to subsidiaries	-	121,773	-	-	-	-	-	-	-	-	121,773
Unrealized loss on available-for sale financial assets	-	-	-	-	-	-	-	(1,865,725)	-	-	(1,865,725)
Minimum pension liability adjustment	-	-	-	-	-	-	(173,364)	-	-	-	(173,364)
Balance at December 31, 2007	24,054,904	29,898,983	7,490,689	-	13,551,024	2,733,899	(173,364)	2,508,663	15,836	(3,270,920)	76,809,714
2008 net income	-	-	-	-	11,742,135	-	-	-	-	-	11,742,135
Foreign currency translation adjustment	-	-	-	-	-	(1,492,841)	-	-	-	-	(1,492,841)
Change in fair values of financial instruments	-	-	-	-	-	-	-	-	(289,401)	-	(289,401)
Appropriation approved by the stockholders:											
Legal reserve	-	-	1,295,894	-	(1,295,894)	-	-	-	-	-	-
Stock dividends and employees' bonuses in stock	690,823	-	-	-	(690,823)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(8,659,766)	-	-	-	-	-	(8,659,766)
Directors' and supervisors' remuneration	-	-	-	-	(116,630)	-	-	-	-	-	(116,630)
Employees' bonuses in cash	-	-	-	-	(544,728)	-	-	-	-	-	(544,728)
Cash dividends distributed to subsidiaries	-	114,832	-	-	-	-	-	-	-	-	114,832
Decrease in capital surplus resulting from long-term equity investments accounted for by the equity method	-	(78,255)	-	-	-	-	-	-	-	-	(78,255)
Unrealized loss on available-for sale financial assets	-	-	-	-	-	-	-	(3,964,729)	-	-	(3,964,729)
Minimum pension liability adjustment	-	-	-	-	-	-	173,081	-	-	-	173,081
Issuance of shares for acquisitions	1,681,589	7,155,678	-	-	-	-	-	-	-	-	8,837,267
Issuance of shares for the exercise of stock options	1,244	858	-	-	-	-	-	-	-	-	2,102
Share-based payment transactions	-	37,856	-	-	-	-	-	-	-	-	37,856
Treasury stock held by subsidiaries	-	-	-	-	-	-	-	-	-	(251,678)	(251,678)
Balance at December 31, 2008	26,428,560	37,129,952	8,786,583	-	13,985,318	1,241,058	(283)	(1,456,066)	(273,565)	(3,522,598)	82,318,959

ACER INCORPORATED
Non-Consolidated Statements of Cash Flows
For the years ended December 31, 2008 and 2007
(Expressed in thousands of New Taiwan dollars)

	2008 NT\$	2007 NT\$
Cash flows from operating activities:		
Net income	11,742,135	12,958,933
Adjustments to reconcile net income to cash provided by (used in) operating activities:		
Depreciation	143,388	130,375
Amortization	257,260	228,457
Stock-based compensation cost	29,311	-
Loss (gain) on disposal of assets, net	142	(107,683)
Fixed assets and deferred charges reclassified as expenses	130	4,757
Gain on disposal of investments, net	(2,205,586)	(3,587,521)
Net investment gain on long-term equity investments accounted for by equity method, net of cash dividends received	(8,970,323)	(7,784,833)
Other investment loss	186,000	-
Assets impairment loss	221,931	-
Realized foreign currency translation adjustment	(30,355)	(18,780)
Deferred income tax	1,051,492	138,583
Changes in operating assets and liabilities:		
Notes and accounts receivable	583,925	(3,030,252)
Receivables from related parties	(7,798,778)	(330,283)
Inventories	(1,421,679)	(7,035,549)
Other financial assets, prepayments and other current assets	(3,055,358)	12,877
Noncurrent receivable		224,925
Notes and accounts payable	186,664	-
Payables to related parties	10,238,848	(1,152,408)
Deferred inter-company profits	(262,487)	3,978,482
Other financial liabilities, royalties payable, accrued expenses and other current liabilities	5,655	(12,102)
Other liabilities	6,834,098	4,354,502
Other liabilities	(49,577)	(39,199)
Cash provided by (used in) operating activities	7,686,836	(1,066,719)
Cash flows from investing activities:		
Decrease in available-for-sale financial assets-current	1,119,726	7,981,738
Proceeds from sales of long-term equity investments and available-for-sale financial assets-noncurrent	3,016,289	6,912,865
Increase in long-term equity investments and available-for-sale financial assets-noncurrent	(86,700)	(24,374,926)
Return of capital from investees	5,337,210	3,649,915
Proceeds from disposal of property, plant and equipment and property not used in operations	393,789	1,220,389
Additions to property, plant and equipments, and property not used in operations	(217,403)	(442,076)
Increase in intangible assets	(215,897)	(381,558)
Increase in loans and advances to related parties	(88,517)	(591,608)
Decrease (increase) in restricted assets – current	1,958,585	(1,958,585)
Increase in refundable deposits, deferred charges, and other assets	(303,025)	(225,445)
Cash provided by (used in) investing activities	10,914,057	(8,209,291)
Cash flows from financing activities:		
Decrease in short-term borrowings	(4,853,109)	(521,972)
Increase in long-term debt	-	16,500,000
Payment of long-term debt	(4,300,000)	-
Increase in loans from related parties	1,830,494	841,367
Exercise of stock options	2,102	-
Payment of cash dividends, employees' bonuses and directors' and supervisor's remuneration	(9,321,124)	(9,517,218)
Cash used in financing activities	(16,641,637)	7,302,177
Net increase (decrease) in cash and cash equivalents	1,959,256	(1,973,833)
Cash and cash equivalents at beginning of period	1,333,012	3,306,845
Cash and cash equivalents at end of period	3,292,268	1,333,012
Supplemental disclosures of cash flow information:		
Interest paid	579,450	181,367
Income taxes paid	338,793	236,553
Supplementary schedules of non-cash investing and financing activities:		
Issuance of shares for acquisitions	8,837,267	-
Change in foreign currency translation adjustment	(1,462,486)	1,417,179
Change in unrealized gain on available-for-sale financial assets	(3,964,729)	(1,865,725)

Attachment 3

Comparison Table of
Acer Incorporated 2008 Employee Stock Option Plan
Before and After Amendments
(English Translation)

Current Version	After Amendment	Purpose
<p>3. Issue Period</p> <p>The employee stock options will be granted by single or multiple applications for government authority approval within one year from the date of approval by shareholders meeting. The actual date or dates on which options will be granted will be decided by the Chairman of the Company's Board of Directors (the "Chairman")</p>	<p>3. Issue Period</p> <p>The employee stock options will be granted by single or multiple applications for government authority approval within one year from the date of approval by shareholders meeting; <u>and it may be granted in whole or tranches according to the actual need within one year from the arrival date of the effective declaration to the government authority.</u> The actual date or dates on which options will be granted will be decided by the Chairman of the Company's Board of Directors (the "Chairman")</p>	To amend in accordance with the newest Check-List for ESOP Application and competent regulations
<p>5. Eligibility</p> <p>(1) Applicable Person</p> <p>Regular employees of the Company or any of its domestic and overseas subsidiaries with direct or in-direct holding shares for 50% or above, who are critical to global operations, are eligible for the grant of stock options under this Plan, but the eligibility and the base date for eligibility will be determined by the Chairman</p>	<p>5. Eligibility</p> <p>(1) Applicable Person</p> <p>Regular employees of the Company or any of its domestic and overseas subsidiaries with direct or in-direct holding shares for 50% or above, who are critical to global operations, are eligible for the grant of stock options under this Plan, but the eligibility and the base date for eligibility will be determined by the Chairman.</p>	Ditto
<p>6. Terms and Conditions for Exercising</p> <p>(1) Exercise price:(ignored)</p> <p>(2) Period: The options expire on the third anniversary of its date of grant (the Expiration Date) and upon expiration, unexercised shares are deemed forfeited and the optionee may no longer claim the right to exercise the option and purchase those shares. The options shall not be assigned to anyone other than the optionee's inheritor.</p> <p>(3) (ignored)</p> <p>(4) Vested Period and exercise condition: the Vested Period is two years from the grant date. From the 2nd anniversary of the grant date, the granted ESOP can be exercised without condition</p> <p>(5)-(6) (ignored)</p>	<p>6. Terms and Conditions for Exercising</p> <p>(1) Exercise price:(ignored)</p> <p>(2) Period: The options expire on the third anniversary of its date of grant (the Expiration Date) and upon expiration, unexercised shares are deemed forfeited and the optionee may no longer claim the right to exercise the option and purchase those shares. The options shall not be assigned to anyone other than the optionee's inheritor.</p> <p><u>From the 2nd anniversary of the grant date, except that all or partial options revoked by the Company, 100% vested options can be exercised.</u></p> <p>(3) (ignored)</p> <p>(4) Vested Period and exercise condition: the Vested Period is two years from the grant date <u>decided by Chairman.</u> From the 2nd anniversary of the grant date, the granted ESOP can be exercised without condition</p> <p>(5)-(6) (ignored)</p>	Ditto

