

Stock Ticker : 2324

Compal Electronics, Inc.

2015 Annual General Shareholders' Meeting Meeting Handbook

(June 26, 2015)



B1, No. 581, Ruiguang Rd., Neihu District,
Taipei City 11492, Taiwan (R.O.C.)

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Meeting Procedures

Compal Electronics, Inc.

2015 Annual General Shareholders' Meeting Procedures

1. Call Meeting to Order
2. Chairman's Address
3. Report Items
4. Ratification Items
5. Discussion & Election Items
6. Special Motion(s)
7. Meeting Adjourned

Meeting Agenda

Compal Electronics, Inc.

2015 Annual General Shareholders' Meeting Agenda

Time : 9:00 am, June 26, 2015 (Friday)

Place : B1, No. 581, Ruiguang Rd., Neihu District, Taipei City 11492, Taiwan
(R.O.C.)

I . Report Items

1. Report on Business for the year 2014
2. Report of Supervisors' Examination for the year 2014 Financial Statements
3. Implementation status of the Company's share buy-back

II . Ratification Items

1. To ratify the Financial Statements Report for the year 2014
2. To ratify the Distribution of Earnings for the year 2014

III . Discussion and Election Items

1. To approve the proposal of cash distribution from capital surplus
2. To approve the amendment to the "Articles of Incorporation"
3. To approve the amendment to the "Regulations for Election of Directors and Supervisors"
4. Election of the 12th Term of Directors
5. To approve the release of non-competition restrictions for Directors
6. To approve the amendment to the "Procedures for Acquisition or Disposal of Assets"
7. To approve the amendment to the "Procedures for Financial Derivatives Transactions"
8. To approve the amendment to the "Procedures for Endorsement and Guarantee"
9. To approve the amendment to the "Procedures for Lending Funds to Other Parties"

IV.Special Motion(s)

V.Meeting Adjourned

Report Items

Item 1

Proposed by the Board of Directors

Proposal:

Report on Business for the year 2014

Explanatory Note:

The Business Report for the year 2014 is attached hereto as Attachment 1.

Item 2

Proposed by the Board of Directors

Proposal:

Report of Supervisors' Examination for the year 2014 Financial Statements

Explanatory Notes:

1. The year 2014 financial statements have been audited by the Independent Auditors and the Independent Auditors' Report was issued.
In addition, these financial statements have been examined by Supervisors; the Examination Report was issued accordingly.
2. Independent Auditors' Report is attached hereto as Attachment 2.
3. Supervisors' Examination Report is attached hereto as Attachment 3.

Item 3

Proposed by the Board of Directors

Proposal:

Implementation status of the Company's share buy-back

Explanatory Notes:

1. The relevant information regarding implementation status of the Company's share buy-back in the year 2014 is as follows:

Unit: NT\$; Share; %

Date of Board Resolution	May 13, 2014
Purpose of Share Buy-back	To maintain the Company's credit and shareholder's equity
Buy-back Period	May 14 –July 13, 2014
Price Range for Share Buy-back	21.05 ~ 33.24 (Note)
Category of Share to be Repurchased	Common Stock
Number of Share Repurchased	0 shares
Ratio of Repurchased Shares to the Total No. of Shares Issued by the Company (%)	0%
Total Monetary Amount of Shares Repurchased	\$0

Note: The Company is allowed to continue the share buyback when the share price drops below the lower limit.

2. Considering the shareholders' interests and the market condition as well as the efficiency of utilizing the Company's capital, the Company did not implement the share buy-back in the year 2014.

Ratification Items

Item 1

Proposed by the Board of Directors

Proposal:

To ratify the Financial Statements Report for the year 2014

Explanatory Notes:

1. The “Report on Business Operation for the Year 2014” and “Financial Statements for the Year 2014” were approved by the Board of Directors and examined by the Supervisors (“Distribution of Earnings for the Year 2014” is listed in the Ratification Item 2).
2. The “Business Report for the Year 2014” and “Financial Statements for the Year 2014” are attached hereto as Attachments 1 and 4.

Resolved That:

Item 2

Proposed by the Board of Directors

Proposal:

To ratify the Distribution of Earnings for the year 2014

Explanatory Notes:

1. The 2014 Earnings Distribution Proposal (see page 12) was prepared by the Board of Directors according to the ROC Company Act and Articles of Incorporation of the Company.
2. The amount of earnings for the year 2014 available for distribution to shareholders as dividend and bonus is NT\$ 4,428,780,625. Such amount is proposed to be distributed in the form of cash dividend. Each shareholder will be entitled to receive a cash dividend of NT\$1 per share. Cash dividend shall be distributed and paid to each shareholder, rounded to the nearest NT dollar (truncate the numbers after decimal place). Fractional amounts will be aggregately recognized as other revenue in the accounting book of the Company.
3. After the resolutions adopted by the 2015 Annual General Meeting of Shareholders, it is proposed that the Board of Directors will be authorized by the General Shareholders' Meeting to determine the record date of cash dividend distribution.
4. As of February 25, 2015, the number of shares issued by the Company that is eligible to receive dividends is 4,428,780,625 shares. However, if the number of outstanding shares is changed afterward due to the share buy-back or redemption by the Company, transfer of treasury stock to employees, share cancellation and other factors so that the distribution ratio for the cash dividend must be adjusted accordingly, it is proposed that the Board of Directors will be authorized by the General Shareholders' Meeting to deal with this matter with full authority.

Resolved That:

Compal Electronics, Inc.

Earnings Distribution Proposal for the Year 2014

Unit: NT\$

Item	Amount
Unappropriated retained earnings of previous years	18,507,745,418
Add:	
Net income of 2014	7,034,080,548
Other comprehensive income of 2014 - actuarial loss	(30,889,192)
Reversal of special reserve for the net debit balance of other equity interest in the previous year	7,707,517,449
Subtract:	
10% Legal reserve	(703,408,055)
Special reserve retained for the net debit balance of other equity interest in this year	(3,139,020,680)
Changes in ownership interests in subsidiaries	(1,494,923)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	(1,575,775,976)
Retained earnings available for distribution as of December 31, 2014	27,798,754,589
Distribution item:	
Subtract:	
Dividends to common shares holders <Note 1>	(4,428,780,625)
Unappropriated retained earnings as of December 31, 2014	23,369,973,964

Note:

1. Cash dividends of NT\$1 per common share
2. Directors' and Supervisors' Remuneration: NT\$ 49,379,245
3. Employee Bonuses in Cash: NT\$ 895,790,158

Discussion & Election Items

Item 1

Proposed by the Board of Directors

Proposal:

To approve the proposal of cash distribution from capital surplus

Explanatory Notes:

1. In accordance with Article 241 of the Company Act, the Company proposes a cash distribution of NT\$ 2,214,390,313 from capital surplus derived from the amount of the subscription price in excess of par value of common shares issued by the Company. The cash is to be distributed to the registered shareholders on the record date, and the cash distribution per share will be NT\$0.5. Cash distribution from capital surplus shall be paid to each shareholder, rounded to the nearest NT dollar (truncate the numbers after decimal place). Fractional amounts will be aggregately recognized as other revenue in the accounting book of the Company.
2. After the resolutions adopted by the 2015 Annual General Meeting of Shareholders, it is proposed that the Board of Directors will be authorized by the General Shareholders' Meeting to determine the record date for the cash distribution from capital surplus.
3. As of February 25, 2015, the number of shares issued by the Company which is eligible to receive cash distribution is 4,428,780,625 shares. However, if the number of outstanding shares is changed afterward due to the share buy-back or redemption by the Company, transfer of treasury stock to employees, shares cancellation and other factors so that the distribution ratio for the cash distribution from capital surplus must be adjusted accordingly, it is proposed that the Board of Directors will be authorized by the General Shareholders' Meeting to deal with this matter with full authority.

Resolved That:

Item 2

Proposed by the Board of Directors

Proposal:

To approve the amendment to the “Articles of Incorporation”

Explanatory Notes:

1. Amendment to the Articles of Incorporation is proposed to accommodate the establishment of the Audit Committee due to the business needs and the requirements of applicable laws and regulations.
2. The Comparison Table Before and After Amendment to the Articles of Incorporation is attached hereto as Attachment 5.

Resolved That:

Item 3

Proposed by the Board of Directors

Proposal:

To approve the amendment to the “Regulations for Election of Directors and Supervisors”

Explanatory Notes:

1. Amendment to the Regulations for Election of Directors and Supervisors is proposed to accommodate the establishment of the Audit Committee due to the business needs and the requirements of applicable laws and regulations.
2. The Comparison Table Before and After Amendment to the Regulations for Election of Directors and Supervisors is attached hereto as Attachment 6.

Resolved That:

Item 4

Proposed by the Board of Directors

Proposal:

Election of the 12th Term of Directors

Explanatory Notes:

1. The 11th term of office for Directors and Supervisors of the Company will expire on June 21, 2015.
2. Pursuant to Article 195, Paragraph II and Article 217, Paragraph II of the Company Act, in case no election of new directors/supervisors after expiration of the term of office of existing directors/supervisors, the term of office of out-going directors/supervisors shall be extended until new directors/supervisors have been elected and assumed their office.
3. The Company has established the Audit Committee in accordance with the Securities and Exchange Act and no longer has supervisors. The Audit Committee is composed of all independent directors. In accordance with the Articles of Incorporation of the Company and resolutions adopted by the Board of Directors, the Company should elect fifteen (15) Directors (including 3 Independent Directors and 12 Directors). The tenure of each Director shall be three (3) years, commencing from June 26, 2015 and ending on June 25, 2018.
4. According to applicable laws and the Articles of Incorporation of the Company, a candidate nomination system has been adopted by the Company for the Director election. The candidate for Director has been approved at the 29th Meeting of the 11th term of the Board of Directors of the Company, and the shareholders shall elect a Director (including Independent Director) from among those listed on the slate of director candidate. The resume of the director (including Independent Director) candidate is attached hereto as attachment (see page 18~19).

Result of Election:

Title	Name	Academic Background	Work Experience	Shares
Director Candidate	Sheng-Hsiung Hsu	Honorary Doctorate Degree of National Normal University Bachelor's degree in National Normal University (Chinese Dept.)	Chairman of Compal Electronics, Inc. Chairman of Kinpo Electronics, Inc. Chairman of AcBel Polytech Inc.	17,775,401
Director Candidate	Jui-Tsung Chen	Bachelor's degree in National Cheng-Kung University (Electrical Engineering Dept.)	Director of Compal Electronics, Inc. Chairman of Arcadyan Technology Corporation President of Compal Electronics, Inc.	50,782,587
Director Candidate	Wen-Being Hsu	National Tao-Yuan Sr. Vocational Agricultural & Industry School	Director of Compal Electronics, Inc.	4,000,000
Director Candidate	Kinpo Electronics, Inc.	Not Applicable	Director of Compal Electronics, Inc. Director of AcBel Polytech Inc.	151,628,692
Director Candidate	Charng-Chyi Ko	Bachelor's degree in National Taiwan University (Division of Business)	Supervisor of Compal Electronics, Inc. Supervisor of Kinpo Electronics, Inc.	7,896,867
Director Candidate	Sheng-Chieh Hsu	Bachelor's degree in Tam- Kang University (Architectural Dept.)	Supervisor of Compal Electronics, Inc. Director of Kinpo Electronics, Inc	9,119,297
Director Candidate	Yen-Chia Chou	Bachelor's degree in National Taiwan University (Geology Dept.)	Supervisor of Compal Electronics, Inc. Supervisor of Kinpo Electronics, Inc	8,022,874
Director Candidate	Wen-Chung Shen	Bachelor's degree in National Taiwan University (Electrical Engineering Dept.)	Director of Compal Electronics, Inc. Director of Arcadyan Technology Corporation EVP of Compal Electronics, Inc.	11,935,968
Director Candidate	Yung-Ching Chang	Master's degree in Graduate school of Management, Yuan-Ze University	Director of Compal Electronics, Inc. Chairman of Allied Circuit Co., Ltd. EVP of Compal Electronics, Inc.	3,898,587

Title	Name	Academic Background	Work Experience	Shares
Director Candidate	Chung-Pin Wong	Master's degree in Management Science of National Chiao-Tung University	Director of Compal Electronics, Inc. Director of Arcadyan Technology Corporation EVP of Compal Electronics, Inc.	4,833,618
Director Candidate	Chiung-Chi Hsu	Master's degree in San Francisco Golden Gate University.	Director of Compal Electronics, Inc.	2,000,731
Director Candidate	Chao-Cheng Chen	Graduate Institute of Electronics Engineering of National Taiwan University	Director of Compal Electronics, Inc. Director of Compal Communications, Inc. EVP of Compal Electronics, Inc.	4,850,000
Independent Director Candidate	Min Chih Hsuan	Bachelor's degree in Chiao Tung University Electrical Engineering	Chairman of Faraday Technology Corp. President of United Microelectronics Corp. Independent Director of Compal Electronics, Inc.	0
Independent Director Candidate	Duei Tsai	Taiwan University, PhD, Electrical Engineering	Independent Director of Compal Electronics, Inc. Independent Director of Taiwan Taxi Co., Ltd. INC	0
Independent Director Candidate	Duh Kung Tsai	Taipei College of Industrial, Industrial Engineering	Chairman of Powertech Technology Inc. Independent Director of Compal Electronics, Inc.	0

Item 5

Proposed by the Board of Directors

Proposal:

To approve the release of non-competition restrictions for Directors

Explanatory Notes:

1. As certain Directors of the Company may invest in or operate a business which is identical or similar to the business scope of the Company, without prejudice to any interest of the Company, it is proposed to approve the release of non-competition restrictions for these Directors in accordance with Articles 209 of the Company Act.
2. Information of the Director candidates who concurrently serve in a position of other companies is attached hereto as attachment (see page 21~23). To approve the release of non-competition restrictions for Directors.

Resolved That :

Compal Electronics, Inc.
Current Positions of Director Candidates

Candidate's	Current Positions of Director Candidates
Sheng-Hsiung Hsu	<p>Chairman : Kinpo Electronics, Inc. ∙ AcBel Polytech Inc. ∙ Cal-Comp Electronics(Thailand) Public Company Limited ∙ Cal-Comp Electronics And communications Co., Ltd. ∙ Teleport Access Services, Inc. ∙ Kinpo Electronics (China) Co., Ltd. ∙ Cal-Comp Electronics (Suzhou) Co., Ltd. ∙ Jipo Investment Inc. ∙ Kinpo Group Management Consultant Company ∙ Breeze Integrated Development Co., Ltd.</p> <p>Managing Director : Baotek Industrial Materials Ltd. ∙ Taiwan Biotech Co., Ltd.</p> <p>Director : Cal-Comp Optical Electronics (Suzhou) Co., Ltd. ∙ Cal-Comp Technology (Suzhou) Co., Ltd. ∙ Cal-Comp Electronics and Communications (Suzhou) Co., Ltd. ∙ Crownpo Technology Inc. ∙ PChome Online Inc. ∙ Cdib & Partners Investment Holding Corp. ∙ Acbel Polytech Holdings Inc. ∙ Acbel Polytech (Singapore) Pte. Ltd. ∙ Ascendant Private Equity Investment Ltd. ∙ Forward International Ltd. ∙ Global Strategic Investment Inc. ∙ HengHao Holding A Co., Ltd. ∙ HengHao Holding B Co., Ltd. ∙ HengHao Trading Co., Ltd. ∙ Kingbolt International (Singapore) Pte. Ltd. ∙ Kinpo International Ltd. ∙ Lipo Holding Co., Ltd. ∙ Ranashe International Ltd.</p> <p>President : Kinpo Group Management Consultant Company</p>
Jui-Tsung Chen	<p>Chairman : Arcadyan Technology Corporation ∙ HengHao Technology Co. Ltd. ∙ Infinno Technology Corp. ∙ Mactech Co., Ltd. ∙ Synchron Seiki, Inc.</p> <p>Director : Kinpo Electronics, Inc. ∙ Compal Networking (Kunshan) Co., Ltd ∙ Compal Broadband Networks, Inc. ∙ Kinpo Group Management Consultant Company ∙ Ascendant Private Equity Investment Ltd. ∙ Arcadyan Technology N.A. Corporation ∙ Arcadyan Holding (BVI) Corp. ∙ Arch Holding (BVI) Corp. ∙ HengHao Holding A Co., Ltd. ∙ HengHao Holding B Co., Ltd. ∙ HengHao Trading Co., Ltd. ∙ Sinoprime Global Inc. ∙ Wah Yuen Technology Holding Ltd.</p>
Wen-Being Hsu	<p>Director : Baotek Industrial Materials Ltd.</p>
Kinpo Electronics, Inc.	<p>Director : AcBel Polytech Inc. ∙ Aonvision Technology Corp. ∙ Crownpo Technology Inc. ∙ XYZprinting, Inc. ∙ Baotek Industrial Materials Ltd. ∙ Teleport Access Services, Inc. ∙ Norm Pacific Automation Corp. ∙ Sinonar Corp. ∙ PK Venture Capital Corp. ∙ Prudence Venture Investment Corp. ∙ Jipo Investment Inc. ∙ Kinpo Electronics (Philippines), Inc.</p> <p>Supervisors : Jipo Investment Inc.</p>

Candidate's	Current Positions of Director Candidates
Charng-Chyi Ko	<p>Chairman : Baotek Industrial Materials Ltd. ∙ Taiwan Biotech Co., Ltd. ∙ Chang Yao Technology Inc. ∙ Evergene Biotech Industrial Co., Ltd. ∙ Weck Tech Biotech Co., Ltd. ∙ Global BioPharma, Inc ∙ Genhealth Pharma Co., Ltd. ∙ Taiwan Veterans Pharmaceutical Co., Ltd. ∙ Twin Luck Global Company Ltd. ∙ Young & Health Care Resorts Inc. ∙ Woo Source Co. Ltd. ∙ Taiwan Venture Capital Co., Ltd. ∙ Long Yee Investment Co. Ltd. ∙ Yinfeng International, Inc. ∙ Taiwan Chariston AMC Corp., Ltd.</p> <p>Director : All Information Inc. ∙ Sintong Animal Pharmaceutical Co., Ltd. ∙ OmniHealth Group, Inc. ∙ Aseptic Innovative Medicine Co., Ltd. ∙ Chipgene International Enterprise Co., Ltd. ∙ Minsheng AM Inc. ∙ Minsheng Medical Holding Inc. ∙ Global Strategic Investment Ltd. (Samoa) ∙ Gold Precision Ltd. ∙ KKXC Intergrated Management Holding (CYPRUS) Ltd. ∙ Medinox Inc. ∙ Optics Lab Inc. ∙ Syn Pharm Inc.</p> <p>Supervisors : Kinpo Electronics, Inc. ∙ Teleport Access Services, Inc. ∙ Cal-Comp Electronics And communications Co., Ltd. ∙ Formosan Union Chemical Corp. ∙ Sunny Special Dyeing & Finishing Co. Ltd. ∙ Kenly Precision Industrial Co., Ltd. ∙ Jipo Investment Inc. ∙ Commonwealth Magazine Co, Ltd.</p> <p>President : Yinfeng International, Inc.</p>
Sheng-Chieh Hsu	<p>Chairman : Integrate Investment Corp.</p> <p>Director : Kinpo Electronics, Inc. ∙ Cal-Comp Electronics(Thailand) Public Company Limited ∙ Cal-Comp Electronics And communications Co., Ltd. ∙ Cal-Comp Electronics (Suzhou) Co., Ltd. ∙ Kinpo Electronics (China) Co., Ltd. ∙ Tung-WAN Kai-Bao Co., Ltd. ∙ Jipo Investment Inc. ∙ Kinpo International Ltd.</p>
Yen-Chia Chou	<p>Chairman : Sceptre Industry Co., Ltd.</p> <p>Director : Micro Metal Electronics Co., Ltd.</p> <p>Supervisors : Kinpo Electronics, Inc. ∙ Full Power Investment Co., Ltd</p> <p>President : Sceptre Industry Co.,Ltd.</p>
Wen-Chung Shen	<p>Chairman : Compal Broadband Networks, Inc.</p> <p>Director : Arcadyan Technology Corporation ∙ HengHao Technology Co. Ltd. ∙ Zhi-Bao Technology Corporation ∙ Arcadyan Technology (Shanghai) Corp. ∙ Maxima Ventures I, Inc., Taiwan ∙ LC Future Center Ltd. ∙ Speedlink Tradings Ltd.</p>
Yung-Ching Chang	<p>Chairman : Allied Circuit Co., Ltd.</p> <p>Director : Mactech Co., Ltd. ∙ Kunshan Allied Circuit Trading Co., Ltd. ∙ Utmost Power Holding Inc. ∙ Ubrty Capital Management Corp. ∙ LC Future Center Ltd.</p>

Candidate's	Current Positions of Director Candidates
Chung-Pin Wong	<p>Chairman : Wah Yuen Technology Holding Ltd.</p> <p>Director : Arcadyan Technology Corporation 、 Allied Circuit Co., Ltd. 、 HengHao Technology Co. Ltd. 、 Suyin Optronics Corp. 、 Lead-Honor Optronics Co., Ltd. 、 Mactech Co., Ltd. 、 Compal Precision Module(Jiangsu) Co., Ltd. 、 ShengBao Precision Electronics (Taicang) Ltd. 、 Compal Electronic Technology (Chongqing) Co., Ltd. 、 Compal Connector Manufacture Ltd. 、 Motion Computing, Inc.</p> <p>Supervisors : Hong Ya Technology Corporation</p>
Chiung-Chi Hsu	<p>Chairman : Full Power Investment Co.,Ltd</p> <p>Director : Plank Optoelectronics Inc., 、 E-Bow Bearing Co., Ltd.</p>
Chao-Cheng Chen	<p>Director : Mactech Co., Ltd. 、 Kinpo Group Management Consultant Company</p>
Min Chih Hsuan	<p>Chairman : Faraday Technology Corp. 、 Taiwan Memory Company 、 Meridigen Biotech Co., Ltd. 、 Maxima Ventures I, Inc., Taiwan 、 Maxima Ventures II, Inc.</p> <p>Director : SIPP, Inc. 、 Bcom Electronics Inc 、 General Biologicals Corporation 、 Clientron Corp. 、 Pacgen Biopharmaceuticals Corporation (Canada)</p> <p>Independent Director : Wistron Corporation 、 Siliconware Precision Industries Co., Ltd.</p>
Duei Tsai	<p>Independent Director : Taiwan Taxi Co. , Ltd.</p>
Duh Kung Tsai	<p>Chairman : Powertech Technology Inc. 、 Greatek Electronics Inc.</p> <p>Director : Powertech Technologg (Suzhou) Ltd. 、 Powertech Holding (B.V.I.) Inc. 、 PTI Technology (Singapore) Pte. Ltd.</p> <p>Independent Director : Wistron Corporation 、 Chicony Power Technology Co., Ltd.</p>

Item 6

Proposed by the Board of Directors

Proposal:

To approve the amendment to the “Procedures for Acquisition or Disposal of Assets”

Explanatory Notes:

- 1 Amendment to the Procedures for the Acquisition or Disposal of Assets is proposed to accommodate the establishment of the Audit Committee due to the requirements of applicable laws and regulations.
- 2 The Comparison Table Before and After Amendment to the Procedures for Acquisition or Disposal of Assets is attached hereto as Attachment 7.

Resolved That:

Item 7

Proposed by the Board of Directors

Proposal:

To approve the amendment to the “Procedures for Financial Derivatives Transactions”

Explanatory Notes:

1. Amendment to the Procedures for Financial Derivatives Transactions is proposed to accommodate the establishment of the Audit Committee due to the business needs and the requirements of applicable laws and regulations.
2. The Comparison Table Before and After Amendment to the Procedures for Financial Derivatives Transactions is attached hereto as Attachment 8.

Resolved That:

Item 8

Proposed by the Board of Directors

Proposal:

To approve the amendment to the “Procedures for Endorsement and Guarantee”

Explanatory Notes:

1. Amendment to the Procedures for Endorsement and Guarantee is proposed to accommodate the establishment of the Audit Committee due to the requirements of applicable laws and regulations.
2. The Comparison Table Before and After Amendment to the Procedures for Endorsement and Guarantee is attached hereto as Attachment 9.

Resolved That:

Item 9

Proposed by the Board of Directors

Proposal:

To approve the amendment to the “Procedures for Lending Funds to Other Parties”

Explanatory Notes:

1. Amendment to the Procedures for Lending Funds to Other Parties is proposed to accommodate the establishment of the Audit Committee due to the business needs and the requirements of applicable laws and regulations.
2. The Comparison Table Before and After Amendment to the Procedures for Lending Funds to Other Parties is attached hereto as Attachment 10.

Resolved That:

Special Motion(s)

Special Motion(s)

Attachments

Attachment 1

Business Report for the Year 2014

Thank you for your support to Compal Electronics, Inc (“Compal”) in the last year! Compal enjoyed some great achievements in 2014, given our continued commitment in core business and investment in innovation, even though the global markets and industry dynamics changed rapidly in past years. Looking ahead, the macro environment remains challenging in 2015, while Compal will adopt the new mindset, execute the new strategy, and remain flexible in the organization to embrace the changes and move toward the next business milestone. Below are the summary of Compal operational performance in 2014 and business outlook for this year:

Financial Performance

Consolidated revenue in 2014 totaled NT\$845,701 million, an increase of 22% YoY. Thanks to the enlarged scale and well controlled expenses, consolidated operating profit was NT\$11,675 million, an increase of 26% YoY. Net profit attributed to the parent company was NT\$7,034 million, an increase of 185% YoY. Earnings per share (EPS) were NT\$1.63 in 2014.

Business Development

To pursue more effective resource integration and faster our engagement in the mobile devices market, Compal officially merged Compal Communications Inc. (“CCI”) on Feb 27, 2014. Moreover, since March 1, 2014, we re-organize ourselves to the three major business categories, which are PCBG (PC Business Group), SDBG (Smart Device Business Group), and DBU (Display Business Unit). By doing that, Compal was well prepared and positioned entering into the diversified business portfolio.

In 2014, notebook demand was recovered driven by the commercial segment. Compal outgrew the market and enjoyed decent share gains, given the trend of market consolidation and our continued commitment to the customers. Smartphone business delivered significant growth, not only thanks to the rapid growth of market and increasing outsourcing opportunities, but also attribute to our accurate market positioning and full-range of technology capabilities. Tablet market already showed the initial signs of slowdown, impacted by the larger-screen smartphones. However, Compal was still able to deliver the growth from the new customer’s contribution. LCD TV revenue also grew well, riding on the increasing of average shipment size.

In summary, Compal will continuously commit in expanding product portfolio and enhancing technology offering. With this effort, non-notebook revenue contribution already increased to 23% in 2014 from 18% level in 2013. We further target 30% contribution in year

2015.

Innovation commitment

Aside from the business expansion, Compal was honored for our commitment in innovation. In 2014, Compal won 11 awards from German iF Product Design Award. We total received 21 awards in the past three accumulative years, and ranked as No. 22nd in the Global Creativity Ranking. Compal was ranked first among our industry ODM/EMS peers, and we will continue to invest in the design differentiation to create more value to our customers.

In 2014, Compal also begun with the new business development for the next industry wave, which includes: Cooperate with Chang Gung Hospital (Taiwan) to jointly set up R&D center for the smart medical/healthcare wearable devices; Invest in Industrial PC companies to expand our exposure into the vertical application market. Through external strategic alliance and internal resources integration (i.e. server, networking, automotive electronics), Compal now is aggressively targeting into IoTs market, and will be initially focused on three segments: Smart Home, Smart Car, and Smart Medical/Healthcare. We do expect these new investments to play a critical role to drive Compal's revenue and profitability growth in the future 3-5 years.

Corporate Social Responsibility

Compal continued to fulfill the obligations of Corporate Citizenship. Examples are, promoting "Digital Center Plan at Countryside", promoting "Future Reading" activities, and continued funding the vulnerable children to realize their dreams. In 2014, Compal continued to receive CSR honors from Taiwan Institute for Sustainable Energy (TAISE).

Business Outlook

According to the market research data (IDC, MIC, Canalys, Displaysearch), worldwide NBs, Tablets, Smartphones, and LCD TVs market are expected to -3%, -1%, +15%, and +3% YoY respectively, to 169 million, 242 million, 1,424 million, and 215 million units in 2015. With the consideration of global economy and company conditions, Compal targets double-digit YoY growth to reach 100 million 5C devices shipments in 2015.

Looking ahead, Compal will continue to enhance core business competitiveness, invest in innovation, and expand into new business, with the corporate philosophy of "Innovation, Harmony, and Transcendence". To drive the growth of both "revenues" and "profitability" via the excellent execution is always Compal's commitment to the shareholders. Lastly, I would like to express my thanks once again. With the best efforts from all management team and employees, Compal aims to create more value to the company and our shareholders.

We hereby wish you a peaceful and prosperity year!

Chairman of the Board: Sheng-Hsiung Hsu
President and Chief Executive Officer: Jui-Tsung Chen
Accounting Officer: Ching-Hsiung Lu

Attachment 2

Independent Auditors' Report

Compal Electronics, Inc.:

We have audited the accompanying balance sheets of Compal Electronics, Inc. as of December 31, 2014 and 2013, and the statements of comprehensive income, changes in equity, and cash flows for the years ended December 31, 2014 and 2013. These annual parent company only financial reports are the responsibility of the Company's management. Our responsibility is to express an opinion on these annual parent company only financial report based on our audits.

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

In our opinion, the annual parent company only financial reports referred to above present fairly, in all material respects, the financial position of Compal Electronics, Inc. as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years ended December 31, 2014 and 2013, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers.

As stated in note 6(c) of the annual parent company only financial reports, Compal Electronics, Inc. recognized both the impairment loss of \$1,689,000,000 on the equity investment in Chunghwa Picture Tube, Ltd. and the related share of loss of associates and joint ventures accounted for using equity method of 3,041,000,000 for the three months ended March 31, 2014.

As stated in note 6(c) of the annual parent company only financial reports, Compal Electronics, Inc. reclassified the investment of VIBO Telecom Inc. from investment accounted for using equity method to non-current assets classified as held for sale, and recognized both the impairment loss of \$4,849,469,000 and the related share of loss of associates and joint ventures accounted for using equity method of \$51,891,000 for the three months ended September 30, 2013.

February 26, 2015

The accompanying financial statements are intended only to present the financial position, results of operations, and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language versions of the auditors' report and financial statements, the Chinese version shall prevail.

Independent Auditors' Report

Compal Electronics, Inc.:

We have audited the accompanying consolidated balance sheets of Compal Electronics, Inc. and subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years ended December 31, 2014 and 2013. These consolidated financial statement are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statement based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Compal Electronics, Inc. as of December 31, 2014 and 2013, and the results of their consolidated operations and their consolidated cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting standards, International Accounting Standards, IFRSC Interpretations and SIC Interpretations endorsed by the Financial Supervisory Commission R.O.C.

As stated in note 6(c) of the consolidated financial statements, Compal Electronics, Inc. and its subsidiaries recognized an impairment loss of \$4,730,000,000 on the equity investment in Chunghwa Picture Tube, Ltd. for the three months ended March 31, 2014.

As stated in note 6(c) of the consolidated financial statements, Compal Electronics, Inc. and its subsidiaries reclassified the investment of VIBO Telecom Inc. from investment accounted for using equity method to non-current assets classified as held for sale, and recognized an impairment loss of \$4,901,360,000 for the three months ended September 30, 2013.

Compal Electronics Inc. has prepared annual parent company only financial reports as of and for the years ended December 31, 2014 and 2013, on which we have issued a modified unqualified opinion.

February 26, 2015

The accompanying financial statements are intended only to present the financial position, results of operations, and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language versions of the auditors' report and financial statements, the Chinese version shall prevail.

Supervisors' Examination Report

Date: February 26, 2015

The Board of Directors has prepared and submitted to us the Company's 2014 financial statements which have been audited and certified by Kuan-Ying Kuo & Jui-Lan Lo, certified public accountants from KPMG, along with business report and proposal for distribution of earnings. We, the Supervisors, have duly examined the same as correct and accurate. We hereby report to the 2015 Annual General Shareholders Meeting in accordance with Article 219 of the Company Act.

Compal Electronics, Inc.

Supervisors:

Ko, Changdyi

Yen Chia-chou

Sheng Chih. Bao

Attachment 4

COMPAL ELECTRONICS, INC.