Current Version	After Amendment	Purpose
<p>8.Adjustment of Exercise Price</p> <p>(1) After the issuance of the option, if the Company increases its capital by surplus and/or capital reserve, the exercise price shall be adjusted and computed by the following formula (Computation up to hundredths of New Taiwan dollars and the fraction is rounded off at 4 to become 5):</p> <p style="padding-left: 40px;">Adjusted subscription price = [(Exercise price before adjustment × shares issued) + (Amount paid for each new share × number of new shares issued)] ÷ (shares issued + number of new shares issued)</p> <p>a. "Shares issued" refer to total number of common stocks issued, including the number of treasury shares which have not been cancelled or transferred.</p> <p>b. "Amount paid for each share": In the case of free distribution or separation of shares, the amount paid for each share shall be zero. In case of merger with another company and the Company is surviving, the amount paid for each share shall be the dissolved company's net value per share based on which the share exchange rate is decided, and converted according to the share exchange rate.</p> <p>c. If the exercise price after adjustment exceeds the exercise price before adjustment, no adjustment shall be made.</p> <p>d. If the exercise price after adjustment lowers than the par value of common stocks, the par value shall be the exercise price.</p> <p>e. In case of any change of share not listed in the preceding clauses, the Board of Directors is authorized (by the Company shareholders' meeting) to adjust or not.</p> <p>(2) Upon the occurrence of capital reduction except where such reduction occurs as a result of treasury stock cancellation, the exercise price shall be adjusted and computed by the following formula on the reduction date subject to submitting for Taiwan Stock Exchange Corporation announcement:</p> <p style="padding-left: 40px;">Adjusted subscription price = Exercise price before adjustment × [shares issued before reduction ÷ shares issued after reduction]</p>	<p>8.Adjustment of Exercise Price</p> <p>(1) After the issuance of the option, if the Company increases its capital by surplus and/or capital reserve, the exercise price shall be adjusted and computed by the following formula (Computation up to hundredths of New Taiwan dollars and the fraction is rounded off at 4 to become 5):</p> <p style="padding-left: 40px;">Adjusted subscription price = [(Exercise price before adjustment × shares issued) + (Amount paid for each new share × number of new shares issued)] ÷ (shares issued + number of new shares issued)</p> <p>a. "Shares issued" refer to total number of common stocks issued, including <u>excluding</u> the number of treasury shares which have not been cancelled or transferred.</p> <p>b. "Amount paid for each <u>new</u> share": In the case of free distribution or separation of shares, the amount paid for each share shall be zero. In case of merger with another company and the Company is surviving, the amount paid for each share shall be the dissolved company's net value per share based on which the share exchange rate is decided, and converted according to the share exchange rate.</p> <p><u>c. In case of new shares issuance due to the Company's merger with other companies, the amount paid for each new share shall be 30 business days' average market closing price of the Company common shares starts from the 45th working day ahead of the merge effective date.</u></p> <p>d. In case of new shares issuance due to acquisition of shares of other companies, the amount paid for each new share shall be 30 business days' average market closing price of Company common shares starts from the 45th working day ahead of the shares acquiring effective date</p> <p>eg. If the exercise price after adjustment exceeds the exercise price before adjustment, no adjustment shall be made.</p> <p>ef. If the exercise price after adjustment lowers than the par value of common stocks, the par value shall be the exercise price.</p> <p>e. In case of any change of share not listed in the preceding clauses, the Board of Directors is authorized (by the Company shareholders' meeting) to adjust or not.</p>	Ditto

Current Version	After Amendment	Purpose
<p>Adjusted subscription ratio = Exercise price before adjustment × subscription ratio before adjustment ÷ adjusted subscription price</p> <p>(3) After issuance of the option, if the Company distributes cash dividends, the exercise price shall be adjusted and computed by the following formula:</p> <p style="padding-left: 40px;">Adjusted subscription price = Exercise price before adjustment – dividends per share</p>	<p><u>(2) After the issuance of the option, if the Company increases its privately placed common shares, or if the convertible price or share subscription price is lower than the market price of the Company's common share and then the Company conducts a private placement of securities which be associated with the right to convert into common share or share subscription, the exercise price shall be adjusted and computed (downward, and shall be not adjusted upward) on the date of privately placed securities issuance in accordance with Paragraph 1 of Article 8.</u></p> <p><u>In case the market price of each share needs to be determined after adjustment in accordance with this paragraph, the market price shall be the simple average closing price of the common share for either the one, three, or five business days before the date of privately placed securities issuance.</u></p> <p>(3) After issuance of the option, if the Company distributes cash dividends <u>and the cash dividend per common share exceeds 1.5% of the common share market price</u>, the exercise price shall be adjusted and computed by the following formula:</p> <p style="padding-left: 40px;">Adjusted subscription price = Exercise price before adjustment – dividends per share × (1 – cash dividend ÷ market price)</p> <p><u>The foregoing common share market price shall be the simple average closing price of the common share for either one, or three, or five business days prior to the announcement date of the ex-dividend record date on which registration of transfers is suspended.</u></p> <p>(24) Upon the occurrence of capital reduction except where such reduction occurs as a result of treasury stock cancellation, the exercise price shall be adjusted and computed by the following formula on the reduction date subject to submitting for Taiwan Stock Exchange Corporation announcement:</p> <p style="padding-left: 40px;">Adjusted subscription price = Exercise price before adjustment × [shares issued before reduction ÷ shares issued after reduction]</p>	

Current Version	After Amendment	Purpose
	Adjusted subscription ratio = Exercise price before adjustment × subscription ratio before adjustment ÷ adjusted subscription price (5) <u>Upon capitalization of retained earnings or capitalization of capital reserves, additional employee stock options may be issued or adjust the number of shares subscribable; however, this shall apply only where the Articles of Incorporation at the time of subscription expressly provide that there is a sufficient number of shares to be made available for subscription.</u>	
9. Procedure for Exercising Options: The option holder may, in accordance with Article 5 of this Plan hereof, exercise the right to purchase ... (ignored)	9. Procedure for Exercising Options: <u>After the vesting period</u> , the option holder may, in accordance with Article 5 of this Plan hereof, exercise the right to purchase ... (ignored)	Ditto
10. Update registration for paid-in capital The Company shall public announce the number of issued common shares for the exercised options within 15 days of the end of each quarter, and file the update registration for paid-in capital with the relevant authority once each quarter. If the interval between the foregoing change registration date and the date for change registration capital caused of any other event is less than 20 days, the Company may adjust or integrate the application for updating registration for capital.	10. Update registration for paid-in capital The Company shall public announce the number of issued common shares for the exercised options within 15 days of the end of each quarter, and file the update registration for paid-in capital with the relevant authority <u>in accordance with the competent regulations once each quarter. If the interval between the foregoing change registration date and the date for change registration capital caused of any other event is less than 20 days, the Company may adjust or integrate the application for updating registration for capital.</u>	Ditto
15. Other Important Provisions: (1) This Plan herein shall come into force following resolution adopted by a majority vote at a meeting of the Company's Board of Directors attended by over two-thirds of the directors, and approval by the regulatory authority. (2) For matters not specified herein, relevant laws and regulations of the Republic of China shall govern.	15. Other Important Provisions: (1) This Plan herein shall come into force following resolution adopted by a majority vote at a meeting of the Company's Board of Directors attended by over two-thirds of the directors, and approval by the regulatory authority, <u>the same shall apply for any amendment prior to the issuance of the option thereto.</u> (2) For matters not specified herein, relevant laws and regulations of the Republic of China shall govern.	Ditto

Attachment 4

Acer Incorporated 2008 Employee Stock Option Plan

1. Issue Basis:
This Employee Stock Option Plan (the "Plan") shall be executed in accordance with the total number of options and exercise price approved by 2008 shareholders meeting.
2. Purpose:
This Plan is designed to attract, retain and encourage the talents of skilled employees who are needed for Acer Incorporated (the "Company"), and boost employees' loyalty to the Company, all in a way that benefits both the Company and its shareholders.
3. Issue Period:
The employee stock options will be granted by single or multiple applications for government authority approval within one year from the date of approval by shareholders meeting; and it may be granted in whole or tranches according to the actual need within one year from the arrival date of the effective declaration to the government authority. The actual date or dates on which options will be granted will be decided by the Chairman of the Company's Board of Directors (the "Chairman")
4. Number of Total Issued:
The total number of options to be issued under this Plan is 14,000 options, where each option gives employee the right to purchase one thousand shares of Company's common stock. The total number of new shares of common stock to be issued for settlement of options granted shall be 14,000,000 shares.
5. Eligibility:
 - (1) Applicable Person:
Regular employees of the Company or any of its domestic and overseas subsidiaries with direct or indirect holding shares for 50% or above, who are critical to global operations, are eligible for the grant of stock options under this Plan, but the base date for eligibility will be determined by the Chairman.
 - (2) Issue Target and Terms:
The eligible employees and the number of options granted to an employee will be determined by a number of factors, including job performance, contribution to the integration, and other conditions deemed relevant by the management. The grant of options to respective employees will be finalized following the approval of the Chairman and consent of the Board of Directors according to "Acer Pay for Performance Proxy Disclosure" and related terms and conditions approved by shareholders meeting.
 - (3) The number of options granted to any single employee shall not exceed ten percent (10%) of all options granted and the number of shares any single employee may purchase in each fiscal year under this stock option plan shall not exceed three thousandths (3%) of the total shares issued at the year-end.
6. Terms and Conditions for Exercising
 - (1) Exercise price: The exercise price for the shares is no less than 55% of the market closing price on the grant date. The actual grant price will be decided by BOD.
 - (2) Period: The options expire on the **third anniversary** of its date of grant (the Expiration Date) and upon

expiration, unexercised shares are deemed forfeited and the optionee may no longer claim the right to exercise the option and purchase those shares. The options shall not be assigned to anyone other than the optionee's inheritor.