Balance Sheets

December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

Assets	December 31, 2014		December 31, 2013		Liabilities and equity	December 31, 2014		December 31, 2013	
	Amount	%	Amount	%		Amount	%	Amount	%
Current assets:					Current liabilities:				
Cash and cash equivalents	\$ 43,095,497	12.5	10,165,739	3.4	Short-term borrowings	\$ 28,667,700	8.3	32,516,060	11.0
Current financial assets at fair value through profit or loss	114,111	-	73,918	-	Notes and accounts payable	101,637,875	29.6	83,711,567	28.3
Current available-for-sale financial assets	44,538	-	-	-	Notes and accounts payable to related parties	74,153,547	21.6	61,276,719	20.7
Current bond investment without active market	350,000	0.1	1,745,000	0.6	Other payables	8,133,574	2.4	6,345,726	2.1
Notes and accounts receivable, net	166,442,177	48.5	169,572,297	57.3	Current tax liabilities	583,444	0.2	237,778	0.1
Notes and accounts receivable due from related parties, net	3,085,099	0.9	1,049,255	0.4	Current provisions	1,676,185	0.5	1,296,188	0.4
Other receivables	427,096	0.1	315,756	0.1	Other current liabilities	645,522	0.2	352,710	0.1
Inventories, net	41,528,853	12.1	26,383,631	8.9	Unearned revenue	2,293,685	0.6	1,837,886	0.6
Non-current assets classified as held for sale	-	-	1,000,000	0.3	Long-term borrowings, current portion	<u>3,000,000</u>	<u>0.9</u>	<u>-</u>	<u>-</u>
Other current assets	<u>522,183</u>	<u>0.2</u>	<u>340,997</u>	<u>0.1</u>		<u>220,791,532</u>	<u>64.3</u>	<u>187,574,634</u>	<u>63.3</u>
	<u>255,609,554</u>	<u>74.4</u>	<u>210,646,593</u>	<u>71.1</u>	Non-current liabilities:				
Non-current assets:					Long-term borrowings	19,660,000	5.7	12,800,000	4.4
Investments accounted for using equity method	73,585,998	21.4	73,667,974	24.9	Deferred tax liabilities	1,117,063	0.3	360,282	0.1
Non-current available-for-sale financial assets	8,735,528	2.6	8,202,426	2.8	Accrued pension liabilities	611,915	0.2	546,534	0.2
Non-current financial assets at cost	6,588	-	-	-	Other non-current liabilities	<u>76,467</u>	<u>-</u>	<u>56,578</u>	<u>-</u>
Non-current bond investment without active market	1,400,000	0.4	-	-		<u>21,465,445</u>	<u>6.2</u>	<u>13,763,394</u>	<u>4.7</u>
Property, plant and equipment	2,230,023	0.7	2,218,316	0.7	Total liabilities	<u>242,256,977</u>	<u>70.5</u>	<u>201,338,028</u>	<u>68.0</u>
Intangible assets	412,185	0.1	617,739	0.2					
Deferred tax assets	1,336,919	0.4	812,578	0.3	Equity attributable to owners of parent:				
Other non-current assets	<u>114,320</u>	<u>-</u>	<u>45,547</u>	<u>-</u>	Ordinary shares	44,232,366	12.9	44,134,467	14.9
	<u>87,821,561</u>	<u>25.6</u>	<u>85,564,580</u>	<u>28.9</u>	Capital surplus	14,296,445	4.2	16,193,087	5.5
Total assets	\$ <u>343,431,115</u>	<u>100.0</u>	<u>296,211,173</u>	<u>100.0</u>	Retained earnings	47,509,087	13.8	44,260,834	14.9
					Other equity interest	(3,139,021)	(0.9)	(7,707,518)	(2.6)
					Treasury shares	<u>(1,724,739)</u>	<u>(0.5)</u>	<u>(2,007,725)</u>	<u>(0.7)</u>
					Total equity	<u>101,174,138</u>	<u>29.5</u>	<u>94,873,145</u>	<u>32.0</u>
					Total liabilities and equity	\$ <u>343,431,115</u>	<u>100.0</u>	<u>296,211,173</u>	<u>100.0</u>

COMPAL ELECTRONICS, INC.

Statements of Comprehensive Income

For the years ended December 31, 2014 and 2013

(expressed in thousands of New Taiwan dollars, except net income per share amounts)

	2014		2013	
	Amount	%	Amount	%
Net sales revenue	\$ 803,504,061	100.0	632,622,772	100.0
Cost of sales	<u>782,209,491</u>	<u>97.4</u>	<u>616,263,087</u>	<u>97.4</u>
Gross profit	21,294,570	2.6	16,359,685	2.6
Less: Unrealized profit from sales	<u>5,657</u>	<u>-</u>	<u>445</u>	<u>-</u>
Gross profit	<u>21,288,913</u>	<u>2.6</u>	<u>16,359,240</u>	<u>2.6</u>
Operating expenses:				
Selling expenses	2,260,919	0.3	1,919,880	0.3
Administrative expenses	2,553,669	0.3	1,929,551	0.3
Research and development expenses	<u>9,172,949</u>	<u>1.1</u>	<u>7,004,155</u>	<u>1.1</u>
	<u>13,987,537</u>	<u>1.7</u>	<u>10,853,586</u>	<u>1.7</u>
Net operating income	<u>7,301,376</u>	<u>0.9</u>	<u>5,505,654</u>	<u>0.9</u>
Non-operating income and expenses:				
Other gains and losses	951,688	0.1	101,743	-
Finance costs	(515,563)	(0.1)	(119,435)	-
Other income	751,602	0.1	700,636	0.1
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	790,247	0.1	1,663,349	0.3
Impairment loss	<u>(1,691,121)</u>	<u>(0.2)</u>	<u>(4,849,469)</u>	<u>(0.8)</u>
Total non-operating income and expenses	<u>286,853</u>	<u>-</u>	<u>(2,503,176)</u>	<u>(0.4)</u>
Profit before tax	7,588,229	0.9	3,002,478	0.5
Less: tax expense	<u>554,148</u>	<u>-</u>	<u>535,267</u>	<u>0.1</u>
Profit	<u>7,034,081</u>	<u>0.9</u>	<u>2,467,211</u>	<u>0.4</u>
Other comprehensive income:				
Other comprehensive income, before tax, exchange differences on translation	2,903,749	0.3	1,051,125	0.2
Other comprehensive income, before tax, available-for-sale financial assets	1,391,202	0.2	(756,535)	(0.1)
Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	(36,868)	-	14,303	-
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	269,244	-	373,878	-
Less: income tax relating to components of other comprehensive income	<u>(3,431)</u>	<u>-</u>	<u>(10,681)</u>	<u>-</u>
Other comprehensive income, net	<u>4,530,758</u>	<u>0.5</u>	<u>693,452</u>	<u>0.1</u>
Comprehensive income	<u>\$ 11,564,839</u>	<u>1.4</u>	<u>3,160,663</u>	<u>0.5</u>
Earnings per share:				
Basic net income per share	<u>\$ 1.63</u>		<u>0.57</u>	
Diluted net income per share	<u>\$ 1.61</u>		<u>0.57</u>	

See accompanying notes to the parent company only financial reports.

COMPAL ELECTRONICS, INC.

Statements of Changes in Equity
For the years ended December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

	Retained earnings					Other equity interest					Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Treasury shares	
Balance on January 1, 2013	\$ 44,126,526	16,122,810	14,980,079	8,713,018	31,360,844	55,053,941	(3,134,266)	(5,248,131)	(8,382,397)	(881,247)	106,039,633
Appropriation and distribution of retained earnings (note 1):											
Legal reserve appropriated	-	-	641,103	-	(641,103)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	105,707	(105,707)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(4,384,186)	(4,384,186)	-	-	-	-	(4,384,186)
Purchase of treasury share	-	-	-	-	-	-	-	-	-	(1,126,478)	(1,126,478)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(8,826,585)	(8,826,585)	(11,538)	(96)	(11,634)	-	(8,838,219)
Changes in ownership interests in subsidiaries	-	22,330	-	-	(52,290)	(52,290)	-	-	-	-	(29,960)
Changes in equity of associates and joint ventures accounted for using equity method	-	(10,754)	-	-	(4,196)	(4,196)	-	-	-	-	(14,950)
Issuance of shares for employee share options exercised	7,941	8,338	-	-	-	-	-	-	-	-	16,279
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	50,363	-	-	-	-	-	-	-	-	50,363
	<u>44,134,467</u>	<u>16,193,087</u>	<u>15,621,182</u>	<u>8,818,725</u>	<u>17,346,777</u>	<u>41,786,684</u>	<u>(3,145,804)</u>	<u>(5,248,227)</u>	<u>(8,394,031)</u>	<u>(2,007,725)</u>	<u>91,712,482</u>
Profit for the year ended December 31, 2013	-	-	-	-	2,467,211	2,467,211	-	-	-	-	2,467,211
Other comprehensive income	-	-	-	-	6,939	6,939	1,299,130	(612,617)	686,513	-	693,452
Comprehensive income	-	-	-	-	2,474,150	2,474,150	1,299,130	(612,617)	686,513	-	3,160,663
Balance on January 1, 2014	\$ 44,134,467	16,193,087	15,621,182	8,818,725	19,820,927	44,260,834	(1,846,674)	(5,860,844)	(7,707,518)	(2,007,725)	94,873,145
Appropriation and distribution of retained earnings (note 2):											
Legal reserve appropriated	-	-	246,721	-	(246,721)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(1,111,207)	1,111,207	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,177,668)	(2,177,668)	-	-	-	-	(2,177,668)
Cash dividends from capital surplus	-	(2,177,668)	-	-	-	-	-	-	-	-	(2,177,668)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	3,492	-	-	(1,575,776)	(1,575,776)	6,763	87	6,850	-	(1,565,434)
Changes in ownership interests in subsidiaries	-	(3,720)	-	-	(1,495)	(1,495)	-	-	-	-	(5,215)
Changes in equity of associates and joint ventures accounted for using equity method	-	24,056	-	-	-	-	-	-	-	-	24,056
Share-based payment transaction	-	109,389	-	-	-	-	-	-	-	282,986	392,375
Issuance of shares for employee share options exercised	97,899	97,818	-	-	-	-	-	-	-	-	195,717
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	49,991	-	-	-	-	-	-	-	-	49,991
	<u>44,232,366</u>	<u>14,296,445</u>	<u>15,867,903</u>	<u>7,707,518</u>	<u>16,930,474</u>	<u>40,505,895</u>	<u>(1,839,911)</u>	<u>(5,860,757)</u>	<u>(7,700,668)</u>	<u>(1,724,739)</u>	<u>89,609,299</u>
Profit for the year ended December 31, 2014	-	-	-	-	7,034,081	7,034,081	-	-	-	-	7,034,081
Other comprehensive income	-	-	-	-	(30,889)	(30,889)	3,018,218	1,543,429	4,561,647	-	4,530,758
Comprehensive income	-	-	-	-	7,003,192	7,003,192	3,018,218	1,543,429	4,561,647	-	11,564,839
Balance on December 31, 2014	\$ <u>44,232,366</u>	<u>14,296,445</u>	<u>15,867,903</u>	<u>7,707,518</u>	<u>23,933,666</u>	<u>47,509,087</u>	<u>1,178,307</u>	<u>(4,317,328)</u>	<u>(3,139,021)</u>	<u>(1,724,739)</u>	<u>101,174,138</u>

Note 1: Directors' and supervisors' remuneration amounting to \$56,545 and employee bonuses amounting to \$816,440 were recognized in the 2012 statement of comprehensive income.

Note 2: Directors' and supervisors' remuneration amounting to \$21,761 and employee bonuses amounting to \$314,199 were recognized in the 2013 statement of comprehensive income.

See accompanying notes to the parent company only financial reports.

COMPAL ELECTRONICS, INC.

Statements of Cash Flows

For the years ended December 31, 2014 and 2013

(expressed in thousands of New Taiwan dollars)

	2014	2013
Cash flows from (used in) operating activities:		
Profit before tax	\$ <u>7,588,229</u>	<u>3,002,478</u>
Adjustments:		
Depreciation and amortization	855,418	680,171
Increase in allowances for uncollectible accounts	7,381	26,911
Interest expense	515,563	119,435
Interest income	(158,627)	(139,114)
Dividends income	(147,794)	(127,910)
Compensation cost of employee share options	110,250	-
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(790,247)	(1,663,349)
Loss (gain) on disposal of investments	46,381	(633,911)
Impairment loss on financial assets	<u>1,691,121</u>	<u>4,849,469</u>
Adjustments to reconcile profit	<u>2,129,446</u>	<u>3,111,702</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Changes in financial assets at fair value through profit or loss	(40,193)	6,467
Decrease (increase) in notes and accounts receivable	10,794,135	(23,942,137)
Decrease (increase) in inventories	(11,096,332)	1,918,981
Decrease (increase) in other current assets	(124,932)	(68,961)
Decrease (increase) in other receivable	<u>506,306</u>	<u>(25,986)</u>
Total changes in operating assets	<u>38,984</u>	<u>(22,111,636)</u>
Changes in operating liabilities:		
Increase (decrease) in notes and accounts payable	23,378,885	2,354,092
Increase (decrease) in other payable	(926,097)	2,288,893
Increase (decrease) in provisions	271,965	(359,491)
Increase (decrease) in unearned revenue	410,956	178,840
Increase (decrease) in other current liabilities	231,895	43,641
Other	<u>38,383</u>	<u>43,371</u>
Total changes in operating liabilities	<u>23,405,987</u>	<u>4,549,346</u>
Total changes in operating assets and liabilities	<u>23,444,971</u>	<u>(17,562,290)</u>
Total adjustments	<u>25,574,417</u>	<u>(14,450,588)</u>
Cash flows from (used in) operations	33,162,646	(11,448,110)
Interest received	168,543	147,615
Dividends received	750,407	1,208,090
Interest paid	(489,520)	(93,112)
Income taxes paid	<u>(184,371)</u>	<u>(788,787)</u>
Net cash flows from (used in) operating activities	<u>33,407,705</u>	<u>(10,974,304)</u>
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method, available-for-sale financial assets and bond investment without active market	(1,421,025)	(17,311,303)
Increase in non-current assets classified as held for sale	-	(4,052,535)
Proceeds from disposal of investments accounted for using equity method and available-for sale financing assets	195,597	912,601
Net cash outflows resulted from business combination	(534,954)	-
Proceeds from capital reduction and liquidation of investments	65,776	215,323
Acquisition of property, plant and equipment	(110,730)	(102,493)
Decrease (increase) in other receivable due from related parties	373,037	292,066
Acquisition of intangible assets	(307,808)	(394,213)
Other	<u>16,407</u>	<u>8,634</u>
Net cash flows from (used in) investing activities	<u>(1,723,700)</u>	<u>(20,431,920)</u>
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	(4,736,756)	15,944,540
Proceeds from long-term borrowings	10,100,000	12,800,000
Repayments of long-term borrowings	(240,000)	-
Cash dividends paid	(4,355,336)	(4,384,186)
Exercise of employee share options	195,717	16,279
Payments to acquire treasury shares	-	(1,126,478)
Treasury shares convert to employee	282,125	-
Other	<u>3</u>	<u>(246)</u>
Net cash flows from (used in) financing activities	<u>1,245,753</u>	<u>23,249,909</u>
Net increase(decrease) in cash and cash equivalents	32,929,758	(8,156,315)
Cash and cash equivalents at beginning of period	<u>10,165,739</u>	<u>18,322,054</u>
Cash and cash equivalents at end of period	<u>\$ 43,095,497</u>	<u>10,165,739</u>

See accompanying notes to the parent company financial reports.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