From the 2nd anniversary of the grant date, except that all or partial options revoked by the company, 100% vested options can be exercised without conditions

- (3) Type of share underlying the options: common shares of the Company.
- (4) Vested Period and exercise condition: the Vested Period is two years from the grant date decided by Chairman. From the 2nd anniversary of the grant date, the granted ESOP can be exercised without condition.
- (5) In any of the following events, the optionee may exercise options in accordance with the following provisions, within the period set forth in Paragraph 6(2):
 - a. Termination of employment (including voluntary termination or terminated for cause by the Company in accordance with Labor Law of ROC)
 - (i) Vested Options:

The options, to the extent (and only to the extent) that it would have been exercisable by the employee on the termination date, may be exercised within the thirty (30) days from the date following the employment termination date, provided that such period may be extended by the number of those days that fall within a closed period, as set forth in this Plan, but in any event no later than the Expiration Date. Upon the expiration of the aforesaid exercise period, unexercised options are deemed forfeited by the employee.
 - (ii) Unvested options:

Unvested options lapse from the date following the employment termination.
 - b. Retirement, death, or occupational casualty

In case of retirement, death, or can't be employed by handicap resulting from occupational disasters and proved by the hospital, the options may be exercised in full by the optionee or his/her inheritor within half a year from the later to occur of either: (i) the date of the occurrence of such event, or (ii) the date after the expiration of two years of the date of grant of the option. Upon the expiration of the aforesaid exercise period, unexercised options are deemed forfeited by the optionee or his/her inheritor. The foregoing exercisable period of half a year shall be no later than the Expiration Date in any event.
 - c. Transfer

In case an employee requests for transfer to an affiliated company or another company, the options granted to said employee shall be settled in accordance with Article 6 (4) d hereof. However, if the Company, due to business needs, initiates the transfer, then options granted to said employee are not subjected to change.
 - d. Temporarily on leave without pay

The option may be exercised for then-vested shares within thirty (30) days starting from the date of commencing such leave, provided that such period may be extended by the number of those days that fall within a closed period, as set forth in this Plan, but in any event no later than the Expiration Date. Exercisability of the option will then be suspended. Vesting is suspended immediately upon commencing such leave. If the employee returns to employment with the employer approving the leave without pay, then the option will be exercisable and the vesting dates remaining at the time exercisability of the option was suspended shall each be postponed by the number of days of such leave without pay. However, with respect to any vesting installment on any postponed vesting date,

such vesting installment shall not occur if such postponed vesting date falls after the Expiration Date.

e. Termination of employment due to other causes:

In case of termination or adjustment of employment under circumstances other than those described above, the Chairman, shall adjust the grant period and vesting schedule for the options, as the Chairman deems necessary or desirable, including, without limitation, immediate termination and lapse of the options.

f. Options not exercised by employee or his/her heir(s) during the period specified in Article 6 (2) hereof shall be deemed forfeited.

(6) The Company will cancel all options forfeited by the employee or revoked by the Company without reissue.

7. Manner of Settlement:

The exercise of an option will be settled by issuing new shares.

8. Adjustment of Exercise Price:

(1) After the issuance of the option, if the Company increases its capital by surplus and/or capital reserve, the exercise price shall be adjusted and computed by the following formula (Computation up to hundredths of New Taiwan dollars and the fraction is rounded off at 4 to become 5):

Adjusted subscription price = [(Exercise price before adjustment × shares issued) + (Amount paid for each new share × number of new shares issued)] ÷ (shares issued + number of new shares issued)

a. "Shares issued" refer to total number of common stocks issued, excluding the number of treasury shares which have not been cancelled or transferred.

b. "Amount paid for new share": In the case of free distribution or separation of new shares, the amount paid for each share shall be zero.

c. In case of new shares issuance due to the Company's merger with other companies, the amount paid for each new share shall be 30 business days' average market closing price of the Company common shares starts from the 45th working day ahead of the merge effective date.

d. In case of new shares issuance due to acquisition of shares of other companies, the amount paid for each new share shall be 30 business days' average market closing price of Company common shares starts from the 45th working day ahead of the shares acquiring effective date

e. If the exercise price after adjustment exceeds the exercise price before adjustment, no adjustment shall be made.

f. If the exercise price after adjustment lowers than the par value of common stocks, the par value shall be the exercise price.

(2) After the issuance of the option, if the Company increases its privately placed common shares, or if the convertible price or share subscription price is lower than the market price of the Company's common share and then the Company conducts a private placement of securities which be associated with the right to convert into common share or share subscription, the exercise price shall be adjusted and computed (downward, and shall be not adjusted upward) on the date of privately placed securities issuance in accordance with Paragraph 1 of Article 8.

In case the market price of each share needs to be determined after adjustment in accordance with this paragraph, the market price shall be the simple average closing price of the common share for either the one, three, or five business days before the date of privately placed securities issuance.

- (3) After issuance of the option, if the Company distributes cash dividends and the cash dividend per common share exceeds 1.5% of the common share market price, the exercise price shall be adjusted and computed by the following formula:

Adjusted subscription price = Exercise price before adjustment \times (1 – cash dividend \div market price)

The foregoing common share market price shall be the simple average closing price of the common share for either one, or three, or five business days prior to the announcement date of the ex-dividend record date on which registration of transfers is suspended.

- (4) Upon the occurrence of capital reduction except where such reduction occurs as a result of treasury stock cancellation, the exercise price shall be adjusted and computed by the following formula on the reduction date subject to submitting for Taiwan Stock Exchange Corporation announcement:

Adjusted subscription price = Exercise price before adjustment \times [shares issued before reduction \div shares issued after reduction]

Adjusted subscription ratio = Exercise price before adjustment \times subscription ratio before adjustment \div adjusted subscription price

- (5) Upon capitalization of retained earnings or capitalization of capital reserves, additional employee stock options may be issued or adjust the number of shares subscribable; however, this shall apply only where the Articles of Incorporation at the time of subscription expressly provide that there is a sufficient number of shares to be made available for subscription.

9. Procedure for Exercising Options:

- (1) After the vesting period, the option holder may, in accordance with Article 5 of this Plan hereof, exercise the right to purchase share by submitting the written request to the Company HR unit before 15:00 of the first business day of the first and fourth week every month, except the following closed period in which exercise of options is not permitted:
- Eight (8) business days prior to the date to close shareholders' book for the regular or special shareholders meeting, till the day on which the shareholders meeting is being held.
 - Three (3) business days prior to the date of public announcement to close shareholders' book for ex-rights/ex-dividend, cash capital increase or reduction filed by the Company with the Taiwan Stock Exchange Corporation, till the recordation date on distribution of entitlements.
 - During the other period of suspension of stock transfers in accordance with laws and regulations.
- (2) After the written request is reviewed and confirmed, the Company HR unit shall inform the subscriber by written notice or e-mail of the payment for exercising the options to a designed bank. The payment for exercising options shall be made within two business days from the receipt of notice, and the copy of cash remittance note shall be provide by the subscriber. Upon confirmation of payment, the Company HR unit shall collect the relevant documents and transfer to the Company securities affairs department. The exercise of option is irrevocable once the payment is made.
- (3) Upon receipt of written request, payment notice and relevant attachments, the Company Securities Affairs Department shall register the number of shares exercised in the shareholders records and, issue common shares of the Company to the subscriber by transferring into the securities central depository account, within 5 business days from payment.
- (4) The common shares so issued are tradable on the Taiwan Stock Exchange upon delivery to the subscriber.
- (5) Payment frequency and number of shares:

Employee's payment for each exercising the options may be divided into no more than twice, and shall be paid in units of one thousand shares. The odd-lot units of less than one thousand (1,000) shares shall be paid in full. Each payment for the units exceeded 10-lot (per lot is equal to one thousand shares), may be divided into more times and paid in full for 10-lot at least, the units of less than 10-lot shall be paid in full.

10. Update registration for paid-in capital

The Company shall public announce the number of issued common shares for the exercised options within 15 days of the end of each quarter, and file the update registration for paid-in capital with the relevant authority in accordance with the competent regulations.

11. Rights and Obligations after Exercising Options:

The holders of common shares of the Company issued under this Plan shall have the same rights and obligations as holders of common shares of the Company.

12. Taxes:

All option holders that have exercised shall pay related taxes as specified under the taxations laws of the Republic of China.

13. Confidentiality and Restrictions on Disposal:

- All employees who receive stock options of the Company must keep the matter confidential without inquiring other employees for information or disclosing related information (including but not limited to the quantity of options received and the interest related thereof) to others. In case an employee breaches this provision, the Company may revoke the unexercised options of said employee.
- In case an employee, after receiving the grant of options, is found to grossly violate the employment agreement, Company work rules or other Company rules, the Company has the right to immediately revoke the unvested options as well as vested, but unexercised options of said employee, and demand compensation from said employee equivalent to all profits said employee has earned from exercising his/her options in the span of two years before the date of gross violation. The computing formula for the profits is: (the market price on the date of exercise - the exercise price) \times number of shares.
- Employees shall not transfer, hypothecate, or pledge their options and vested interest, or give them to others as gift or dispose them in any other manner.

14. Enforcement Rules:

With respect to matters concerning the name list, seal, payment, issuance of share, and other related procedure, operation details and timing, the Company's HR and Securities Affairs Department shall notify each option holders separately.

15. Other Important Provisions:

- This Plan herein shall come into force following resolution adopted by a majority vote at a meeting of the Company's Board of Directors attended by over two-thirds of the directors, and approval by the regulatory authority, the same shall apply for any amendment prior to the issuance of the option thereto.
- For matters not specified herein, relevant laws and regulations of the Republic of China shall govern.

Attachment 5

An Analysis on the Impact of Proposed Stock Dividends Appropriation in Terms of Operating Results, Earnings Per Share and Rate of Return of Shareholders' Investments.