Assets	December 31, 2014		December 31, 2013		Liabilities and equity	December 31, 2014		December 31, 2013	
	Amount	%	Amount	%		Amount	%	Amount	%
Current assets:					Current liabilities:				
Cash and cash equivalents	\$ 74,708,130	19.7	46,965,852	14.0	Short-term borrowings	\$ 46,692,373	12.3	51,971,767	15.5
Current financial assets at fair value through profit or loss	184,093	-	83,772	-	Current financial liabilities at fair value through profit or loss	39,310	-	11,382	-
Current available-for-sale financial assets	44,538	-	80,275	-	Notes and accounts payable	170,739,133	45.1	143,514,698	42.7
Current bond investment without active market	350,000	0.1	1,745,000	0.5	Notes and accounts payable to related parties	1,167,152	0.3	1,944,703	0.6
Notes and accounts receivable, net	178,552,207	47.2	183,481,024	54.6	Other payables	18,216,304	4.8	15,601,065	4.6
Notes and accounts receivable due from related parties, net	343,030	0.1	214,854	0.1	Current tax liabilities	2,180,985	0.6	1,006,058	0.3
Other receivables	788,334	0.2	830,638	0.3	Current provisions	2,066,581	0.5	1,675,765	0.5
Inventories, net	67,270,875	17.8	51,219,127	15.2	Other current liabilities	3,233,431	0.9	2,559,650	0.8
Non-current assets classified as held for sale	-	-	1,000,000	0.3	Unearned revenue	2,294,765	0.6	1,889,019	0.6
Other current assets	<u>2,604,042</u>	<u>0.7</u>	<u>1,760,278</u>	<u>0.5</u>	Long-term borrowings, current portion	<u>3,634,233</u>	<u>1.0</u>	<u>423,154</u>	<u>0.1</u>
	<u>324,845,249</u>	<u>85.8</u>	<u>287,380,820</u>	<u>85.5</u>	Non-current liabilities:				
Non-current assets:					Long-term borrowings	20,504,301	5.4	14,107,367	4.2
Investments accounted for using equity method	11,694,855	3.1	9,301,877	2.8	Deferred tax liabilities	1,136,411	0.3	678,587	0.2
Non-current available-for-sale financial assets	12,402,009	3.3	14,695,637	4.4	Accrued pension liabilities	674,794	0.2	658,410	0.2
Non-current financial assets at cost	83,202	-	6,588	-	Other non-current liabilities	<u>163,793</u>	<u>-</u>	<u>98,917</u>	<u>-</u>
Non-current bond investment without active market	1,400,000	0.4	-	-		<u>22,479,299</u>	<u>5.9</u>	<u>15,543,281</u>	<u>4.6</u>
Property, plant and equipment	24,472,732	6.4	21,209,228	6.3	Total liabilities	<u>272,743,566</u>	<u>72.0</u>	<u>236,140,542</u>	<u>70.3</u>
Intangible assets	1,035,162	0.3	1,293,643	0.4	Equity attributable to owners of parent:				
Deferred tax assets	1,653,141	0.4	1,174,203	0.3	Ordinary shares	44,232,366	11.7	44,134,467	13.1
Long-term prepaid rents	735,246	0.2	707,261	0.2	Capital surplus	14,296,445	3.8	16,193,087	4.8
Other non-current assets	<u>429,122</u>	<u>0.1</u>	<u>333,557</u>	<u>0.1</u>	Retained earnings	47,509,087	12.5	44,260,834	13.2
	<u>53,905,469</u>	<u>14.2</u>	<u>48,721,994</u>	<u>14.5</u>	Other equity interest	(3,139,021)	(0.8)	(7,707,518)	(2.3)
					Treasury shares	<u>(1,724,739)</u>	<u>(0.5)</u>	<u>(2,007,725)</u>	<u>(0.6)</u>
						<u>101,174,138</u>	<u>26.7</u>	<u>94,873,145</u>	<u>28.2</u>
					Non-controlling interests	<u>4,833,014</u>	<u>1.3</u>	<u>5,089,127</u>	<u>1.5</u>
					Total equity	<u>106,007,152</u>	<u>28.0</u>	<u>99,962,272</u>	<u>29.7</u>
Total assets	\$ <u>378,750,718</u>	<u>100.0</u>	<u>336,102,814</u>	<u>100.0</u>	Total liabilities and equity	\$ <u>378,750,718</u>	<u>100.0</u>	<u>336,102,814</u>	<u>100.0</u>

See accompanying notes to the consolidated financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated statements of comprehensive income

For the years ended December 31, 2014 and 2013

(expressed in thousands of New Taiwan dollars, except net income per share amounts)

	2014		2013	
	Amount	%	Amount	%
Net sales revenue	\$ 845,700,752	100.0	\$ 692,748,293	100.0
Cost of sales	<u>813,336,090</u>	<u>96.2</u>	<u>664,637,902</u>	<u>95.9</u>
Gross profit	<u>32,364,662</u>	<u>3.8</u>	<u>28,110,391</u>	<u>4.1</u>
Operating expenses:				
Selling expenses	3,746,315	0.4	3,271,332	0.5
Administrative expenses	4,832,771	0.6	4,294,551	0.6
Research and development expenses	<u>12,111,034</u>	<u>1.4</u>	<u>11,310,464</u>	<u>1.7</u>
	<u>20,690,120</u>	<u>2.4</u>	<u>18,876,347</u>	<u>2.8</u>
Net operating income	<u>11,674,542</u>	<u>1.4</u>	<u>9,234,044</u>	<u>1.3</u>
Non-operating income and expenses:				
Other gains and losses	1,119,338	0.1	179,651	-
Finance costs	(1,019,504)	(0.1)	(493,642)	(0.1)
Other income	1,800,129	0.2	1,468,093	0.2
Miscellaneous disbursements	(37,566)	-	(10,291)	-
Impairment loss	(4,777,920)	(0.5)	(4,909,772)	(0.7)
Share of loss of associates and joint ventures accounted for using equity method	<u>977,953</u>	<u>0.1</u>	<u>(1,107,701)</u>	<u>(0.1)</u>
Total non-operating income and expenses	<u>(1,937,570)</u>	<u>(0.2)</u>	<u>(4,873,662)</u>	<u>(0.7)</u>
Profit before tax	9,736,972	1.2	4,360,382	0.6
Less: tax expense	<u>2,181,971</u>	<u>0.3</u>	<u>1,456,650</u>	<u>0.2</u>
Profit	<u>7,555,001</u>	<u>0.9</u>	<u>2,903,732</u>	<u>0.4</u>
Other comprehensive income:				
Other comprehensive income, before tax, exchange differences on translation	2,882,064	0.3	1,113,347	0.2
Other comprehensive income, before tax, available-for-sale financial assets	1,667,628	0.2	(765,150)	(0.1)
Other comprehensive income before tax actuarial gains (losses) on defined benefit plans	(35,349)	-	651	-
Share of other comprehensive income of associates and joint ventures accounted for using equity method	80,992	-	391,438	-
Less: income tax relating to components of other comprehensive income	<u>33,097</u>	<u>-</u>	<u>28,988</u>	<u>-</u>
Other comprehensive income, net	<u>4,562,238</u>	<u>0.5</u>	<u>711,298</u>	<u>0.1</u>
Comprehensive income	<u>\$ 12,117,239</u>	<u>1.4</u>	<u>\$ 3,615,030</u>	<u>0.5</u>
Profit, attributable to:				
Profit, attributable to owners of parent	\$ 7,034,081	0.8	\$ 2,467,211	0.3
Profit, attributable to non-controlling interests	<u>520,920</u>	<u>0.1</u>	<u>436,521</u>	<u>0.1</u>
	<u>\$ 7,555,001</u>	<u>0.9</u>	<u>\$ 2,903,732</u>	<u>0.4</u>
Comprehensive income attributable to:				
Comprehensive income, attributable to owners of parent	\$ 11,564,839	1.4	\$ 3,160,663	0.4
Comprehensive income, attributable to non-controlling interests	<u>552,400</u>	<u>-</u>	<u>454,367</u>	<u>0.1</u>
	<u>\$ 12,117,239</u>	<u>1.4</u>	<u>\$ 3,615,030</u>	<u>0.5</u>
Earnings per share:				
Basic net income per share	<u>\$ 1.63</u>		<u>0.57</u>	
Diluted net income per share	<u>\$ 1.61</u>		<u>0.57</u>	

See accompanying notes to the consolidated financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated Statements of changes in equity
For the years ended December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of parent												
	Retained earnings					Other equity interest							
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Treasury shares	Total equity	Non controlling interests	Total equity
Balance on January 1, 2013	\$ 44,126,526	16,122,810	14,980,079	8,713,018	31,360,844	55,053,941	(3,134,266)	(5,248,131)	(8,382,397)	(881,247)	106,039,633	8,753,637	114,793,270
Appropriation and distribution of retained earnings (note 1):													
Legal reserve appropriated	-	-	641,103	-	(641,103)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	105,707	(105,707)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(4,384,186)	(4,384,186)	-	-	-	-	(4,384,186)	-	(4,384,186)
Purchase of treasury share	-	-	-	-	-	-	-	-	-	(1,126,478)	(1,126,478)	-	(1,126,478)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(8,826,585)	(8,826,585)	(11,538)	(96)	(11,634)	-	(8,838,219)	(4,153,317)	(12,991,536)
Change in ownership interests in subsidiaries	-	22,330	-	-	(52,290)	(52,290)	-	-	-	-	(29,960)	-	(29,960)
Changes in equity of associates and joint ventures accounted for using equity method	-	(10,754)	-	-	(4,196)	(4,196)	-	-	-	-	(14,950)	-	(14,950)
Issuance of shares for employee share options exercised	7,941	8,338	-	-	-	-	-	-	-	-	16,279	-	16,279
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	50,363	-	-	-	-	-	-	-	-	50,363	-	50,363
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	34,440	34,440
	<u>44,134,467</u>	<u>16,193,087</u>	<u>15,621,182</u>	<u>8,818,725</u>	<u>17,346,777</u>	<u>41,786,684</u>	<u>(3,145,804)</u>	<u>(5,248,227)</u>	<u>(8,394,031)</u>	<u>(2,007,725)</u>	<u>91,712,482</u>	<u>4,634,760</u>	<u>96,347,242</u>
Profit for the year ended December 31, 2013	-	-	-	-	2,467,211	2,467,211	-	-	-	-	2,467,211	436,521	2,903,732
Other comprehensive income	-	-	-	-	6,939	6,939	1,299,130	(612,617)	686,513	-	693,452	17,846	711,298
Comprehensive income	-	-	-	-	2,474,150	2,474,150	1,299,130	(612,617)	686,513	-	3,160,663	454,367	3,615,030
Balance on January 1, 2014	\$ 44,134,467	16,193,087	15,621,182	8,818,725	19,820,927	44,260,834	(1,846,674)	(5,860,844)	(7,707,518)	(2,007,725)	94,873,145	5,089,127	99,962,272
Appropriation and distribution of retained earnings (note 2):													
Legal reserve appropriated	-	-	246,721	-	(246,721)	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(1,111,207)	1,111,207	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,177,668)	(2,177,668)	-	-	-	-	(2,177,668)	-	(2,177,668)
Cash dividends from capital surplus	-	(2,177,668)	-	-	-	-	-	-	-	-	(2,177,668)	-	(2,177,668)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	3,492	-	-	(1,575,776)	(1,575,776)	6,763	87	6,850	-	(1,565,434)	(630,432)	(2,195,866)
Changes in ownership interests in subsidiaries	-	(3,720)	-	-	(1,495)	(1,495)	-	-	-	-	(5,215)	-	(5,215)
Changes in equity of associates and joint ventures accounted for using equity method	-	24,056	-	-	-	-	-	-	-	-	24,056	-	24,056
Share-based payment transaction	-	109,389	-	-	-	-	-	-	-	282,986	392,375	-	392,375
Issuance of shares for employee share options exercised	97,899	97,818	-	-	-	-	-	-	-	-	195,717	-	195,717
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	49,991	-	-	-	-	-	-	-	-	49,991	-	49,991
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(178,081)	(178,081)
	<u>44,232,366</u>	<u>14,296,445</u>	<u>15,867,903</u>	<u>7,707,518</u>	<u>16,930,474</u>	<u>40,505,895</u>	<u>(1,839,911)</u>	<u>(5,860,757)</u>	<u>(7,700,668)</u>	<u>(1,724,739)</u>	<u>89,609,299</u>	<u>4,280,614</u>	<u>93,889,913</u>
Profit for the year ended December 31, 2014	-	-	-	-	7,034,081	7,034,081	-	-	-	-	7,034,081	520,920	7,555,001
Other comprehensive income	-	-	-	-	(30,889)	(30,889)	3,018,218	1,543,429	4,561,647	-	4,530,758	31,480	4,562,238
Comprehensive income	-	-	-	-	7,003,192	7,003,192	3,018,218	1,543,429	4,561,647	-	11,564,839	552,400	12,117,239
Balance on December 31, 2014	\$ <u>44,232,366</u>	<u>14,296,445</u>	<u>15,867,903</u>	<u>7,707,518</u>	<u>23,933,666</u>	<u>47,509,087</u>	<u>1,178,307</u>	<u>(4,317,328)</u>	<u>(3,139,021)</u>	<u>(1,724,739)</u>	<u>101,174,138</u>	<u>4,833,014</u>	<u>106,007,152</u>

See accompanying notes to the consolidated financial statements.

COMPAL ELECTRONICS, INC. AND SUBSIDIARIES

Consolidated statements of cash flows
For the years ended December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

	2014	2013
Cash flows from (used in) operating activities:		
Profit before tax	\$ 9,736,972	4,360,382
Adjustments:		
Depreciation and amortization	6,036,864	5,555,712
Increase (decrease) in allowances for uncollectible accounts and allowance for sales returns and discounts	(10,582)	8,825
Interest expense	1,019,504	493,642
Interest income	(1,023,736)	(628,457)
Dividend income	(208,983)	(179,601)
Compensation cost of employee share options	168,012	44,561
Share of loss (profit) of associates and joint ventures accounted for using equity method	(977,953)	1,107,701
Gain on disposal of property, plant and equipment	(46,226)	(246,995)
Gain on disposal of investments	(18,348)	(626,458)
Impairment loss on financial assets	4,777,920	4,909,772
Long-term prepaid rents	16,690	16,222
Adjustments to reconcile profit	<u>9,733,162</u>	<u>10,454,924</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Changes in financial assets at fair value through profit or loss	(100,321)	(2,386)
Decrease (increase) in notes and accounts receivable	9,337,791	(22,772,559)
Decrease (increase) in other receivable	108,584	(158,572)
Decrease (increase) in inventories	(16,026,011)	506,056
Decrease (increase) in other current assets	(798,821)	(226,654)
Decrease (increase) in other non-current liabilities	(98,042)	77,947
Total changes in operating assets	<u>(7,576,820)</u>	<u>(22,576,168)</u>
Changes in operating liabilities:		
Changes in financial liabilities at fair value through profit or loss	27,928	(28,581)
Increase (decrease) in notes and accounts payable	20,156,529	6,316,271
Increase (decrease) in other payable	1,172,834	3,327,186
Increase (decrease) in provisions	390,816	(263,237)
Increase (decrease) in unearned revenue	405,746	191,507
Increase (decrease) in other current liabilities	453,269	30,547
Other	(40,107)	11,873
Total changes in operating liabilities	<u>22,567,015</u>	<u>9,585,566</u>
Total changes in operating assets and liabilities	<u>14,990,195</u>	<u>(12,990,602)</u>
Total adjustments	<u>24,723,357</u>	<u>(2,535,678)</u>
Cash flows from (used in) operations	34,460,329	1,824,704
Interest received	975,307	616,057
Dividends received	284,335	204,926
Interest paid	(946,545)	(444,699)
Income taxes paid	(975,202)	(1,651,406)
Net Cash flows from (used in) operating activities	<u>33,798,224</u>	<u>549,582</u>
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method, available-for-sale financial assets, bond investment without active market and financial assets at cost	(1,285,377)	(1,101,629)
Increase in non-current assets classified as held for sale	-	(4,052,535)
Proceeds from disposal of investments accounted for using equity method and available-for-sale financial assets	183,002	916,950
Net cash flow from acquisition of subsidiaries	2,159,000	(24,102)
Proceeds from capital reduction of investments	68,599	80,427
Acquisition of property, plant and equipment	(6,565,882)	(5,677,308)
Proceeds from disposal of property, plant and equipment	145,932	942,031
Acquisition of intangible assets	(396,954)	(481,451)
Increase in prepayments for business facilities	(15,332)	15,370
Other	17,809	89,335
Net cash flows from (used in) investing activities	<u>(5,689,203)</u>	<u>(9,292,912)</u>
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	(5,315,160)	15,437,974
Proceeds from long-term debt	10,271,167	13,932,534
Repayments of long-term debt	(663,154)	-
Cash dividends paid	(4,305,345)	(4,333,823)
Exercise of employee share options	195,717	16,279
Payments to acquire treasury shares	-	(1,126,478)
Treasury shares convert to employee	282,125	-
Acquisition of non-controlling interests	(2,304,824)	(13,171,986)
Disposal of ownership interests in subsidiaries (without losing control)	98,938	141,517
Changes in non-controlling interests	(230,546)	88,538
Other	58,941	16,341
Net cash flows from (used in) financing activities	<u>(1,912,141)</u>	<u>11,000,896</u>
Effect of exchange rate changes on cash and cash equivalents	<u>1,545,398</u>	<u>553,704</u>
Net increase (decrease) in cash and cash equivalents	27,742,278	2,811,270
Cash and cash equivalents at beginning of period	46,965,852	44,154,582
Cash and cash equivalents at end of period	\$ <u>74,708,130</u>	\$ <u>46,965,852</u>

See accompanying notes to financial statements.