Description		Year	Estimates for 2009
Paid-in capital at the beginning of the term (Unit: Thousand NT\$)			26,428,560
Stocks, Dividend Allocated in the Year	Cash dividend per share (Note 1)		2.0
	Stock allocated per share upon capital increase with earning		0.01 Share
	Stock allocated per share upon capital increase with capital reserve		0 Share
Change in Business Performance	Operating profit (Unit: Thousand NT\$)		N/A (Note 2)
	Increase (decrease) of operating profit compared with preceding year		
	Net profit after tax (Unit: Thousand NT\$)		
	Increase (decrease) of net profit after tax compared with preceding year		
	Earning per share (EPS) (NT\$)		
	Increase (decrease) of EPS compared with preceding year		
Presumed EPS and EPS Ratio	Assume earnings converted to capital increase are fully allocated as cash dividend	Presumed EPS	N/A (Note 2)
		Presumed annual average return rate of investment	
	If capital reserve was not converted to capital increase.	Presumed EPS	
		Presumed annual average return rate of investment	
	If capital reserve was not converted to capital increase but allocated as cash dividend.	Presumed EPS	
		Presumed annual average return rate of investment	

Note 1: Waiting to be approved by Shareholders' Meeting on June 19, 2009

Note 2: According to the "Regulations Governing the Publication of Financial Forecasts of Public Companies," the company is not required to announce the Financial Forecasts information for year 2009.

Attachment 6

Information Regarding Distribution of Employee's Bonus and the Amount of Directors and Supervisors' Remuneration Approved by the Board of Directors

The Board of Directors approved the allocation of earnings for the fiscal year 2008. The following is the items of appropriation of earnings:

1. The Board of Directors proposed a dividend distribution plan of year 2008 as follows:
NT\$600,000,000 as cash bonuses to employees, NT\$900,000,000 as stock bonuses to employees, NT\$85,763,059 as remuneration to directors and supervisors.
2. The differences numbers, reasons, and the statement should be disclosed when differences occurred between the distribution of cash bonuses to employees, stock bonuses to employees, and remuneration to directors and supervisors approved by the BOD and the recognition of FY 2008 Expenses: N/A

Attachment 7

ACER INCORPORATED 2009 EMPLOYEE STOCK OPTION PLAN

1. Issue Basis: This Employee Stock Option Plan (the "Plan") shall be executed in accordance with the total number of options and exercise price approved by 2009 shareholders meeting.
2. Purpose: This Plan is designed to attract, retain and encourage the talents of skilled employees who are needed for Acer Incorporated (the "Company"), and boost employees' loyalty to the Company, all in a way that benefits both the Company and its shareholders.
3. Issue Period: The employee stock options will be granted by single or multiple applications for government authority approval within one year from the date of approval by shareholders meeting; and it may be granted in whole or tranches according to the actual need within one year from the arrival date of the effective declaration to the government authority. The actual date or dates on which options will be granted will be decided by the Chairman of the Company's Board of Directors (the "Chairman")
4. Number of Total Issued: The total number of options to be issued under this Plan is 14,000 options, where each option gives employee the right to purchase one thousand shares of Company's common stock. The total number of new shares of common stock to be issued for settlement of options granted shall be 14,000,000 shares.
5. Eligibility:
 - (1) Applicable Person: Regular employees of the Company or any of its domestic and overseas subsidiaries with direct or in-direct holding shares for 50% or above, who are critical to global operations, are eligible for the grant of stock options under this Plan, but the base date for eligibility will be determined by the Chairman.
 - (2) Issue Target and Terms: The eligible employees and the number of options granted to an employee will be determined by a number of factors, including job performance, contribution to the integration, and other conditions deemed relevant by the management. The grant of options to respective employees will be finalized following the approval of the Chairman and consent of the Board of Directors according to "Acer Pay for Performance Proxy Disclosure" and related terms and conditions approved by shareholders meeting.
 - (3) The number of options granted to any single employee shall not exceed ten percent (10%) of all options granted and the number of shares any single employee may purchase in each fiscal year under this stock option plan shall not exceed three thousandths (3 ‰) of the total shares issued at the year-end.
6. Terms and Conditions for Exercising
 - (1) Exercise price: The exercise price for the shares is no less than 55% of the market closing price on the grant date. The actual grant price will be decided by BOD.
 - (2) Period: The options expire on the **third anniversary** of its date of grant (the Expiration Date) and upon

expiration, unexercised shares are deemed forfeited and the optionee may no longer claim the right to exercise the option and purchase those shares. The options shall not be assigned to anyone other than the optionee's inheritor.

From the 2nd anniversary of the grant date, except that all or partial options revoked by the company, 100% vested options can be exercised without conditions.

- (3) Type of share underlying the options: common shares of the Company.
- (4) Vested Period and exercise condition: the Vested Period is two years from the grant date decided by Chairman. From the 2nd anniversary of the grant date, the granted ESOP can be exercised without condition.
- (5) In any of the following events, the optionee may exercise options in accordance with the following provisions, within the period set forth in Paragraph 6(2):
 - a. Termination of employment (including voluntary termination or terminated for cause by the Company in accordance with Labor Law of ROC)
 - (i) Vested Options:

The options, to the extent (and only to the extent) that it would have been exercisable by the employee on the termination date, may be exercised within the thirty (30) days from the date following the employment termination date, provided that such period may be extended by the number of those days that fall within a closed period, as set forth in this Plan, but in any event no later than the Expiration Date. Upon the expiration of the aforesaid exercise period, unexercised options are deemed forfeited by the employee.
 - (ii) Unvested options:

Unvested options lapse from the date following the employment termination.
 - b. Retirement, death, or occupational casualty

In case of retirement, death, or can't be employed by handicap resulting from occupational disasters and proved by the hospital, the options may be exercised in full by the optionee or his/her inheritor within half a year from the later to occur of either: (i) the date of the occurrence of such event, or (ii) the date after the expiration of two years of the date of grant of the option. Upon the expiration of the aforesaid exercise period, unexercised options are deemed forfeited by the optionee or his/her inheritor. The foregoing exercisable period of half a year shall be no later than the Expiration Date in any event.
 - c. Transfer

In case an employee requests for transfer to an affiliated company or another company, the options granted to said employee shall be settled in accordance with Article 6 (4) d hereof. However, if the Company, due to business needs, initiates the transfer, then options granted to said employee are not subjected to change.
 - d. Temporarily on leave without pay

The option may be exercised for then-vested shares within thirty (30) days starting from the date of commencing such leave, provided that such period may be extended by the number of those days that fall within a closed period, as set forth in this Plan, but in any event no later than the Expiration Date. Exercisability of the option will then be suspended. Vesting is suspended immediately upon commencing such leave. If the employee returns to employment with the employer approving the leave without pay, then the option will be exercisable and the vesting dates remaining at the time exercisability of the option was suspended shall each be postponed by the number of days of such leave without pay. However, with respect to any vesting installment on any postponed vesting date,

such vesting installment shall not occur if such postponed vesting date falls after the Expiration Date.

e. Termination of employment due to other causes:

In case of termination or adjustment of employment under circumstances other than those described above, the Chairman, shall adjust the grant period and vesting schedule for the options, as the Chairman deems necessary or desirable, including, without limitation, immediate termination and lapse of the options.

f. Options not exercised by employee or his/her heir(s) during the period specified in Article 6 (2) hereof shall be deemed forfeited.

(6) The Company will cancel all options forfeited by the employee or revoked by the Company without reissue.

7. Manner of Settlement:

The exercise of an option will be settled by issuing new shares.

8. Adjustment of Exercise Price:

(1) After the issuance of the option, if the Company increases its capital by surplus and/or capital reserve, the exercise price shall be adjusted and computed by the following formula (Computation up to hundredths of New Taiwan dollars and the fraction is rounded off at 4 to become 5):

Adjusted subscription price = [(Exercise price before adjustment × shares issued) + (Amount paid for each new share × number of new shares issued)] ÷ (shares issued + number of new shares issued)

a. "Shares issued" refer to total number of common stocks issued, excluding the number of treasury shares which have not been cancelled or transferred.

b. "Amount paid for new share": In the case of free distribution or separation of new shares, the amount paid for each share shall be zero.

c. In case of new shares issuance due to the Company's merger with other companies, the amount paid for each new share shall be 30 business days' average market closing price of the Company common shares starts from the 45th working day ahead of the merge effective date.

d. In case of new shares issuance due to acquisition of shares of other companies, the amount paid for each new share shall be 30 business days' average market closing price of Company common shares starts from the 45th working day ahead of the shares acquiring effective date.

e. If the exercise price after adjustment exceeds the exercise price before adjustment, no adjustment shall be made.

f. If the exercise price after adjustment lowers than the par value of common stocks, the par value shall be the exercise price.

(2) After the issuance of the option, if the Company increases its privately placed common shares, or if the convertible price or share subscription price is lower than the market price of the Company's common share and then the Company conducts a private placement of securities which be associated with the right to convert into common share or share subscription, the exercise price shall be adjusted and computed (downward, and shall be not adjusted upward) on the date of privately placed securities issuance in accordance with Paragraph 1 of Article 8.

In case the market price of each share needs to be determined after adjustment in accordance with this paragraph, the market price shall be the simple average closing price of the common share for either the one, three, or five business days before the date of privately placed securities issuance.

(3) After issuance of the option, if the Company distributes cash dividends and the cash dividend per common share exceeds 1.5% of the common share market price, the exercise price shall be adjusted and computed by the following formula:

Adjusted subscription price = Exercise price before adjustment × (1 – cash dividend ÷ market price)

The foregoing common share market price shall be the simple average closing price of the common share for either one, or three, or five business days prior to the announcement date of the ex-dividend record date on which registration of transfers is suspended.

(4) Upon the occurrence of capital reduction except where such reduction occurs as a result of treasury stock cancellation, the exercise price shall be adjusted and computed by the following formula on the reduction date subject to submitting for Taiwan Stock Exchange Corporation announcement:

Adjusted subscription price = Exercise price before adjustment × [shares issued before reduction ÷ shares issued after reduction]

Adjusted subscription ratio = Exercise price before adjustment × subscription ratio before adjustment ÷ adjusted subscription price

(5) Upon capitalization of retained earnings or capitalization of capital reserves, additional employee stock options may be issued or adjust the number of shares subscribable; however, this shall apply only where the Articles of Incorporation at the time of subscription expressly provide that there is a sufficient number of shares to be made available for subscription.

9. Procedure for Exercising Options:

(1) After the vesting period, the option holder may, in accordance with Article 5 of this Plan hereof, exercise the right to purchase share by submitting the written request to the Company HR unit before 15:00 of the first business day of the first and fourth week every month, except the following closed period in which exercise of options is not permitted:

a. Eight (8) business days prior to the date to close shareholders' book for the regular or special shareholders meeting, till the day on which the shareholders meeting is being held.

b. Three (3) business days prior to the date of public announcement to close shareholders' book for ex-rights/ex-dividend, cash capital increase or reduction filed by the Company with the Taiwan Stock Exchange Corporation, till the recordation date on distribution of entitlements.

c. During the other period of suspension of stock transfers in accordance with laws and regulations.

(2) After the written request is reviewed and confirmed, the Company HR unit shall inform the subscriber by written notice or e-mail of the payment for exercising the options to a designed bank. The payment for exercising options shall be made within two business days from the receipt of notice, and the copy of cash remittance note shall be provide by the subscriber. Upon confirmation of payment, the Company HR unit shall collect the relevant documents and transfer to the Company securities affairs department. The exercise of option is irrevocable once the payment is made.

(3) Upon receipt of written request, payment notice and relevant attachments, the Company Securities Affairs Department shall register the number of shares exercised in the shareholders records and, issue common shares of the Company to the subscriber by transferring into the securities central depository account, within 5 business days from payment.

(4) The common shares so issued are tradable on the Taiwan Stock Exchange upon delivery to the subscriber.

(5) Payment frequency and number of shares:

Employee's payment for each exercising the options may be divided into no more than twice, and shall

be paid in units of one thousand shares. The odd-lot units of less than one thousand (1,000) shares shall be paid in full. Each payment for the units exceeded 10-lot (per lot is equal to one thousand shares), may be divided into more times and paid in full for 10-lot at least, the units of less than 10-lot shall be paid in full.

10. Update registration for paid-in capital

The Company shall public announce the number of issued common shares for the exercised options within 15 days of the end of each quarter, and file the update registration for paid-in capital with the relevant authority in accordance with the competent regulations.

11. Rights and Obligations after Exercising Options:

The holders of common shares of the Company issued under this Plan shall have the same rights and obligations as holders of common shares of the Company.

12. Taxes:

All option holders that have exercised shall pay related taxes as specified under the taxations laws of the Republic of China.

13. Confidentiality and Restrictions on Disposal:

- (1) All employees who receive stock options of the Company must keep the matter confidential without inquiring other employees for information or disclosing related information (including but not limited to the quantity of options received and the interest related thereof) to others. In case an employee breaches this provision, the Company may revoke the unexercised options of said employee.
- (2) In case an employee, after receiving the grant of options, is found to grossly violate the employment agreement, Company work rules or other Company rules, the Company has the right to immediately revoke the unvested options as well as vested, but unexercised options of said employee, and demand compensation from said employee equivalent to all profits said employee has earned from exercising his/her options in the span of two years before the date of gross violation. The computing formula for the profits is: (the market price on the date of exercise - the exercise price) × number of shares.
- (3) Employees shall not transfer, hypothecate, or pledge their options and vested interest, or give them to others as gift or dispose them in any other manner.

14. Enforcement Rules:

With respect to matters concerning the name list, seal, payment, issuance of share, and other related procedure, operation details and timing, the Company's HR and Securities Affairs Department shall notify each option holders separately.

15. Other Important Provisions:

- (1) This Plan herein shall come into force following resolution adopted by a majority vote at a meeting of the Company's Board of Directors attended by over two-thirds of the directors, and approval by the regulatory authority, the same shall apply for any amendment prior to the issuance of the option thereto.
- (2) For matters not specified herein, relevant laws and regulations of the Republic of China shall govern.

Attachment 8

Acer Pay for Performance Proxy Disclosure

Performance Driven Incentive/Compensation Policy

Our Global Incentive Scheme ("GIS") provides the named executive officers an opportunity to receive awards if certain performance objectives are achieved. The GIS opportunity for each named executive officer is expressed in a key performance matrix which tight to individual and the company's goal. The GIS Committee ("the Committee") established these targets based on company goal and total compensation market positioning to the Survey Group. The annual total compensation is targeted over the median of the Survey Group. Actual awards may be higher or lower depending on individual actual performance achievement.

Incentive tool shift due to regulation change

In the past, Acer GIS has been implemented via the company profit sharing (in cash and share bonus) mechanism according to Company Article, and the profit sharing amount was not counted into company expenditure. Starting from Jan.2008, due to Republic of China (ROC) regulation change, the profit sharing amount will be count as company expenditure, and furthermore, the cost of share bonus will be calculated by Market price (closing price one day prior to share holders' meeting) rather than Par value (NTD10 per share) as before. To maintain GIS as effective as in the past, discounted ESOP is introduced as an additional tool.

Performance Cycle

Under the GIS, the Committee has adopted four-quarter performance cycle for award opportunities that are granted quarterly after the completion of a four-quarter performance cycle. Thus, at the end of four succeeded quarters, the previous cycle has just completed and a new cycle begins.

Performance Measurements

Payments under the GIS depend on our Revenue and PAT target applied. If the performance of Revenue and PAT reach a certain level, the Committee grants ESOP units to the named executive officers according to the result indicated on the REV/PAT matrix. The Committee retains discretion to reduce all or any awards prior to the date of grant in consideration of a number of factors such as performance versus a key group of competitors and achievement of individual performance goals.

Revenue and PAT are chosen as performance measurement so when the named executive officers trying to enlarge sales revenue, the profit are not sacrificed and should be taken into even more important considerations which are critical to total shareholder return.

The performance measures are put together as a matrix. The threshold for a quarterly award under the GIS is PAT and Revenue both reaches a certain level. Whenever over threshold, the Committee grants targeted awards by the performance result that indicates a certain reward in the matrix. Stretch goal with attractive

reward is also set in the matrix so to drive and motivate executive officer for higher performance. One hundred percent of the granted ESOP units vest on the second anniversary of the grant date.

How GIS link with current and future performance

The discounted ESOP is used as an additional tool to reward current year performance, and is also used as a retention tool which vested after two years. The dilution is limited, and the ESOP cost is far lower than granting share bonus per profit sharing mechanism.

Furthermore, the future performance will also be driven by the next GIS cycle, which also tight to future performance goals.

Approve GIS award

After the Committee and BOD approves GIS award result after the actual performance data is available to determine, ESOP is grant to executive officer. Upon vesting, the named executive officers can receive 1,000 Acer common shares for each vested unit by paying the grant price of each unit.

Attachment 9

Procedures Governing Lending of Capital to Others

All loans make by the Company shall comply with these Procedures.

- Article 1. Applicability
The Company may provide loans to enterprises by reason of business relations with the Company or to subsidiaries in which the Company holds more than 50% of its total outstanding common shares by reason of necessity to have short-term funding or to enterprises in which the Company is designated to become a future shareholder by reason of necessity to have short-term funding. The Company shall not lend to others except those listed in these Procedures.
- Article 2. The Standard for Lending Assessment
1. In the event the Company provides loans by reason of business relations, the aggregate amount of the loans shall not exceed the net worth of total trading amount between the two companies in the most recent year. The net worth of total trading amount between two companies hereby means the total purchases and re-sales whichever is higher.
 2. By reason of necessity to have short-term funding from the Company, the subjects shall limit to the subsidiaries in which the Company holds more than 50% of its total outstanding common shares or enterprise in which the Company is designated to become a future stockholder.
- Article 3. Limits on Loan
1. The aggregate amount of loans of the Company shall not exceed the 50% of the net worth of the latest financial report. Out of the aforesaid amount, by reason of necessity to have short-term funding from the Company, the aggregate amount of loans of the Company shall not exceed the 20% of the net worth as stated in its latest financial report.
 2. By reason of business relations, the limits to lend to each single borrower shall follow the percentage stated in the Key Points:
 - a. For subsidiary that the Company holds more than 50% of its total outstanding common shares, the aggregate amount of loans shall not exceed 10% of the net worth of the Company.
 - b. For enterprise that the Company holds less than 50% of its total outstanding common shares, the aggregate amount of loans shall not exceed 40% of the net worth of the enterprise.
 - c. For other borrower, the aggregate amount of loans shall not exceed 25% of the net worth of the borrower.
 3. By reason of necessity to have short-term funding from the Company, the limits to loan to each single borrower shall follow the percentage stated in the Key Points:
 - a For subsidiary that the Company holds more than 50% of its total outstanding common shares, the aggregate amount of loans shall not exceed 10% of the net worth of the Company.

b. For enterprise that the Company holds less than 50% of its total outstanding common shares, the aggregate amount of loans shall not exceed 40% of the net worth of the enterprise.

c. For other borrower, the aggregate amount of loans shall not exceed 25% of the net worth of the borrower.

In the event the Company provides loans to enterprise in which the Company is designated to become a future stockholder by reason of necessity to have short-term funding, each application shall be submitted to the Board of Directors for approval and the aggregate amount shall not exceed the aforesaid limits.

Article 4. Time Limits and Interest Rates

When a borrower gets a loan from the Company, the loan period shall not exceed one year. When the loan needs to exceed one-year loan period limit, it shall be submitted to the Board of Directors for approval in advance for the lending to be continued after one year. The Chairman of the board is authorized to decide the method for calculating interest.