Attachment 5

**Articles of Incorporation of Compal Electronics, Inc.
Comparison Table Before and After Amendment**

Before Amendment	After Amendment	Amendment Reason
CHAPTER 4 <u>DIRECTORS AND SUPERVISORS</u>	CHAPTER 4 <u>DIRECTORS AND COMMITTEES</u>	Revised to meet the law requirement and the management needs
<p>Article 18 The Company shall have ten (10) to nineteen (19) directors, <u>and three (3) supervisors</u>. Directors <u>and supervisor</u> shall be elected by adopting candidate nomination system and being elected. There shall be at least three (3) independent directors among the Company's directors, and the independent directors shall represent at least one-fifth of the total number of directors. The directors <u>and supervisors'</u> liability insurance may be bought by the Company for the liability of compensation they may bear according to law in their business scope during their term of office. (omitted)</p>	<p>Article 18 The Company shall have ten (10) to nineteen (19) directors. Directors shall be elected by adopting candidate nomination system and being elected. There shall be at least three (3) independent directors among the Company's directors, and the independent directors shall represent at least one-fifth of the total number of directors. The directors' liability insurance may be bought by the Company for the liability of compensation they may bear according to law in their business scope during their term of office. (omitted)</p>	Amendment was made in correspondence with audit committee placed.
<p>Article 19 The directors <u>and supervisors</u> shall hold office for a term of three years and shall be eligible for re-election. (omitted)</p>	<p>Article 19 The directors shall hold office for a term of three years and shall be eligible for re-election. (omitted)</p>	Amendment was made in correspondence with audit committee placed.
<p>Article 20 When one-third (1/3) of the directors have vacated their offices or all of the <u>supervisors</u> are discharged, the special shareholders' meeting shall be called by the board of directors within sixty (60) days for election of directors <u>and supervisors</u> to fill the vacancies until the original term expires.</p>	<p>Article 20 When one-third (1/3) of the directors have vacated their offices or all of the <u>independent directors</u> are discharged, the special shareholders' meeting shall be called by the board of directors within sixty (60) days for election of directors and <u>independent directors</u> to fill the vacancies until the original term expires.</p>	Amendment was made in correspondence with audit committee placed.
Article 24	Article 24	Amendment

Before Amendment	After Amendment	Amendment Reason
<p><u>In addition to performing their duties in accordance with the law, the supervisors may attend the board of directors' meetings but shall not vote.</u></p>	<p><u>Enhancing supervision functions and strengthening management mechanisms, the board of directors of the Company may set up committees. The organizational rules for each committee shall be promulgated respectively in accordance with relevant laws and regulations as well as the regulations and rules of the Company.</u> <u>An Audit Committee is established according to Article 14-4 of the Securities and Exchange Act which consists of all independent directors. The Audit Committee shall have such powers and duties as the supervisors under the Company Law, the Securities and Exchange Act and other laws and regulations.</u></p>	<p>was made in correspondence with committees and audit committee placed.</p>
<p>Article 25 In conducting the business of the Company, the directors <u>and supervisors</u> shall be paid remuneration, regardless of whether the Company makes a profit or sustains a loss. The remuneration of directors <u>and supervisors</u> shall be decided by the board of directors in accordance with personal partake-in and contribution to the Company's operation and benchmarks in the same industry</p>	<p>Article 25 In conducting the business of the Company, the directors shall be paid remuneration, regardless of whether the Company makes a profit or sustains a loss. The remuneration of directors shall be <u>submitted by the remuneration committee to the board of directors and</u> decided by the board of directors in accordance with personal partake-in and contribution to the Company's operation and benchmarks in the same industry.</p>	<p>Amendment was made to meet the law requirement and in correspondence with audit committee placed.</p>
<p>CHAPTER 5 OFFICERS</p>		<p>After the moved to after Article 27</p>
<p>Article 27 A board of directors' meeting shall be called with a seven days prior written notice setting forth the cause(s) of such meeting to all directors <u>and supervisors</u>, except there is an urgent need. In case of emergency, a board of directors' meeting may be called at any time. (omitted)</p>	<p>Article 27 A board of directors' meeting shall be called with a seven days prior written notice setting forth the cause(s) of such meeting to all directors, except there is an urgent need. In case of emergency, a board of directors' meeting may be called at any time. (omitted)</p>	<p>Amendment was made in correspondence with audit committee placed.</p>
	<p>CHAPTER 5 OFFICERS</p>	<p>Moved to after Article 27</p>

Before Amendment	After Amendment	Amendment Reason
<p>Article 29</p> <p>At the close of each fiscal year of the Company, the board of directors shall <u>submit</u> the following statements/documents <u>to the supervisors for examination and acknowledgement by the shareholders' meeting thirty (30) days prior to the regular shareholders' meeting:</u></p> <ol style="list-style-type: none"> 1. business report; 2. financial statement; 3. proposal for distribution of profits or covering of losses. 	<p>Article 29</p> <p>At the close of each fiscal year of the Company, the board of directors shall <u>prepare</u> the following statements/documents <u>and present to the shareholders' meeting for ratification in accordance with the legal procedure:</u></p> <ol style="list-style-type: none"> 1. business report; 2. financial statement; 3. proposal for distribution of profits or covering of losses. 	<p>Amendment was made in correspondence with audit committee placed.</p>
<p>Article 30</p> <p>If there is any profit after closing of books, the Company shall first defray tax due, cover losses in the past years and set aside ten percent (10%) of it as legal reserve and set aside or reverse a special reserve in accordance with laws and regulations, then an amount not more than two percent (2%) of the balance shall be paid to directors <u>and supervisors</u> as remuneration and an amount no less than two percent (2%) shall be allocated as employees' bonus. The balance of earnings available for distribution is composed of the remainder of the said profit and the unappropriated retained earnings of previous years. The earnings appropriation proposal to distribute dividend and bonus shall be proposed by the Board of Directors and approved by the General Shareholders Meeting. The rest of the unappropriated retained earnings shall be reserved.</p> <p>(omitted)</p>	<p>Article 30</p> <p>If there is any profit after closing of books, the Company shall first defray tax due, cover losses in the past years and set aside ten percent (10%) of it as legal reserve and set aside or reverse a special reserve in accordance with laws and regulations, then an amount not more than two percent (2%) of the balance shall be paid to directors as remuneration and an amount no less than two percent (2%) shall be allocated as employees' bonus. The balance of earnings available for distribution is composed of the remainder of the said profit and the unappropriated retained earnings of previous years. The earnings appropriation proposal to distribute dividend and bonus shall be proposed by the Board of Directors and approved by the General Shareholders Meeting. The rest of the unappropriated retained earnings shall be reserved.</p> <p>(omitted)</p>	<p>Amendment was made in correspondence with audit committee placed.</p>
<p>Article 35</p> <p>These Articles of Incorporation were prescribed by the promoters on April 16, 1984.</p> <p>1st~33rd (omitted)</p>	<p>Article 35</p> <p>These Articles of Incorporation were prescribed by the promoters on April 16, 1984.</p> <p>1st~33rd (omitted)</p> <p><u>The 34th amendment was made on June 26, 2015.</u></p>	<p>Added the amendment date</p>

Attachment 6

Compal Electronics, Inc. Comparison Table Before and After Amendment to the Regulations for Election of Directors and Supervisors

Before Amendment	After Amendment	Amendment Reason
Regulations for Election of Directors <u>and Supervisors</u>	Regulations for Election of Directors	Amendment was made in correspondence with audit committee placed.
1. Unless otherwise prescribed by applicable laws and regulations and the Company's Articles of Incorporation, these Regulations shall govern the election of the Company's Directors <u>and Supervisors</u> .	1. Unless otherwise prescribed by applicable laws and regulations and the Company's Articles of Incorporation, these Regulations shall govern the election of the Company's Directors (<u>including independent directors</u>).	Amendment was made in correspondence with audit committee placed.
2. Election of Directors <u>and that of Supervisors</u> shall be held at the shareholders' meeting <u>respectively</u> .	2. Election of Directors <u>shall be held at the shareholders' meeting. When selecting and electing the Company's Directors, the overall composition of the Board of Directors shall be taken into consideration. The composition of the Board of Directors shall be diversified, and shall give weight to the principle of gender equality, the professional background or areas of the members, and whether they have necessary knowledge, skill, and experience for performance of their duties.</u>	Amendment was made in correspondence with audit committee placed and the Corporate Governance Best-Practice Principles of the Company.
4. Directors <u>and Supervisors</u> of the Company are elected by adapting the <u>accumulative voting system</u> . Each voting share is entitled to have votes equivalent to the number of Directors/ <u>Supervisors</u> to be elected. The total number of votes may be used to elect a single candidate or be allocated among several candidates. The Board of Directors shall	4. Directors of the Company are elected by adapting the <u>single-mark ballot accumulation voting system</u> . Each voting share is entitled to have votes equivalent to the number of Directors to be elected. The total number of votes may be used to elect a single candidate or be allocated among several candidates.	Amendment was made to meet the legal requirement and in correspondence with audit committee placed.

Before Amendment	After Amendment	Amendment Reason
<p>prepare ballots equal to the number of <u>Directors/Supervisors</u> to be elected and distribute these ballots to the attending shareholders. The names of voters may be represented by shareholders' numbers.</p>	<p>The Board of Directors shall prepare ballots equal to the number of Directors to be elected and distribute these ballots to the attending shareholders. The names of voters may be represented by shareholders' numbers.</p>	
<p>5. The Company's Directors <u>and Supervisors</u> shall be elected by a candidate nomination system whereby the shareholders elect directors and supervisors from nominees listed in the roster of Directors and Supervisors candidates. According to the seats regulated in the Articles of Incorporation, the candidates who receive more votes shall be elected in order of number of votes received.</p> <p><u>If a candidate is simultaneously elected a Director and Supervisor for the same term, he/she shall decide to serve as Director or Supervisor by himself/herself prior to the announcement and reporting the list of winners as required by law. He/she shall not serve concurrently as Director and Supervisor. This regulation shall also apply when other applicable laws and regulations prohibit a person from being simultaneously elected a Director and Supervisor.</u></p> <p>If two or more persons have received the same number of votes, and the number of persons would exceed the number to be elected, the persons with the same number of votes shall draw lots to decide election; the chairman shall draw lots on behalf of any elected person who are not</p>	<p>5. The Company's Directors shall be elected by a candidate nomination system whereby the shareholders elect directors from nominees listed in the roster of Directors candidates. <u>The election of independent directors and non-independent directors shall proceed as one election and number of the elected shall be calculated separately.</u></p> <p>According to the seats regulated in the Articles of Incorporation, the candidates who receive more votes shall be <u>respectively</u> elected in order of number of votes received.</p> <p>If two or more persons have received the same number of votes, and the number of persons would exceed the number to be elected, the persons with the same number of votes shall draw lots to decide election; the chairman shall draw lots on</p>	<p>Amendment was made in correspondence with audit committee placed.</p>

Before Amendment	After Amendment	Amendment Reason
present.	behalf of any elected person who are not present.	
11. The ballot boxes shall be respectively prepared for the election of Directors <u>and that of Supervisors</u> . These ballot boxes will be opened by the persons to check and record the ballots after the vote casting.	11. The ballot box will be opened by the persons checking and recording the ballots after the vote casting for the election of the Directors.	Amendment was made in correspondence with audit committee placed.
13. The Board of Directors shall issue letters of elected notification to the elected Directors <u>and Supervisors</u> .	13. The Board of Directors shall issue letters of elected notification to the elected Directors.	Amendment was made in correspondence with audit committee placed.
15. These Regulations were approved by the Annual General Shareholders Meeting and entered into force on May 4, 1990. 1 st ~ 5 th (omitted)	15. These Regulations were approved by the Annual General Shareholders Meeting and entered into force on May 4, 1990. 1 st ~ 5 th (omitted) <u>The 6th amendment was made on June 26, 2015.</u>	Added the amendment date

Attachment 7

Compal Electronics, Inc. Comparison Table Before and After Amendment to the Procedures for Acquisition or Disposal of Assets

Before amendment	After amendment	Reason for amendment
<p>Article 4 Decision-Making and Delegation of Authorization to Approve Transaction Terms: (Omitted) <u>As provided for in this Article, while submitting relevant materials to the Board of Directors for discussion, full account shall be taken of the comments made by the respective independent director. If the Independent Director has any opposition or qualified opinion, such opposition or opinion shall be recorded in the Board meeting minutes.</u></p>	<p>Article 4 Decision-Making and Delegation of Authorization to Approve Transaction Terms: (Omitted)</p>	<p>Deletion was made in correspondence with amendment of Article 15.</p>
<p>Article 7 Related Party Transactions: 1. Omitted 2. When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except for trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, the Company may not proceed to enter into a transaction contract or make a payment until the following matters <u>have been approved by the Board of Directors and recognized by the Supervisors:</u> (1)~(7) (Omitted) The calculation of the transaction amounts referred to above in this</p>	<p>Article 7 Related Party Transactions: 1. Omitted 2. When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except for trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, the Company may not proceed to enter into a transaction contract or make a payment until the following matters <u>have been agreed by the audit committee and approved by the Board of Directors.</u> (1)~(7) (Omitted) The calculation of the transaction amounts referred to above in this</p>	<p>Amendment was made in correspondence with audit committee placed.</p>

Before amendment	After amendment	Reason for amendment
<p>Paragraph shall be made in accordance with Article 10, Paragraph 1, Sub-paragraph 5 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors and recognized by the <u>Supervisors</u> need not be counted toward the transaction amount. (Omitted) <u>As regulated previously, when an acquisition of real property from a related party is submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</u></p> <p>3.-6. (Omitted)</p> <p>7. Acquiring real property from a related party and the results of appraisals conducted in accordance with the paragraph 3 and 6 of this Article are uniformly lower than the transaction price, or if there is any evidence suggesting the transaction is not in line with normal business practice, the following steps shall be taken: (1) Omitted (2) <u>Supervisors</u> shall comply with the provisions of Article 218 of the Company Act. (Omitted)</p>	<p>Paragraph shall be made in accordance with Article 10, Paragraph 1, Sub-paragraph 5 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that <u>have been agreed by the audit committee and approved by the Board of Directors</u> need not be counted toward the transaction amount. (Omitted)</p> <p>3.-6. (Omitted)</p> <p>7. Acquiring real property from a related party and the results of appraisals conducted in accordance with the paragraph 3 and 6 of this Article are uniformly lower than the transaction price, or if there is any evidence suggesting the transaction is not in line with normal business practice, the following steps shall be taken: (1) Omitted (2) <u>The audit committee</u> shall comply with the provisions of Article 218 of the Company Act. (Omitted)</p>	
<p>Article 15 Enforcement and revision: After the approval of the Board of Directors, the procedure shall be sent to all the Supervisors and submitted to the shareholders' meeting for approval before enforcement. <u>The same also applies to revision. The data of any written or recorded objections from any of the</u></p>	<p>Article 15 Enforcement and revision: <u>After agreed by no less than half of all the audit committee members, and approved by the Board of Directors, the procedure shall be submitted to the shareholders' meeting for approval before enforcement. The same also applies to revision.</u></p>	<p>Amendment was made in correspondence with audit committee placed.</p>

Before amendment	After amendment	Reason for amendment
<p><u>Directors shall also be delivered to each Supervisor.</u></p> <p><u>For the Company which has placed the Independent Director as statutorily regulated, the Independent Director's opinions shall be fully taken account when submitting the transaction of asset acquisition or disposition to the Board of Directors for discussion. If the independent director has any different opinions or qualified opinions, they shall be stated in the board meeting's minute book.</u></p> <p><u>For the Company which has placed the audit committee as statutorily regulated, if the processing procedure for asset acquisition or disposition is required to be instituted or revised, it shall be approved by more than half of the audit committee members and submitted to the Board of Directors for the resolution.</u></p> <p><u>If the preceding processing procedure fails to be approved by more than half of all the audit committee members, the approval of 2/3 of all the Directors can be replaced to pass the procedure. However, in this case, the resolution made by the audit committee members shall be stated in the Board meeting's minute book. The calculation of the number of the above mentioned audit committee</u></p>	<p><u>When the procedure is submitted to the Board of Directors for discussion, the independent director's opinions shall be fully taken into consideration. If any independent director has any dissenting opinions or makes any reservation, they shall be stated in the minutes of the meeting of the Board of Directors. If pursuant to the applicable laws and regulations, the acquisition and disposal of assets should be approved by the audit committee, such transaction should be agreed by no less than half of the audit committee members, and approved by the Board of Directors.</u></p> <p>The independent director's opinions shall be fully taken into consideration when, pursuant to the <u>applicable laws and regulations</u>, a transaction of asset acquisition or disposition is submitted to the Board of Directors for discussion. If the independent director has any dissenting opinions or makes any reservation, they shall be stated in the minutes of the meeting of the Board of Directors.</p> <p>If the <u>above processing procedure</u> fails to be approved by more than half of all the audit committee members, the approval of 2/3 of all the Directors can be replaced to pass the procedure. However, in this case, the resolution made by the audit committee members shall be stated in the Board meeting's minute book. The calculation of the number of the above mentioned audit committee</p>	

Before amendment	After amendment	Reason for amendment
<p>members and Directors is based on those who take office.</p> <p><u>These Regulations regarding the Independent Director and audit committee in the processing procedure shall be enforced after the Company has them available.</u></p>	<p>members and Directors is based on those who take office.</p>	
<p>Article 16 Additional Provisions These Procedures were approved by the Board of Directors Meeting and entered into force on June 23, 1989. The 1st ~10th amendments (Omitted)</p>	<p>Article 16 Additional Provisions These Procedures were approved by the Board of Directors Meeting and entered into force on June 23, 1989. The 1st ~10th amendments (Omitted) <u>The 11th Amendment was approved by the Board of Directors Meeting on May 11, 2015 and entered into force after it was approved by the Annual General Shareholders' meeting on June 26, 2015.</u></p>	<p>Added amendment date.</p>