Article 5. Procedures for Lending

1. The borrower shall file the following documents, its certificate of incorporation, associated certificates of the enterprise, a photocopy of the identification of the enterprise's representative, and other necessary financial statement, along with its application in writing for lending amount to the financial management department of this Company. The financial management department shall make a credit investigation and submit the application to the Board of Directors for approval.

2. After the amount of loan has been approved, the borrower shall fill out a payment application form and submit to the financial management department to withdraw the fund.

Article 6. Procedures for Processing Lending

1. When a borrower applies for a loan from the Company, the borrower shall describe the purpose and the necessity of the loan and the financial management department shall decide whether to accept the application or not.

2. The financial management department shall truly investigate the borrower's business operation situation. The personnel in charge shall prepare a report including credit check result, opinion and devise the criterion of the loan for cases with good credit reputation and justifiable purposes and submit it to the Board of Directors for approval.

3. The financial management department shall not only make a credit check but also the impact assessment based on the possibility of operation risk, financial condition and shareholder's rights and interests from the lending and submit an opinion statement incorporated with the borrower's credit report to the Board of Directors for approval.

4. When the borrower applies for withdrawing the fund from the Company, the borrower shall provide the same amount of the Banker's acceptance or secure a collateral equivalent to the amount of the loan. The financial department shall evaluate and mark the value of the collateral.

Article 7. The Standards for Public Announcement

1. The Company shall enter the information regarding the rest amount available from the Company and its subsidiaries into the Market Observation Post System on or before the 10th date of each month.

2. In the event that the amount of loan of the Company and its subsidiaries reaches the following standard, the Company shall enter the information into the Market Observation Post System within two days after the occurrence of said lending:

a. The aggregate amount of loans reaches twenty percent (20%) or more of the Company net worth as stated in its latest financial report. Or in the event that the Company engages in further lending activities with the same enterprise after the Company makes its public announcement pursuant to these Procedures and the additional amount outstanding exceeds two percent (2%) of the net worth stated in its latest financial report.

b. The aggregate amount of loan for any single enterprise reaches ten (10%) percent or more of the Company net worth as stated in its latest financial report. Or in the event that the Company engages in further lending activities with the same enterprise after the Company makes its public announcement pursuant to these Procedures and the additional amount outstanding exceeds two percent (2%) of the net worth stated in its latest financial report.

c. Making the loan by reason of business relations, the aggregate amount of loan exceeds the trading amount between the two companies in the most recent year. Or in the event that the Company engages in further lending activities with the same enterprise after the Company makes its public announcement pursuant to these Procedures and the additional amount outstanding exceeds two percent (2%) of the net worth stated in its latest financial report.

Article 8. The Control and Management After Lending and These Procedures Governing the Disposal of Delinquency

1. The financial management department of the Company shall prepare a registry containing the basic information of the borrower, the date and amount for Board of Directors' approval, the date of lending, the aggregate amount of loan, the content of the collateral, interest rate, the method and date for discharging the loan for verification conducted by the competent authorities and relevant government personnel.

2. After lending, the financial management department shall closely observe the borrower and its guarantor's financial, business and credit condition and if the loan is secured by a collateral, the financial management department shall pay attention to the collateral's value variation. If any of the conditions has significant change, the financial management department shall notify the Chairman of the board and adopt appropriate step to cope with it accordingly.

3. When the borrower would like to repay its loan on or before expiration date, the total amount or repayment shall be calculated as of the interest up to the date of repayment plus the principle. After the borrower repays the total amount, the Company can return the Banker's acceptance and revoke the collateral registration.

4. The borrower shall repay the loan including the principle and interest upon expiration date. If the borrower cannot repay the loan upon expiration date and needs to file for

extension, the borrower shall file a written application with the Board of Directors for approval in advance. Borrower shall only file for extension twice for the same loan and the extension period cannot exceed 3 months each time. In the event the borrower violates these Procedures, the Company shall bring a legal action to indemnify from disposing the collateral or against its guarantor pursuant to the law.

Article 9. The Punishment of Violation of These Procedures
When the employees and personnel of the Company violate these Procedures, they will be punished pursuant to the thirty-eight (38) and thirty-nine (39) clauses of the "Personnel Administration Regulations".

Article 10. Control Management Process of Subsidiaries
When the subsidiaries in which the Company has control is lending capital to others, the subsidiaries shall enact the "Procedures Governing Lending of Capital" and file with the Board of Directors of the Company for ratification, provided that these Procedures thereto shall complied with these Procedures. The aggregate amount of loan of the subsidiaries and the aggregate amount of the loan for individual enterprise shall not exceed the following standard:

1. For the subsidiaries in which the Company directly or indirectly holds 100% of its total outstanding common shares, the aggregate amount of loans and the amount of loan for individual enterprise shall be calculated based on the net worth of the Company and the stipulations of these Procedures.
2. For the subsidiaries in which the Company did not directly or indirectly holds 100% of its total outstanding common shares, the aggregate amount of loan and the amount of loan for individual enterprise shall be calculated based on the net worth of the subsidiaries and the stipulations of these Procedures.

Article 11. The Company shall evaluate and identify the contingency loss from the lending. The Company shall also disclose the information regarding the lending in the financial report and provide the same to the CPA for his proceeding with the necessary audit procedure and issuing the proper audit report.

Article 12. The internal verification personnel of the Company shall verify these Procedures and its implementation at least once every quarter and prepare a written report for record. If there is significant violation, the personnel shall inform the supervisors in writing immediately.

Article 13. When the Board of Directors discusses these Procedures and making of the lending, the directors shall fully take each individual director's opinions into consideration and record each director's reasons for pros and cons in the minutes.

Article 14. The loan made before the implementation of these Procedures shall be filed with the Board of Directors for approval and complied with these Procedures to process the lending, provided that if the loan exceeded the amount limit, the excess portion shall be discharged by installment.

Article 15. These Procedures, as well as any revision thereto, shall be approved by the Chairman of the board and filed with the Board of Directors for approval and sent to each supervisor and submitted to the shareholder meeting for approval.

Article 16. Another stricter management principles may be drafted by the Chairman of the board in accordance to these operational Procedures and be effective surpassingly after approval by the Board of Directors with two-thirds vote at a meeting attended by more than two-thirds of the directors. The same procedure shall apply to any amendment.

Article 17. Approved by General Shareholder's Meeting held on January 15, 1993;
The First amendment was made on March 24, 1995;
The Second amendment was made on February 14, 1996;
The Third amendment was made on August 23, 1996;
The Fourth amendment was made on March 11, 1997;
The Fifth amendment was made on April 29, 2002;
The Sixth amendment was made on May 31, 2002;
The Seventh amendment was made on October 28, 2002;
The Eighth amendment was made on June 11, 2003.

Attachment 10

Procedures Governing Endorsement and Guarantee

All endorsements and guarantees made by the Company shall comply with these Procedures.

Article 1. The term "endorsement and/or guarantee" used in these Procedures is defined as: the financial endorsement and/or guarantee, custom duty endorsement and/or guarantee, and other endorsement and/or guarantee that may be applicable.

1. Financial endorsement and/or guarantee, including: discounted bill financing; endorsement or guarantee made for the financing needs of other companies, issuing negotiable instruments for the purpose of providing guarantee to obtain finance for its own businesses to an entity other than the financial institutions.
2. Custom duty endorsement and/or guarantee, which shall mean endorsement or guarantee for the Company itself or other companies in respect of the custom duty matters.
3. Other endorsement and/or guarantee, which shall mean other endorsement or guarantee which cannot be included in the above two categories.
4. When the Company creates a pledge or mortgage on its chattel or real estate as a collateral for the loans of another Company, the collateral shall also be the subject of these Procedures.

Article 2. Applicability

The Company may provide endorsement and/or guarantee for the following companies and if it is necessary, the securities shall be obtained:

1. The companies with which it has business relations.
2. Subsidiaries in which the Company holds more than 50% of its total outstanding common shares.
3. For companies that are jointly invested by the Company or through its subsidiary, and if the respective shareholders of such companies make endorsements and/or guarantees in proportion to their respective shareholding.

Article 3. The Standard for Endorsement and/or Guarantee Assessment

In the event the Company provides endorsements and/or guarantees by reason of business relations, the aggregate amount of the endorsements and/or guarantees shall not exceed the net worth of total trading amount between the two companies in the most recent year. The net worth of total trading amount between two companies hereby means the total purchases and re-sales whichever is higher.

Article 4. Limits on Endorsements and/or Guarantees

1. The aggregate amount of endorsements and/or guarantees of the Company shall not exceed the net worth of the latest financial report.
2. The limits to any single enterprise shall not exceed the 20% of the net worth of the latest financial report of the Company.
3. The limits to any subsidiaries in which the Company holds more than 50% of its total outstanding common shares shall follow the same rule as set forth in 4.2.

Article 5. Procedures for Processing Endorsements and/or Guarantees

1. The requesting enterprise shall file an endorsement and/or guarantee application form, whereby, name of the Company, type of endorsement and/or guarantee, risks evaluation, amount, content, the condition and date for discharging the obligations of the endorser and/or guarantor shall be included and it will have to be filed with the Chairman of financial department for approval. And then the Chairman of the board shall ratify for implementation, provided, it is within the specified amount, if it is above the specified amount, it will have to be filed with the Board of Director for approval.
2. Upon the expiration date of the endorsement and/or guarantee, the endorsement and/or guarantee shall be terminated automatically. Before the expiration date, the endorsed and/or guaranteed enterprise shall file a cancellation form in order to terminate the endorsement and/or guarantee earlier.

Article 6. Procedures for Ratification

1. When an enterprise applies for an endorsement and/or guarantee from the Company, it shall submit concrete description of necessity and reasonableness and the financial department will determine whether to accept the application or not.
2. The financial department will be in charge of the credit checking and risk evaluation of the endorsed and/or guaranteed enterprise. For those cases with good credit and justifiable purposes, the personnel in charge shall prepare a credit check result and opinion report and devise the criterion of the endorsement and/or guarantee and file with the Board of Directors for approval.
3. Besides, the financial department shall make an impact assessment based on the possibility of operation risk, financial condition and shareholder's rights and interests after endorsement and/or guarantee and submit an opinion statement incorporated with credit report to the Board of Directors for approval.
4. The Company may base on the applicant's credit report and decide whether to request the endorsee or guarantee to provide the same amount of Banker's acceptance or secure a collateral equivalent to the endorsement and/or guarantee amount. The financial department shall evaluate and mark the value of the collateral.

Article 7. The Internal Control Procedure of the Company's Subsidiaries

When any subsidiaries in which the Company holds more than 50% of its total outstanding common shares provide endorsements and/or guarantees to other companies, the proposal shall be submitted to the Chairman of the board of the Company for approval and filed with the Board of Directors of the Company for recordation. The Company shall comply with these Procedures to make a public announcement.

Article 8. Safekeeping of the Corporate Chop and Procedures

1. The Company shall use the Corporate Chop registered with the Ministry of Economic Affairs for the use of endorsements and/or guarantees (hereinafter, the "Chop"). The Chop shall be under the safekeeping of special personnel appointed by the Chairman of the board and submit to the Board of Director for approval. The re-appointment of the special personnel shall follow the same procedure. The Chop may be used to issue negotiable

instruments only following proper internal procedures.

2. When the Company provides guarantees in favor of a foreign Company, the personnel who are authorized by the Board of Directors shall sign the guarantee agreement.

Article 9. Decision Making and Authorization

The Board of Directors of the Company shall approve the making of endorsements and/or guarantees, however, the Board of Directors may authorize the Chairman of the Board to decide such matters when the transaction is within a specified amount and then submit such matter to the Board of Directors for ratification.

Article 10. The Standards for Public Announcement

1. The Company shall make a public announcement on the amount of the Company and its subsidiaries endorsements and/or guarantees on or before the 10th date of each month. In addition, in the event that the amount meets of the following standards, the Company shall make a separate public announcement and enter the same into the Market Observation Post System:

- (1) The total amount of endorsements worth and/or guarantees reaches fifty percent (50%) or more of the Company net worth as stated in its latest financial report.
- (2) The amount of endorsement and/or guarantee in favor of any single enterprise reaches twenty percent (20%) or more of the Company net worth as stated in its latest financial report. Or after the announcement, the amount of endorsements and/or guarantees has been increased by 5% or more of the Company net worth as stated in its latest financial report.
- (3) The amount of endorsement and/or guarantee for any single enterprise reaches 10 million NTD, and the aggregate amount of the endorsements and/or guarantees, long-term investment, and loans to that enterprise reaches thirty percent (30%) or more of the Company net worth as stated in its latest financial report. Or after the announcement, the amount of endorsements and/or guarantees has been increased by five percent (5%) or more of the Company net worth as stated in its latest financial report.
- (4) The aggregate amount of endorsement and/or guarantee provided to any single enterprise by reason of business relations exceeds the total trading amount between the two companies in the most recent year.

2. Time Limits for and Contents of the Public Announcement

In the event that the amount of endorsements and/or guarantees of the Company reach the standard referred to the proceeding Paragraph 1 of this Article, it shall make a public announcement within two days after the occurrence of said endorsements and/or guarantees, and enter the said information into the Market Observation Post System.

- (1) In the event that the aggregate amount of endorsements and/or guarantees reaches the standard set forth in Item 1 of Article 10, it shall make a public announcement with the format stated in the Key Points:
 - a. The Company name of the party for whom the endorsement and/or guarantee was made and the endorsements and/or guarantees amount reaches 100 million NTD or five percent (5%) or more of the net worth as stated in the Company's

latest financial report; its relationship with the Company; the maximum amount the Company is permitted to give endorsements and/or guarantees; the amount of and the reason for endorsement and/or guarantee of up to the triggering date.

- b. Up to the triggering date, the ratio of the amount of endorsements and/or guarantees to the Company net worth as stated in its latest financial report.

(2) The Company shall, in compliance with the format of the Key Points, make a public announcement regarding the following items when its endorsement and/or guarantee amount in favor of a single enterprise has reached the standard referred to in the Item (1), (2), (3), or (4) of Article 10.1 (hereinafter "Event"):

- a. The Company name of the party for whom the endorsements and/or guarantees was made, its relationship with the Company, the maximum amount the Company is permitted to give endorsements and/or guarantees, the endorsements and/or guarantees amount prior to the Event, the latest endorsement and/or guarantee amount, and the reason for such endorsement and/or guarantee.
- b. The content and value of the collateral provided by the endorsee and/or guarantee.
- c. The capital and accumulated profit/loss of the party for whom the endorsement and/or guarantee was made according to its latest financial report.
- d. The condition or date of discharging the Company from its endorsements and/or guarantees obligation.
- e. The ratio of the amount of endorsements and/or guarantees to the Company's net worth according to the latest financial report on the date when the Event occurred.
- f. The ratio of the amount of endorsements and/or guarantees to the business transaction amount between the Company and the endorsee and/or guarantee Company within the most recent year up to the date on which the Event occurred.
- g. The ratio of the aggregate amount of the long term investment, endorsements/guarantees amount, and the loans to others to the Company's net worth according to the latest financial report.

Article 11. The Punishment of Violation of these Procedures

When employees and personnel of the Company violate these Procedures, they will be punished according to the thirty-eight (38) and thirty-nine (39) clauses of the 「Personnel Administration Regulation」.

Article 12.

The Company shall evaluate the contingency loss from the endorsements and/or guarantees and disclose the information in the financial report appropriately and provide the same to the CPA for his proceeding with the necessary audit procedure and issuing the proper audit report.

Article 13.

1. The Company shall prepare a registry containing the subject of the endorsements/guarantees, the amount of the endorsements/guarantees, the passing date of the Board of Directors, the ratification date of the Chairman of the board, the date of the endorsements/guarantees and all the evaluation issues according to these Procedures.
2. The internal verification personnel of the Company shall verify these Procedures and its implementation and make a report in writing for record. If there is significant violation, the personnel shall inform the supervisors in writing.

- Article 14. 1. Due to business relations, it is necessary that the aggregate amount of endorsements and/or guarantees of the Company exceed the limited amount specified in these Procedures and the applicants' other conditions qualify the criterion of these Procedures. Under the circumstance, the Board of Directors shall approve the making of endorsement and/or guarantee and majority of the directors shall sign as guarantors for the contingency loss and these Procedures shall be modified and submitted to the shareholder meeting for confirmation thereafter. If the shareholder meeting does not approve it, the Company shall make a plan to eliminate such exceeding amount within certain period of time.
2. When the Board of Directors discusses the above issue, the directors shall fully take each individual director's opinions into consideration and record each director's reasons for pros and cons in the minutes.
3. When the Company submits the making of endorsements and/or guarantees for the Board of Directors' approval, the board shall fully take each individual director's opinions into consideration and record each director's reasons for pros and cons in the minutes.
- Article 15. If the Company makes the endorsement and/or guarantee later becomes unqualified under Article 2, or the endorsement and/or guarantee amount exceeds the limit under these Procedures due to the change of the calculation basis, the Company shall discharge the endorsement and/or guarantee amount or the amount in excess on the date the agreement term expires or within a designated period pursuant to an internal plan. The above timeframe shall be reported to the Board of Directors.
- Article 16. These Procedures, as well as any revision thereto, shall be approved by the resolution of the Board of Directors and sent to each supervisor and submitted to the shareholders meeting for approval.
- Article 17. Another stricter management principles may be drafted by the Chairman of the board in accordance to this operational Procedure and be effective surpassingly after approval by the Board of Directors with two-thirds vote at a meeting attended by more than two-thirds of the directors. The same procedure shall apply to any amendment.
- Article 18. Approved by General Shareholder's Meeting held on January 15, 1993;
The First amendment was made on July 28, 1995;
The Second amendment was made on April 28, 1997;
The Third amendment was made on December 17, 2001
The Fourth amendment was made on June 11, 2003
The Fifth amendment was made on June 17, 2004
The Sixth amendment was made on June 15, 2006;

Attachment 11

Articles of Incorporation of Acer Incorporated

Chapter I – General Provisions

- Article 1. This Company shall be incorporated in accordance with the Company Law, and shall be called Acer Incorporated.
- Article 2. The business purposes of this Company shall include the following:
1. F113050 To engage in the wholesale purchase and sale of computer, office machinery and equipment.
 2. F213030 To engage in the retail of computer, office machinery and equipment.
 3. F118010 To engage in the wholesale purchase and sale of information software.
 4. I301010 To provide information software services.
 5. I301020 To provide information management services.
 6. G902011 To engage in the second category of the telecommunications industry.
 7. F401010 To conduct international trade.
 8. JA02010 To repair electrical appliances and electrical products.
 9. JE01010 To engage in leasing and renting industry.
 10. CC01030 To manufacture electrical appliances and audiovisual electrical products.
 11. CC01070 To manufacture wireless communication machinery & equipment.
 12. CC01110 To manufacture computer and its peripheral equipment.
 13. CD01060 To manufacture aircraft and its components.
 14. E701030 To install telecommunications control equipment.
 15. F401021 To import telecommunications control equipment.
 16. F113070 To engage in the wholesale purchase and sale of telecommunications equipment.
 17. IZ13010 To engage in on-line certification business.
 18. F108031 To engage in wholesale of medical apparatus and instruments.
 19. F208031 To engage in retail of medical apparatus and instruments.
 20. Except for business required for official permits, to engage in businesses which are not prohibited or restricted by laws.
- Article 3. This Company may, for its business operations or other investment matters, make endorsements or issue guarantees.
- Article 4. The total amount of investment made by this Company shall be exempt from the restriction under Article 13 of the Company Law.
- Article 5. The headquarters of this Company shall be located in Taipei City, Taiwan, R.O.C. If the Company considers it necessary, it may, by a resolution adopted at a meeting by the board of directors, set up branch offices in Taiwan or abroad.