Attachment 8

Compal Electronics, Inc. Comparison Table Before and After Amendment to the Procedures for Financial Derivatives Transactions

Before amendment	After amendment	Reason for amendment
<p>Article 7 Level of Authority</p> <p>(1) Total Contract Dollar Amount</p> <p style="padding-left: 20px;">(a) Transactions to hedge exchange rate risk: The dollar amount of total contracts outstanding shall not exceed <u>the sum total of yearly import and export</u>.</p> <p style="padding-left: 20px;">(b) Transactions to hedge interest rate risk: The dollar amount of total contracts outstanding shall not exceed the total amount of liabilities.</p> <p style="padding-left: 20px;">(c) Transactions to hedge project risk: The dollar amount of total contracts outstanding shall not exceed total project budget.</p> <p>(2) (Omitted)</p>	<p>Article 7 Level of Authority</p> <p>(1) Total Contract Dollar Amount</p> <p style="padding-left: 20px;">(a) Transactions to hedge exchange rate risk: The dollar amount of total contracts outstanding shall not exceed <u>the higher of the total import amount and the total export amount in the previous year</u>.</p> <p style="padding-left: 20px;">(b) Transactions to hedge interest rate risk: The dollar amount of total contracts outstanding shall not exceed the total amount of liabilities.</p> <p style="padding-left: 20px;">(c) Transactions to hedge project risk: The dollar amount of total contracts outstanding shall not exceed total project budget.</p> <p>(2) (Omitted)</p>	<p>Revised to meet the business needs</p>
<p>Article 13 Internal Audit</p> <p>(1) Internal audit personnel is required to evaluate the suitability of the internal control system in connection with financial derivative transactions on a regular basis, to conduct auditing on how well the related departments follow these Procedures, and to produce report accordingly. Should there be any serious violation found, a written report must be submitted to <u>each Supervisors</u>.</p> <p>(Omitted)</p>	<p>Article 13 Internal Audit</p> <p>(1) Internal audit personnel is required to evaluate the suitability of the internal control system in connection with financial derivative transactions on a regular basis, to conduct auditing on how well the related departments follow these Procedures, and to produce report accordingly. Should there be any serious violation found, a written report must be submitted to the <u>audit committee</u>.</p> <p>(Omitted).</p>	<p>Amendment was made in correspondence with audit committee placed.</p>
<p>Article 14 Supervision and Management</p> <p>(1) (Omitted)</p> <p>(2) The high-level management authorized by the Board of Directors shall manage the financial derivative transactions</p>	<p>Article 14 Supervision and Management</p> <p>(1) (Omitted)</p> <p>(2) The high-level management authorized by the Board of Directors shall manage the financial derivative transactions</p>	<p>Deletion was made in correspondence with amendment of Article 15.</p>

Before amendment	After amendment	Reason for amendment
<p>according to the following principles: (a) (Omitted) (b) Monitoring transactions and the status of profit and loss, taking necessary countermeasures and reporting to the Board of Directors immediately if abnormal events are detected. <u>If the Company has established the position of Independent Directors, such Independent Directors must attend the Board of Directors' Meeting and express their comments.</u> (Omitted)</p>	<p>according to the following principles: (a) (Omitted) (b) Monitoring transactions and the status of profit and loss, taking necessary countermeasures and reporting to the Board of Directors immediately if abnormal events are detected. (Omitted)</p>	
<p>Article 15 Implementation and Amendment These Procedures shall be <u>adopted by the Board of Directors, be submitted to each Supervisor</u> and entered into force after the approval of resolution by the Shareholders Meeting. <u>If any Director expresses his/her dissent and such dissent is recorded in the minutes or a written statement of dissent is presented, the dissenting opinion shall be submitted to each Supervisor and reported to the Shareholders' Meeting for discussion.</u> The same procedure applies to amendment. <u>Where the Company has established the position of Independent Director and when it submits these Procedures for Financial Derivatives Transactions to the Board of Directors' Meeting for discussion in accordance with the provisions prescribed herein, it shall take into full consideration the opinions of each Independent Director; Independent Directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be recorded in the minutes of the Board of Directors' Meeting.</u></p>	<p>Article 15 Implementation and Amendment The Procedures shall be agreed <u>by no less than half of all audit committee members and approved by the Board of Directors,</u> and enter into force after the approval of resolution by the Shareholders Meeting. The same procedure applies to the amendment of the Procedures. <u>When the Procedures are submitted to the Board of Directors' Meeting for discussion in accordance with the provisions prescribed herein, the opinions of each Independent Director shall be fully taken into consideration; Independent Directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be recorded in the minutes of the Board of Directors' Meeting.</u> . <u>If pursuant to the applicable laws and regulations, the financial derivatives</u></p>	<p>Amendment was made in correspondence with audit committee placed.</p>

Before amendment	After amendment	Reason for amendment
<p><u>The regulations regarding the Independent Director contained herein shall become enforceable upon the establishment of the Independent Director by the Company.</u></p>	<p><u>transactions should be approved by the audit committee, such transaction should be agreed by no less than half of the audit committee members, and approved by the Board of Directors. The independent director's opinions shall be fully taken into consideration when, pursuant to the applicable laws and regulations, any the financial derivatives transaction is submitted to the Board of Directors for discussion. If the independent director has any dissenting opinions or makes any reservation, they shall be stated in the minutes of the meeting of the Board of Directors.</u></p> <p><u>If the approval by no less than half of the audit committee members is not obtained in accordance with the foregoing provisions, the approval of two-thirds of all the Directors should be obtained instead. In this case, the resolution made by the audit committee members shall be stated in the minutes of the meeting of the Board of Directors.</u></p> <p><u>The calculation of the number of the above mentioned audit committee members and Directors is based on those who at the time take office.</u></p>	
<p>ARTICLE 17 Supplementary Provisions</p> <p>These Procedures were approved by the Board of Directors' Meeting and entered into force on July 25, 1996. The 1st ~4th amendments (omitted)</p>	<p>ARTICLE 17 Supplementary Provisions</p> <p>These Procedures were approved by the Board of Directors' Meeting and entered into force on July 25, 1996. The 1st ~4th amendments (omitted) <u>The 5th amendment was adopted by the Board of Directors' Meeting on May 11, 2015 and was implemented after it was approved by the General Shareholders' Meeting on June 26, 2015</u></p>	<p>Added the amendment date</p>

Attachment 9

Compal Electronics, Inc. Comparison Table Before and After Amendment to the Procedures for Endorsement and Guarantee

Before amendment	After amendment	Reason for amendment
<p>Article 5 Decision-Making and Level of Authority</p> <p>1-5.(Omitted)</p> <p><u>When submitting the relevant documents to the Board of Directors for discussion in accordance with the provision prescribed herein, it shall take into full consideration the opinions of each Independent Director; Independent Directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be recorded in the minutes of the Board of Directors' meeting.</u></p>	<p>Article 5 Decision-Making and Level of Authority</p> <p>1-5.(Omitted)</p>	<p>Deletion was made in correspondence with amendment of Article 11.</p>
<p>Article 6 Procedures for Making Endorsement and/or Guarantee</p> <p>1-5.(Omitted)</p> <p><u>When submitting the relevant documents to the Board of Directors for discussion in accordance with the provision prescribed herein, it shall take into full consideration the opinions of each Independent Director; Independent Directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be recorded in the minutes of the Board of Directors' meeting.</u></p>	<p>Article 6 Procedures for Making Endorsement and/or Guarantee</p> <p>1-5.(Omitted)</p>	<p>Deletion was made in correspondence with amendment of Article 11</p>
<p>Article 8 Other matters</p> <p>1. According to these Procedures, in the event that a party endorsed and/or guaranteed by the Company previously qualified but no longer qualifies or the endorsement and/or guarantee amount resulted in exceeding the credit limits due to the basis for calculation of such amount has changed, rectification plans must be prepared by the department in charge of such</p>	<p>Article 8 Other matters</p> <p>1. According to these Procedures, in the event that a party endorsed and/or guaranteed by the Company previously qualified but no longer qualifies or the endorsement and/or guarantee amount resulted in exceeding the credit limits due to the basis for calculation of such amount has changed, rectification plans must be prepared by the department in charge of such</p>	<p>Amendment was made in correspondence with audit committee placed.</p>

Before amendment	After amendment	Reason for amendment
<p>endorsement and/or guarantee. Such rectification plans shall be reexamined by the financial department and be submitted to <u>each Supervisor</u> of the Company for approval. The department in charge of the endorsement and guarantee shall conduct the rectification based on the planned time schedule.</p> <p>2.(Omitted)</p>	<p>endorsement and/or guarantee. Such rectification plans shall be reexamined by the financial department and be submitted to the <u>audit committee</u> of the Company for approval. The department in charge of the endorsement and guarantee shall conduct the rectification based on the planned time schedule.</p> <p>2.(Omitted)</p>	
<p>Article 11 Implementation and Amendment</p> <p>The Procedures shall be <u>adopted by the Board of Directors, be submitted to each Supervisor</u> and entered into force after the approval of resolution by the Shareholders Meeting. If any Director expresses his/her dissent and such dissent is recorded in the minutes or a written statement of dissent is presented, the dissenting opinion shall be <u>submitted to each Supervisor and reported to the Shareholders' Meeting</u> for discussion. The same procedure applies to amendment,</p> <p><u>Where the Company has established the position of Independent Director and when it submits the Procedures for Endorsement and Guarantee</u> to the Board of Directors for discussion in accordance with the provisions prescribed herein, it shall take into full consideration the opinions of each Independent Director; Independent Directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be recorded in the minutes of the Board of Directors' Meeting.</p>	<p>Article 11 Implementation and Amendment</p> <p>The Procedures shall be <u>agreed by no less than half of all audit committee members and approved by the Board of Directors</u>, and shall enter into force after the approval of resolution by the Shareholders Meeting. If any Director expresses his/her dissent and such dissent is recorded in the meeting minutes or a written statement of dissent is presented, the dissenting opinion shall be reported to the Shareholders' Meeting for discussion. The same procedure applies to the amendment of the Procedures.</p> <p><u>When the Procedures are submitted to the Board of Directors' Meeting</u> for discussion in accordance with the provisions prescribed herein, the opinions of each Independent Director shall be fully taken into consideration; Independent Directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be recorded in the minutes of the Board of Directors' Meeting.</p> <p><u>If pursuant to the applicable laws and regulations, the endorsement and/or guarantee of the company should be approved by the audit committee, such transaction should be agreed by no less than half of the audit committee members, and approved by the Board of Directors.</u></p>	<p>Amendment was made in accordance with audit committee placed.</p>

Before amendment	After amendment	Reason for amendment
<p><u>The regulations regarding the independent director and in the procedures shall be enforced after the company has them available.</u></p>	<p><u>The independent director’s opinions shall be fully taken into consideration when, pursuant to the applicable laws and regulations, the endorsement and/or guarantee of the company is submitted to the Board of Directors for discussion. If the independent director has any dissenting opinions or makes any reservation, they shall be stated in the minutes of the meeting of the Board of Directors.</u></p> <p><u>If the approval by no less than half of the audit committee members is not obtained in accordance with the foregoing provisions, the approval of two-thirds of all the Directors should be obtained instead. In this case, the resolution made by the audit committee members shall be stated in the minutes of the meeting of the Board of Directors.</u></p> <p><u>The calculation of the number of the above mentioned audit committee members and Directors is based on those who at the time take office.</u></p>	
<p>Article 13 Supplementary Provisions These Procedures were adopted on April 3, 1990 and entered into force after the approval by the Board of Directors of the Company.</p> <p>The 1st ~8th amendments (omitted)</p>	<p>Article 13 Supplementary Provisions These Procedures were adopted on April 3, 1990 and entered into force after the approval by the Board of Directors of the Company.</p> <p>The 1st~8th amendments (omitted)</p> <p><u>The 9th amendment was adopted by the Board of Directors of the Company held on May 11, 2015 and entered into force after the approval by the General Shareholders Meeting on June 26, 2015</u></p>	<p>Added the amendment date</p>

Attachment 9

Compal Electronics, Inc. Comparison Table Before and After Amendment to the Procedures for Lending Funds to Other Parties

Before amendment	After amendment	Reason for amendment
<p>Article 6 Procedures for Fund lending 1-6. (Omitted).</p> <p><u>When submitting the relevant documents to the Board of Directors for discussion in accordance with the provision prescribed herein, it shall take into full consideration the opinions of each Independent Director; Independent Directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be recorded in the minutes of the Board of Directors' meeting.</u></p>	<p>Article 6 Procedures for Fund lending 1-6. (Omitted).</p>	<p>Deletion was made in correspondence with amendment of Article 14</p>
<p>Article 7 Duration of Fund Lending</p> <p>1. (Omitted).</p> <p>2. Duration of each lending fund to a subsidiary <u>100%</u> owned, directly or indirectly, by the Company shall not exceed one (1) year.</p> <p>3. (Omitted).</p>	<p>Article 7 Duration of Fund Lending</p> <p>1. (Omitted).</p> <p>2. Duration of each lending fund to a subsidiary in which the Company owns no less than <u>80%</u> of its voting power, directly or indirectly, by the Company shall not exceed one (1) year.</p> <p>3. (Omitted).</p>	<p>Revised to meet the business needs</p>
<p>Article 10 Procedures for Handling Overdue Loans</p> <p>1-2. (Omitted).</p> <p>3 In addition to the foregoing Paragraph, the financial department shall forthwith take the following actions:</p> <p>1-2) (Omitted).</p> <p>3) Under any of the following circumstances, the overdue loans, after deducting the estimated collectable amount, should be written off as uncollectible bad debt; and report to the most upcoming Board of Directors and <u>Supervisors.</u></p> <p>(i)- (iv) (Omitted)</p>	<p>Article 10 Procedures for Handling Overdue Loans</p> <p>1-2. (Omitted).</p> <p>3 In addition to the foregoing Paragraph, the financial department shall forthwith take the following actions:</p> <p>1-2) (Omitted).</p> <p>3) Under any of the following circumstances, the overdue loans, after deducting the estimated collectable amount, should be written off as uncollectible bad debt; and report to the most upcoming meeting of the <u>audit committee</u> and the Board of Directors..</p> <p>(i)- (iv) (Omitted)</p>	<p>Amendment was made in correspondence with audit committee placed.</p>

Before amendment	After amendment	Reason for amendment
<p>Article 11 Other Matters</p> <p>1. If the qualification of borrowers does not meet the provisions set forth in these Procedures or the loan balance exceeds the limit as a result of change of circumstances, rectification plans must be prepared by the department in charge of the fund lending and such plans shall be reexamined by the financial department and then be submitted to the <u>Supervisors</u> for approval. The department in charge of the fund lending shall conduct the rectification based on the planned time schedule.</p> <p>(Omitted)</p>	<p>Article 11 Other Matters</p> <p>1. If the qualification of borrowers does not meet the provisions set forth in these Procedures or the loan balance exceeds the limit as a result of change of circumstances, rectification plans must be prepared by the department in charge of the fund lending and such plans shall be reexamined by the financial department and then be submitted to the <u>audit committee</u> for approval. The department in charge of the fund lending shall conduct the rectification based on the planned time schedule.</p> <p>(Omitted)</p>	<p>Amendment was made in correspondence with audit committee placed.</p>
<p>Article 14 Implementation and Amendment</p> <p>The Procedures shall be <u>adopted by the Board of Directors, be submitted to each Supervisor</u> and entered into force after the approval of resolution by the Shareholders Meeting. If any Director expresses his/her dissent and such dissent is recorded in the minutes or a written statement of dissent is presented, the dissenting opinion shall be <u>submitted to each Supervisor and reported to the Shareholders' Meeting</u> for discussion. The same procedure applies to amendment.</p> <p><u>Where the Company has established the position of Independent Director and when it submits the Procedures for Lending Funds to Other Parties</u> to the Board of Directors for discussion in accordance with the provisions herein, it shall take into full consideration each Independent Director's opinion; Independent Directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be recorded in the minutes of the Board of Directors' Meeting.</p>	<p>Article 14 Implementation and Amendment</p> <p>The Procedures shall be <u>agreed by no less than half of all audit committee members and approved by the Board of Directors</u>, and enter into force after the approval of resolution by the Shareholders Meeting. If any Director expresses his/her dissent and such dissent is recorded in the minutes or a written statement of dissent is presented, the dissenting opinion shall be reported to the Shareholders' Meeting for discussion. The same procedure applies to the amendment of the Procedures.</p> <p><u>When the Procedures are submitted to the Board of Directors for discussion</u> in accordance with the provisions herein, each Independent Director's opinion shall be fully taken into consideration; Independent Directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be recorded in the minutes of the Board of Directors' Meeting.</p> <p><u>If pursuant to the applicable laws and regulations, fund lending or short-term</u></p>	<p>Amendment was made in correspondence with audit committee placed.</p>

Before amendment	After amendment	Reason for amendment
<p><u>The regulations regarding the independent director and in the procedures shall be enforced after the company has them available.</u></p>	<p><u>financing of the company should be approved by the audit committee, such transaction should be agreed by no less than half of the audit committee members, and approved by the Board of Directors.</u></p> <p><u>The independent director's opinions shall be fully taken into consideration when, pursuant to the applicable laws and regulations, a fund lending or short-term transaction is submitted to the Board of Directors for discussion. If the independent director has any dissenting opinions or makes any reservation, they shall be stated in the minutes of the meeting of the Board of Directors.</u></p> <p><u>If approval by no less than half of the audit committee members is not obtained in accordance with the foregoing provisions, the approval of two-thirds of all the Directors shall be obtained instead. In this case, the resolution made by the audit committee members shall be stated in the minutes of the meeting of the Board of Directors.</u></p> <p><u>The calculation of the number of the above mentioned audit committee members and Directors is based on those who at the time take office.</u></p>	
<p>Article 15 Supplementary Provisions These Procedures were adopted on April 3, 1990 and entered into force after the approval by the Board of Directors of the Company. The 1st~9th amendments (omitted)</p>	<p>Article 15 Supplementary Provisions These Procedures were adopted on April 3, 1990 and entered into force after the approval by the Board of Directors of the Company. The 1st~9th amendments (omitted) <u>The 10th amendment was adopted by the Board of Directors of the Company held on May 11, 2015 and entered into force after the approval by the General Shareholders Meeting on June 26, 2015</u></p>	<p>Added the amendment date</p>

Appendices

Appendix 1

Rules and Procedures of Shareholders Meeting of Compal Electronics, Inc.

Passed by the General Shareholders Meeting on April 8, 1998

1. The shareholders meeting of Compal Electronics, Inc. (the "Company") shall be conducted in accordance with these Rules and Procedures unless the law provides otherwise.
2. The Company shall prepare an attendance book for shareholders to sign in, or the shareholder present may hand in an attendance card in lieu of signing on the attendance book.
The number of shares representing shareholders present in the meeting shall be calculated in accordance with those indicated on the attendance book or the attendance cards.
3. The presence of shareholders in a shareholders meeting and their voting thereof shall be calculated in accordance with the number of shares. Resolutions shall be adopted at the shareholders meeting in accordance with the Company Act and Articles of Incorporation of the Company.
4. The place for convening a shareholders meeting for the Company shall be held inside the premises of the Company, or any other place convenient for presence of shareholders, and suitable for holding of the said meeting. The time for commencing the said meeting shall not be earlier than 9am or later than 3pm.
5. If a shareholders meeting is called by the Board of Directors, the Chairman of the Board shall preside at the said shareholders meeting. In case the Chairman is on leave of absence, or cannot exercise his/her powers and authority, the Vice Chairman shall act in lieu of him/her. If there is no Vice Chairman, or the Vice Chairman is also on leave of absence, or cannot exercise his/her powers and authority, the Chairman shall designate a Managing Director to act in lieu of him/her; if there is no Managing Director, the Chairman shall designate a Director to act in lieu of him/her. If the Chairman does not designate a Director, the Managing Directors or Directors shall elect one from among themselves to act in lieu of the Chairman.
If a shareholders meeting is called by a person other than the Board of Directors, who has the right to call the meeting, said person shall preside at that meeting.
6. The Company may designate its lawyer, certified public accountant or other relevant persons to attend the shareholders meeting.
Persons handling affairs of meeting shall wear identification cards or arm badges.

7. The proceeding of the meeting shall be audio recorded or videotaped in its entirety and these tapes shall be kept for at least one year.
8. The chairman of the meeting shall call the meeting to order at the time scheduled for the meeting, provided, however, that if the shareholders present do not represent a majority of the total amount of issued shares, the chairman of the meeting may postpone the meeting, provided, however, that the postponement of the said meeting shall be limited to two times, and the total time postponed shall not exceed one hour. If the meeting has been postponed for two times, but the shareholders present still do not represent a majority of the total amount of issued shares, a tentative resolution may be adopted in accordance with Paragraph 1 of Article 175 of the Company Act by shareholders representing one-third of the total amount of issued shares. Before the close of the said meeting, if the shareholders present represent a majority of the total amount of issued shares, the chairman of the meeting may present the tentative resolution so adopted to the meeting for resolution in accordance with the provisions of Article 174 of the Company Act.
9. If a shareholders meeting is called by the Board of Directors, the meeting agenda shall be set by the Board of Directors, and the meeting shall be conducted in accordance with the said agenda. The agenda shall not be changed without a resolution made by the shareholders meeting. If a shareholders meeting shall be called by a person, other than the Board of Directors, entitled to convene such meeting, the preceding provisions shall apply mutatis mutandis to the said meeting. The chairman of the meeting shall not adjourn a meeting without resolution adopted by shareholders if the items (including extraordinary motions) listed in the agenda so arranged in the above two Paragraphs are not completed. After close of the said meeting, shareholders shall not elect another person to serve as chairman and continue the meeting at the same place or at any other place.
10. When a shareholder present at the meeting wishes to speak, he/she shall first fill out a slip, specifying therein the major points of his/her speech, his/her serial number as a shareholder (or number of attendance) and his/her name, and the chairman of the meeting shall determine his/her order of giving a speech. A shareholder who submits his/her slip for a speech but does not actually speak shall be considered as not having given a speech. If the contents of his/her speech shall be different from those specified on the slip, the contents of his/her speech shall prevail. When a shareholder is giving a speech, the other shareholders shall not interrupt unless they have obtained the prior consent from the chairman of the meeting as well as the said shareholder, and the chairman of the meeting may stop such interruption.

11. Unless otherwise permitted by the chairman of the meeting, any shareholder shall not, for each discussion item, speak more than two times and each time shall not exceed 3 minutes. However, after obtaining consent of the chairman, the length of such speech may be extended for an additional 3 minutes.

If the speech of any shareholder violates the above provisions or his/her speech exceeds the scope of the discussion item, the chairman of the meeting may stop the speech of such shareholder.

12. Any legal entity designated as proxy by a shareholder(s) to be present at the shareholders meeting may appoint only one representative to attend such meeting.

If a corporate shareholder who designates two or more representatives to represent it at the shareholders meeting, only one of the representatives so designated may speak on any one discussion item.

13. After the speech of a shareholder, the chairman of the meeting may respond himself/herself or appoint an appropriate person to respond.
14. The chairman of the meeting may announce to end the discussion of any discussion item and go into voting if the chairman considers that the discussion for a motion has reached the extent for making a resolution.
15. The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the chairman of the meeting, provided, however, that the person supervising the casting of votes shall be a shareholder. The results of resolution(s) shall be announced in the meeting, and recorded in the meeting minutes.
16. During the meeting, the chairman of the meeting may, at his/her discretion, set time for intermission.
17. Unless otherwise specifically provided for in the Company Act or the Articles of Incorporation of the Company, resolutions shall be adopted by a majority of votes represented by the shareholders present at a meeting.
The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is raised after solicitation by the chairman of the meeting.
18. If there is amendment to or substitute for one discussion item, the chairman of the meeting may combine such amendment or substitute into the original discussion item, and determine their orders for resolution. If any one of the above has been adopted, the others shall be considered as rejected, upon which no further resolution shall be required.
19. The chairman of the meeting may direct disciplinary personnel (or security personnel) to keep the order of the meeting. Such disciplinary personnel (or security personnel) shall wear badges bearing the words of "disciplinary personnel".

In order to keep the order of the meeting, shareholders shall obey directions

made by the chairman of the meeting, disciplinary personnel (or security personnel). In case any person interrupts the meeting and, after being stopped by the chairman of the meeting three times, refuses to desist his/her interruption, the chairman of the meeting may ask the disciplinary personnel (or security personnel) to escort such shareholder to leave the meeting place.

20. These Rules and Procedures shall be effective from the date they are approved by the shareholders meeting. The same applies in case of amendments.

Appendix 2

Articles of Incorporation of Compal Electronics, Inc.

CHAPTER I GENERAL PROVISIONS

Article 1

The Company is organized under the Company Law and shall be named Compal Electronics, Inc.

Article 2

The business scope of the Company shall be as follows:

1. To engage in CC01110 manufacturing business of computers and their peripheral equipments;
2. To engage in CC01080 manufacturing business of electronic parts and components;
3. To engage in CC01060 manufacturing business of wired communication machinery implements;
4. To engage in CC01070 manufacturing business of radio communication machinery implements;
5. To engage in CC01101 manufacturing business of telecom controlled radio frequency instruments;
6. To engage in F401021 import business of telecom controlled radio frequency instruments;
7. To engage in CB01010 manufacturing business of machinery equipments;
8. To engage in CB01020 manufacturing business of office machinery;
9. To engage in CE01990 manufacturing business of other optical & precision apparatus;
10. To engage in G801010 terminal business;
11. To engage in I501010 products design business;
12. To engage in I301010 information software services business;
13. To engage in F401010 international trade business;
14. ZZ99999 All businesses that are not prohibited or restricted by laws, except those that are subject to special approval.

Article 3

The Company may provide guarantee to other companies to meet its business needs.

Article 4

The head office of the Company shall be in Taipei. When deemed necessary, the Company may set up branch offices or factories within or outside the Republic

of China by resolutions of the Board of Directors.

Article 5(Deleted)

Article 6

The re-investment amount of the Company may exceed 40% of its paid-in capital.

CHAPTER 2 SHARES

Article 7

The total capital of the Company shall be NT\$60,000,000,000 consisting of 6,000,000,000 shares with a par value of NT\$10 each (including 100,000,000 shares for employees' subscription to shares according to certificates of subscription or company bonds attaching the right of subscription to shares) which may be issued in several issues, and the shares that are not issued may be issued by the board of directors according to business requirement.

Article 8

The share certificates of the Company shall be in registered form and issued after they are serially numbered, signed or sealed by at least three directors, and certified by the competent authority or by the agency approved to handle the registration of the share issue.

The Company may be exempted from printing any share certificate for the shares issued and shall appoint a centralized securities custody enterprise/institution to make recordation of the issue of such shares.

Article 9

The shareholders shall fill out seal impression cards when opening accounts. The style of signature or seal impression card shall be kept by the Company or the Company's stock agency for recordation, and the same shall apply to alteration.

Article 10

Unless otherwise provided in laws and regulations and securities rules, the shareholders shall deal with stock affairs or exercise other relevant rights in accordance with the "Guidelines Governing the Processing of Stock Affairs by Public Company".

Article 11

No entry for transfer of shares shall be permitted within sixty (60) days prior to

a regular shareholders' meeting; thirty (30) days prior to a special shareholders' meeting; and five (5) days prior to a record date set for distributing dividends and bonuses or other benefits.

CHAPTER 3 SHAREHOLDERS' MEETING

Article 12

Shareholders' meeting shall be of two types, regular shareholders' meeting and special shareholders' meeting. The regular shareholders' meeting shall be called by the board of directors once a year within six (6) months of the close of each fiscal year. The special shareholders' meeting may be called pursuant to law when deemed necessary.

Article 13

A shareholder who is unable to attend a shareholders' meeting may authorize a proxy to attend the meeting by a power of attorney printed by the Company duly signed or sealed and setting forth the vested power in accordance with the [Regulations Governing the Use of Proxy for Attending Shareholders' Meetings of Public Companies] prescribed by the competent authority.

Article 14

The chairman of the board of directors shall preside at the shareholders' meetings. If the chairman is unable to attend the meeting or to exercise his power and authority, the vice chairman of the board of directors shall act on his behalf. In case there is no vice chairman or the vice chairman is also absent or unable to exercise his power and authority, the chairman shall designate a managing director to act on his behalf, or where there is no managing director, one of the directors to act on his behalf. In the absence of such a designation, the managing directors or the directors shall elect one from among themselves an acting chairman of the board of directors.

Article 15

Each shareholder of the Company shall have one (1) vote for each share held, unless otherwise provided in Article 179 of Company Law.

Article 16

Except as otherwise provided in the Company Law, a resolution shall be adopted at a shareholders' meeting attended by shareholders holding and representing a majority of the total issued and outstanding shares and at which meeting a majority of the votes held by the shareholders present shall be cast in favor of such resolution.

Article 17

Minutes of proceedings shall be prepared for all resolutions adopted at a shareholders' meeting, stating the date and place of the meeting, the abstract and results of proceedings, name of the chairman and the means by which a resolution is adopted, number of shareholders present and number of shares represented. A copy of the minutes of proceedings duly signed and sealed by the chairman shall be forwarded to each shareholder within twenty (20) days after the meeting.

The distribution process of meeting minutes is made in accordance with applicable laws and regulations.

CHAPTER 4 DIRECTORS AND SUPERVISORS**Article 18**

The Company shall have ten (10) to nineteen (19) directors, and three (3) supervisors. Directors and supervisor shall be elected by adopting candidate nomination system and being elected. There shall be at least three (3) independent directors among the Company's directors, and the independent directors shall represent at least one-fifth of the total number of directors.

The directors and supervisors' liability insurance may be bought by the Company for the liability of compensation they may bear according to law in their business scope during their term of office.

The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be in compliance with applicable laws and regulations.

Article 19

The directors and supervisors shall hold office for a term of three years and shall be eligible for re-election.

Re-election of independent directors shall be governed by applicable laws and regulations.

Article 20

When one-third (1/3) of the directors have vacated their offices or all of the supervisors are discharged, the special shareholders' meeting shall be called by the board of directors within sixty (60) days for election of directors and supervisors to fill the vacancies until the original term expires.

Article 21

The directors shall form a board of directors. The chairman and vice chairman of the board of directors shall be elected by and from among the directors with the

concurrence of a majority of the directors present at a board of directors' meeting attended by more than two-thirds (2/3) of the directors. The board chairman shall conduct all the business of the Company pursuant to the laws and regulations, Article of incorporation, and resolutions adopted at shareholders' meetings and board of directors' meetings.

Article 22

The business policies and other important matters of the Company shall be performed in accordance with the resolutions of the board of directors' meetings. Except for the initial meeting of each term of the board of directors, which shall be called by the director who receives the highest votes, all the other meetings shall be called and presided by the board chairman. In the event the board chairman is absent or unable to perform his right or authority, he may designate vice chairman to act on his behalf. In case there is no vice chairman or the vice chairman is absent or unable to perform his power or authority, the chairman may designate one managing director to act on his behalf, or where there is no managing director, one of the directors to act on his behalf. In the absence of the designation, the managing directors or directors shall elect one from among themselves.

Article 23

Except as otherwise provided in the Company Law, a board of directors' meeting at which a resolution is adopted shall be attended by a majority of the directors and at which meeting a majority of those present shall vote in favor of such a resolution. If any director is unable to attend a board of directors' meeting, he/she may appoint another director to attend the meeting by proxy by executing a power of attorney in favor of the proxy specifying any limits on authority or powers in respect to the business to be transacted at the meeting; provided that the proxy shall accept the appointment of one director only. Minutes of proceedings shall be prepared for the resolutions adopted at a board of directors' meeting and the provisions of Article 17 herein shall apply mutatis mutandis.

Article 24

In addition to performing their duties in accordance with the law, the supervisors may attend the board of directors' meetings but shall not vote.

Article 25

In conducting the business of the Company, the directors and supervisors shall be paid remuneration, regardless of whether the Company makes a profit or sustains a loss. The remuneration of directors and supervisors shall be decided by the board of directors in accordance with personal partake-in and contribution to the Company's operation and benchmarks in the same industry

Article 26

Functions of the board of directors shall be as follows:

1. Appoint and remove managerial personnel;
2. Decide and amend business policies;
3. Examine budget and final account;
4. Propose for distribution of profits and covering of losses;
5. Approve for re-investment, extending loan to other companies, and pledge of assets;
6. Approve for endorsement, guarantee, acceptance to affiliates in excess of the total specified amounts (to be decided by the board of directors);
7. Approve for borrowing and financing in excess of total specified amounts (to be decided by the board of directors);
8. Establish and/or withdraw any main divisions of the Company and/or its domestic or overseas branches, and to prescribe and amend Articles of Incorporation and important rules by laws;
9. Approve for important contracts;
10. Approve for other important business; and
11. Appoint, discharge, and make payment to CPA.