Chapter II – Capital Stock

- Article 6. The total amount of this Company capital stock is NT\$ thirty-five billion divided into 3.5 billion shares at par value of NT\$10 per share, within which the board of directors is authorized to issue shares in installments, out of the aforesaid total capital stock NT\$ two and half billion, divided into 250 million shares each at a par value of NT\$10, is reserved for exercising stock warrant.
- Article 6-1. To issue employee stock options that the exercise price may be lower than the closing price of this Company stocks as of the issue date, this Company must have obtained the consent of at least two-thirds of the voting rights represented at a shareholders meeting attended by shareholders representing a majority of the total issued shares.
To transfer shares to employees at less than the average actual repurchase price, this Company must have obtained the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares.
- Article 7. After approval for registration, the share certificates of this Company shall be issued in registered form, signed by, and affixed with the seals of, at least three directors of this Company, and authenticated by the competent registrar.
- Article 8. All matters concerning shares shall be handled in accordance with the regulations of the competent authority except as otherwise provided by law.

Chapter III – Shareholders' Meetings

- Article 9. Shareholders' meetings of this Company are classified into (1) regular meetings and (2) special meetings. The board of directors shall convene regular meetings within six months after the close of each fiscal year. Special meetings shall be convened, whenever deemed necessary in accordance with the law.
- Article 10. Where a shareholder is unable to attend a meeting; such shareholder may appoint a proxy by using the proxy form provided by this Company, which shall specify the scope of proxy and be signed and sealed by the shareholder. Where one person has been appointed to act as proxy for more than two shareholders, unless such person is engaged in the trust business, the votes exercised by such person which exceeding three percent (3%) of all the issued and outstanding capital stock of this Company shall not be counted.
The above-mentioned proxies shall be delivered to this Company five (5) days before the shareholders' meeting. In such a case, only the proxy received earlier shall be effective.
- Article 11. Except as otherwise provided by the Company Law, a resolution may be adopted by the holders of a simple majority of the votes of the issued and outstanding capital stock represented at a shareholders' meeting at which the holders of a majority of issued and outstanding capital stock are present.

Chapter IV – Directors and Supervisors

- Article 12. This Company shall have seven (7) directors and two (2) supervisors, to be elected from shareholders with legal capability. The term of office for directors and supervisors shall be three (3) years. The directors and supervisors are eligible for re-election. The total capital stock held by all directors and supervisors shall not be less than the percentage provided by the competent authority. The Company may buy the Responsibility Insurance for the Directors and the Supervisors who have to be responsible for the damages caused by their duties.
The Company shall establish two (2) independent directors to be included in the number of directors designated in the preceding paragraph. The elections for independent directors shall proceed with the candidate nomination system; the shareholders shall elect independent directors from among the nominees listed in the roster of independent director candidates.
- Article 13. The Board of Directors shall consist of directors of the company, and the chairman of the Board of Directors shall be elected by a majority of directors in attendance at a meeting attended by over two-thirds of the Board of Directors. The chairman of the Board of Directors shall represent this Company in external matters. The Board of Directors shall place any kinds of committee includes and so on.
- Article 14. The board of directors shall have the following authority:
1. To audit and supervise annual operation plan,
 2. To determine the budget and review final accounts,
 3. To propose earnings appropriation or make up for loss,
 4. To propose increase or decrease capital plan,
 5. To consider significant capital expenditure plans,
 6. To establish branch offices or terminate branch offices,
 7. To propose and discuss amendments to the Articles of Incorporation,
 8. To decide important contracts or other important matters,
 9. To decide whether to invest in other business or whether to dispose of shares of investment business,
 10. To review the major dealings between the Company its related partners (including affiliated companies),
 11. To appoint or remove the president and/or the vice president,
 12. To dispose of or purchase important property and approve the bylaws, and
 13. Other authorities granted by shareholders or in accordance with the law.
- Article 15. Where the chairman of the board of directors is on leave or cannot exercise his powers or perform his duties for any reason, an acting chairman shall be designated in accordance with Article 208 of the Company Law. Where a director is unable to attend the meeting of the board of directors, he may appoint another director as his proxy to attend the meeting by issuing a letter of proxy. Each director can act as a proxy for only one other director.
- Article 16. Unless otherwise provided for in the Company Law, resolutions of the board of directors shall be adopted by one-half of the directors at a meeting attended by one-half of the directors.

Chapter V – Managers

- Article 17. This Company may have one CEO, several presidents and vice presidents. The appointment, removal, and compensation of the president and vice presidents shall be made in accordance with Article 29 of the Company Law.

Chapter VI – Accounting

- Article 18. At the end of each business fiscal year, the following reports shall be prepared by the board of directors, and shall, after being audited by the supervisor or by a certified public accountant appointed by the supervisor, be submitted to the shareholders' meeting for approval:

- (1) Business Report;
- (2) Financial Report;
- (3) Proposal of Appropriation of Net Profit or the Covering of Losses.

- Article 19. As the industry prosperity and the trends rapidly changed, the dividends strategy of the Company depends on yearly earnings and external environments, therefore, cash dividends of this Company shall be distributed at least ten percent of yearly dividends for complying with related regulations.

- Article 20. Where this Company has earnings at the end of the fiscal year, after paying all relevant taxes, making up losses of previous year, this Company shall first set aside ten percent (10%) of said earnings as legal reserve, except that such legal reserve amounts to the total authorized capital. Thereafter, this Company shall set aside a special reserve in accordance with the applicable laws and regulations. Any balance left over shall be distributed as follows:

- (1) Over Five percent (5 %) for bonuses to employees. When the employee bonuses will be paid in the form of share bonuses, the employees entitled to such share bonuses may include employees of subsidiaries of this Company satisfying certain criteria. The criteria shall be formulated by the board of directors;
- (2) One percent (1%) for remuneration of directors and supervisors, the standard for distribution of remuneration will be determined by the chairman of the board of directors; and
- (3) The remainder, after an amount is reserved for operation needs, shall be allocated to shareholders as bonuses.

Above distribution ratio may be adjusted upon the consent of shareholders meeting.

Chapter VII – Supplementary Provisions

- Article 21. The Company Law and related regulations shall govern any matter not provided in the Articles of Incorporation.

- Article 22. These Articles of Incorporation were approved on June 19, 1979.
The first amendment was approved on December 17, 1980.
The second amendment was approved on September 10, 1981.

The third amendment was approved on August 10, 1983.
The fourth amendment was approved on September 2, 1983.
The fifth amendment was approved on May 10, 1985.
The sixth amendment was approved on August 1, 1985.
The seventh amendment was approved on October 1, 1986.
The eighth amendment was approved on April 2, 1987.
The ninth amendment was approved on November 15, 1987.
The tenth amendment was approved on March 15, 1989.
The eleventh amendment was approved on April 26, 1989.
The twelfth amendment was approved on October 15, 1989.
The thirteenth amendment was approved on November 22, 1989.
The fourteenth amendment was approved on February 23, 1990.
The fifteenth amendment was approved on May 15, 1990.
The sixteenth amendment was approved on August 1, 1990.
The seventeenth amendment was approved on December 27, 1990.
The eighteenth amendment was approved on June 22, 1991.
The nineteenth amendment was approved on December 10, 1991.
The twentieth amendment was approved on June 10, 1992.
The twenty-first amendment was approved on October 23, 1992.
The twenty-second amendment was approved on February 17, 1993.
The twenty-third amendment was approved on May 31, 1993.
The twenty-fourth amendment was approved on March 24, 1994.
The twenty-fifth amendment was approved on April 26, 1996.
The twenty-sixth amendment was approved on April 26, 1996.
The twenty-seventh amendment was approved on June 25, 1997.
The twenty-eighth amendment was approved on May 29, 1998.
The twenty-ninth amendment was approved on May 28, 1999.
The thirtieth amendment was approved on May 23, 2000.
The thirty-first amendment was approved on May 17, 2001.
The thirty-second amendment was approved on December 17, 2001.
The thirty-third amendment was approved on June 19, 2002.
The thirty-fourth amendment was approved on June 17, 2004.
The thirty-fifth amendment was on June 14, 2005.
The thirty-sixth amendment was on June 15, 2006.
The thirty-seventh amendment was on June 14, 2007.
The thirty-eighth amendment was on June 13, 2008.

Attachment 12

Shares Held by Directors and Supervisors as of April 21, 2009

Directors

Name of Director	Legal Representative	Number of Shares
J.T. Wang		13,038,161
Stan Shih		74,021,741
Gianfranco Lanci		969,978
Walter Deppeler		0
Smart Capital Corp.	Philip Pen	11,138
Hong-Zong Investment Corp.		67,060,863
Hsin-I Lin		0
TOTAL		155,101,881

Supervisors

Name of Supervisor	Legal Representative	Number of Shares
George Huang		6,193,653
Carolyn Yeh		17,514,543
TOTAL		23,708,196

The current paid-in capital for shares in the Company is 2,642,982,993 shares. The Company's directors hold at least 79,289,489 shares and the Company's supervisors hold at least of 7,928,948 shares, and such holdings comply with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".

NOTE:

The English version of this document has been prepared for the convenience of the readers, and in the event of any discrepancy between the Chinese and English versions hereof, the Chinese version shall govern.



Acer Group

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