CHAPTER 5 OFFICERS

Article 27

A board of directors' meeting shall be called with a seven days prior written notice setting forth the cause(s) of such meeting to all directors and supervisors, except there is an urgent need. In case of emergency, a board of directors' meeting may be called at any time.

The meeting notice as referred to in the foregoing Paragraph shall set forth the cause(s) and be given via mail, e-mail or facsimile.

Article 28

The Company shall employ managers, their appointment and discharge shall be handled in accordance with Article 29 of the Company Law.

CHAPTER 6 FINANCIAL ACCOUNTS AND DISTRIBUTION OF PROFITS

Article 29

At the close of each fiscal year of the Company, the board of directors shall submit the following statements/documents to the supervisors for examination and acknowledgement by the shareholders' meeting thirty (30) days prior to the regular shareholders' meeting:

1. business report;
2. financial statement;
3. proposal for distribution of profits or covering of losses.

Article 30

If there is any profit after closing of books, the Company shall first defray tax due, cover losses in the past years and set aside ten percent (10%) of it as legal reserve and set aside or reverse a special reserve in accordance with laws and regulations, then an amount not more than two percent (2%) of the balance shall be paid to directors and supervisors as remuneration and an amount no less than two percent (2%) shall be allocated as employees' bonus. The balance of earnings available for distribution is composed of the remainder of the said profit and the unappropriated retained earnings of previous years. The earnings appropriation proposal to distribute dividend and bonus shall be proposed by the Board of Directors and approved by the General Shareholders Meeting. The rest of the unappropriated retained earnings shall be reserved. The object of the said allocation of share certificates and bonus to employees includes the employees of the Company's subordinate companies pursuant to the Company Law.

The lifecycle of the industry of the Company is in the growing stage. To meet the need of the Company for the future capital and the need of shareholders for cash flow, if there is any profit after close of books, the cash dividend allocated by the Company each year shall not be lower than ten percent (10%) of the total dividend (including cash and share dividend) for such year.

Article 31

Once the total legal reserve equals the total capital, the Company may stop setting aside the legal reserve by shareholders' resolution.

CHAPTER 7 SUPPLEMENTAL PROVISIONS

Article 32

Matters not provided herein shall be governed by the Company Act.

Article 33

The organizational rules and handling procedures of the Company shall be separately prescribed by resolution of the board of directors.

Article 34 (Deleted)

Article 35

These Articles of Incorporation were prescribed by the promoters on April 16,

1984.

- The 1st amendment was made on May 16, 1984;
- The 2nd amendment was made on December 27, 1984;
- The 3rd amendment was made on April 6, 1986;
- The 4th amendment was made on July 18, 1986;
- The 5th amendment was made on May 10, 1987;
- The 6th amendment was made on June 13, 1987;
- The 7th amendment was made on June 18, 1988;
- The 8th amendment was made on May 27, 1989;
- The 9th amendment was made on May 4, 1990;
- The 10th amendment was made on June 23, 1990;
- The 11th amendment was made on March 20, 1991;
- The 12th amendment was made on April 30, 1992;
- The 13th amendment was made on April 13, 1993;
- The 14th amendment was made on April 23, 1994;
- The 15th amendment was made on March 31, 1995;
- The 16th amendment was made on March 27, 1996;
- The 17th amendment was made on May 29, 1997;
- The 18th amendment was made on April 8, 1998;
- The 19th amendment was made on April 8, 1999;
- The 20th amendment was made on March 30, 2000;
- The 21st amendment was made on April 3, 2001;
- The 22nd amendment was made on May 24, 2002;
- The 23rd amendment was made on June 10, 2003;
- The 24th amendment was made on June 10, 2005;
- The 25th amendment was made on June 9, 2006;
- The 26th amendment was made on June 15, 2007;
- The 27th amendment was made on June 13, 2008;
- The 28th amendment was made on June 19, 2009;
- The 29th amendment was made on June 18, 2010;
- The 30th amendment was made on June 24, 2011;
- The 31st amendment was made on June 22, 2012.
- The 32nd amendment was made on June 21, 2013.
- The 33rd amendment was made on June 20, 2014.

Appendix 3

Regulations for Election of Directors and Supervisors of Compal Electronics, Inc.

Passed by the Annual General Shareholders Meeting on June 24, 2011

1. Unless otherwise prescribed by applicable laws and regulations and the Company's Articles of Incorporation, these Regulations shall govern the election of the Company's Directors and Supervisors.
2. Election of Directors and that of Supervisors shall be held at the shareholders' meeting respectively.
3. The professional qualifications and election, and other matters for compliance with respect to Independent Directors shall be in compliance with applicable laws and regulations.
4. Directors and Supervisors of the Company are elected by adapting the accumulative voting system. Each voting share is entitled to have votes equivalent to the number of Directors/Supervisors to be elected. The total number of votes may be used to elect a single candidate or be allocated among several candidates.
The Board of Directors shall prepare ballots equal to the number of Directors/Supervisors to be elected and distribute these ballots to the attending shareholders. The names of voters may be represented by shareholders' numbers.
5. The Company's Directors and Supervisors shall be elected by a candidate nomination system whereby the shareholders elect directors and supervisors from nominees listed in the roster of Directors and Supervisors candidates. According to the seats regulated in the Articles of Incorporation, the candidates who receive more votes shall be elected in order of number of votes received.
If a candidate is simultaneously elected a Director and Supervisor for the same term, he/she shall decide to serve as Director or Supervisor by himself/herself prior to the announcement and reporting the list of winners as required by law. He/she shall not serve concurrently as Director and Supervisor. This regulation shall also apply when other applicable laws and regulations prohibit a person from being simultaneously elected a Director and Supervisor. If two or more persons have received the same number of votes, and the number of persons would exceed the number to be elected, the persons with the same number of votes shall draw lots to decide election; the

chairman shall draw lots on behalf of any elected person who are not present.

6. The Board of Directors shall, upon preparing the ballots, have the ballots serial numbered and note the voting rights on each ballot.
7. Before the beginning of the election, the chairman shall appoint several persons to check and record the ballots.
8. The ballot boxes used for voting shall be prepared by the Board of Directors and checked in public by the person to check the ballots before voting.
9. If the candidate is a shareholder of the Company, voters shall fill in the “candidate” column the candidate’s name and shareholder’s number. However, if the candidate is a government agency or a legal entity, the full name of the government agency or the legal entity or the name(s) of their representative(s) should be filled in the column. If the candidate is not a shareholder, voters shall fill in the “candidate” column the candidate’s name and the candidate’s ID number.
10. Ballots shall be deemed void under any of the following conditions:
 - (1) Ballots not prepared in accordance with these Regulations;
 - (2) Blank ballots not completed by the voters;
 - (3) The writing is unclear and illegible or the alteration is made without sealing thereon as required by law;
 - (4) If the candidate is a shareholder of the Company, the name or shareholder’s number of the candidate filled in the ballot is inconsistent with the roster of shareholders. If the candidate is not a shareholder of the Company, the name or ID number of the candidate filled in the ballot is incorrect;
 - (5) The number selected candidates filled in the ballot exceeds the prescribed number of available seats;
 - (6) Ballot with other written characters or symbols in addition to candidate’s name and shareholder’s number/ID number;
 - (7) Any of the candidate’s name or shareholder’s number is failed to fill in the ballot.
11. The ballot boxes shall be respectively prepared for the election of Directors and that of Supervisors. These ballot boxes will be opened by the persons to check and record the ballots after the vote casting.
12. The ballots should be calculated during the meeting right after the vote

casting and the results of the election should be announced by the chairman.

13. The Board of Directors shall issue letters of elected notification to the elected Directors and Supervisors.
14. These Regulations shall be effective after approval at the shareholders' meeting. The same applies to amendments.
15. These Regulations were approved by the Annual General Shareholders Meeting and entered into force on May 4, 1990.
The 1st amendment was adopted by the Annual General Shareholders Meeting on April 23, 1994.
The 2nd amendment was adopted by the Annual General Shareholders Meeting on March 27, 1996.
The 3rd amendment was adopted by the Annual General Shareholders Meeting on March 24, 2002.
The 4th amendment was adopted by the Annual General Shareholders Meeting on June 24, 2011.
The 5th amendment was adopted by the Annual General Shareholders Meeting on June 20, 2014

Appendix 4

Procedures for Acquisition or Disposal of Assets of Compal Electronics, Inc.

Article 1 Purpose and Legal Basis:

In order to strengthen the Company's asset management, protect its investment and fulfill its information transparency, these Processing Procedures are adopted in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and related regulations.

Article 2 Definition and Scope:

1. The term "assets" as used in these Processing Procedures includes the following:
 - (1) Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
 - (2) Real property (including land, houses and buildings, investment property and rights to use land), equipment, memberships, patents, copyrights, trademarks, franchise rights, and other intangible assets.
 - (3) Derivatives.
 - (4) Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with acts of law.
 - (5) Other major assets.
2. The term "derivatives" as used herein refers to forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.
3. The term "assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with acts of law" as used herein are the ones acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, other acts, or to transfer of shares [from another company] through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, paragraph 8 of the Company Act.
4. The term "related party" as used herein refers to the one defined by the competent authority.
5. The term "subsidiary" as used herein refers to the one defined by the competent authority.

6. The term “professional appraiser” as used herein refers to a real property appraiser or other person duly authorized by an act of law to engage in the value appraisal of real property or equipment.
7. The term “date of occurrence” as used herein refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the Competent Authority is required, the earlier of the above date or the date of receipt of approval by the Competent Authority shall apply.
8. The term “Mainland area investment” as used herein refers to investments in China approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
9. The term “10 percent of total assets” as used herein refers to 10 percent of total assets stated in the most recent standalone or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 3 Authorized Limit:

The Company and its subsidiaries may acquire, dispose or continue to hold the various assets as referred to in these Processing Procedures. However, the amount of the securities investment, non-operating real property, equipment, memberships, patents, copyrights, trademarks, franchise rights, and other intangible assets, etc. shall follow the limitation as regulated by the company. Any amount beyond the limitation shall be approved by the board of directors through the resolution before acquisition or disposition.

1. Limit Authorized by the Company
 - (1) The total amount of the securities investment, non-operating real property, equipment, memberships, patents, copyrights, trademarks, franchise rights, and other intangible assets, etc. shall not exceed an amount equal to 1.5 times the net value of the Company.
 - (2) The total amount of the investment in the securities expected to be held for one year or more shall not exceed the Company’s net value, while the amount of the singular investment in the securities expected to be held for one year or more shall not exceed 50% of the Company’s net value.
 - (3) The total amount of the investment in the securities expected to be held for less than one year shall not exceed 50% of the Company’s net value, while the amount of the singular investment in the securities expected to be held for less than one year shall not exceed 20% of the Company’s net value.

- (4) The total amount of the held non-operating real property, equipment, memberships, patents, copyrights, trademarks, franchise rights, and other intangible assets, etc. shall not exceed 10% of the Company's net value, while the amount of the held singular non-operating real property, equipment, memberships and other intangible assets shall not exceed 5% of the Company's net value.

2. Subsidiary's Authorized Limit:

- (1) The total amount of the investment in securities, non-operating real property, equipment, memberships, patents, copyrights, trademarks, franchise rights, and other intangible assets, etc. shall not exceed 1.5 times the net value of each subsidiary.
- (2) The total amount of the investment in the securities expected to be held for one year or more shall not exceed each subsidiary's net value, while the amount of the singular investment in the securities expected to be held of one year or more shall not exceed 50% of each subsidiary's net value.
- (3) The total amount of the investment in the securities expected to be held for less than one year shall not exceed 50% of each subsidiary's net value, while the amount of the singular investment in the securities expected to be held for less than one year shall not exceed 20% of each subsidiary's net value.
- (4) The total amount of the held non-operating real property, equipment, memberships, patents, copyrights, trademarks, franchise rights, and other intangible assets, etc. shall not exceed 10% of each subsidiary's net value, while the amount of the held singular non-operating asset items shall not exceed 5% of each subsidiary.

The term "net worth" as mentioned above shall mean the equity attributable to the stockholders of the Parent Company in the most recent audited balance sheet as prepared in accordance with the requirements of the competent authorities.

Article 4 Decision-Making and Delegation of Authorization to Approve Transaction Terms:

1. In order to meet the fast variety of the market environment, the acquisition or disposition of the securities expected to be held for less than one year shall be processed according to the approval purview regulated by the company.
2. For the acquisition or disposal of securities that are expected to, or has been, hold for at least 1 year, real estates, equipment, intangible assets including membership, patent, copyright, trademark, franchise and license in an amount for a single item of equal or greater than NT\$300 million, the action must be approved by the Board of Directors; for such action in an amount

for a single item of less than NT\$300 million, the Board of Directors delegates its authorization power to the Chairman.

3. If the acquisition or disposition of the foresaid asset falls in the scope of items for special resolution of the Board of Directors as provided for in Article 185 of Company Act, the case shall be submitted to the Board of Directors for approval and then forwarded to the Meeting of Shareholders for approval before implementation.
4. Related party transactions shall be handled in accordance with the provisions of Article 7 herein.

As provided for in this Article, while submitting relevant materials to the Board of Directors for discussion, full account shall be taken of the comments made by the respective independent director. If the Independent Director has any opposition or qualified opinion, such opposition or opinion shall be recorded in the Board meeting minutes.

Article 5 Processing Procedure for the Acquisition or Disposition of Securities Investment

1. Appraisal and Operating Procedures

In acquiring or disposing of securities investment, the executive unit designated by the Chairman of the Company shall form an investment evaluation panel. Such panel shall cooperate with the financial unit to complete an analysis report for the sources of fund raising and application. Unless the securities have public quotes of active market or otherwise provided by the competent authorities, the Company shall first obtain the most recent financial statement, audited and attested by a certified public accountant (“CPA”), of the underlying company for reference in appraising the transaction price. In addition, feasibility analysis and research shall also be conducted according to the investment purpose, product market, development potential, financial status, expected revenue, investment portfolio, share holding ratio and organization operation, so as to lay down a concrete investment implementation plan and submit the same to the authorization unit for approval. The respective operation procedures shall be conducted in compliance with the Company’s rules governing the investment cycle under the Company’s internal control system.

2. The Units Responsible for Implementation

The acquisition and disposition of securities shall be handled by the executive unit designated by the Chairman of the Company.

3. Expert Opinion

For the acquisition or disposition of the securities with a transaction amount reaching or beyond 20% of the Company’s paid-in capital or NT\$300 million, or the transaction value for a related party transaction reaches 10 %

or more of the Company's total assets, the Company shall also engage a certified public accountant ("CPA") prior to the date of occurrence of the event to render an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the competent authorities.

Article 6 Processing Procedure of the Acquisition or Disposition of Real Property, Other Fixed Assets, Memberships, Patents, Copyrights, Trademarks, Franchise Rights, and Other Intangible Assets, etc. :

1. Appraisal and Operating Procedures

For the Company's acquisition and disposition of real property, equipment, memberships, patents, copyrights, trademarks, franchise rights, and other intangible assets, etc, the executive unit shall render the department investment budget according to the Company's internal management rules, and make evaluation as well as analysis on the underlying objects. In addition, it shall conduct the feasibility analysis and research according to pre-investment status, investment motivation and purpose, investment cost, expected years to get breakeven, analysis on the investment efficiency and etc., lay down a concrete investment implementation plan and submit such plan to the authorization unit for approval. The respective operation procedures shall be conducted in compliance with the rules regarding the fixed assets and other investment cycle under the Company's internal control system.

2. The Units Responsible for Implementation

The acquisition or disposition of real property shall be handled by the executive unit designated by the Chairman of the Company. The acquisition or disposition of equipment, memberships, patents, copyrights, trademarks, franchise rights, and other intangible assets, etc. shall be handled by the utilization unit or the unit designated by the Chairman of the Company.

3. Appraisal or Assessment Report

(1) Report on Appraisal of Real Property or Equipment

In acquiring or disposing real property or equipment where the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more, or the transaction value for a related party transaction reaches 10 % or more of the Company's total assets, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of business equipment, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- i. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.
 - ii. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
 - iii. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation ("ARDF") and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (i) The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.
 - (ii) The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
 - iv. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser
- (2) Expert Assessment Report on the Memberships or Intangible Assets
Where the company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20% or more of paid-in capital or NT\$300 million or more or the transaction value for a related party transaction reaches 10 % or more of the Company's total assets, except in transactions with a government agency, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF
4. Calculation of the Transaction Amounts

The calculation of the transaction amounts referred to in the preceding Article and this Article shall be done in accordance with Article 10, Paragraph 1, Sub-paragraph 5 herein, and "within the preceding year" as

used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 7 Related Party Transactions:

1. The Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10% or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Article and this Article.

The calculation of the transaction amount referred to above in this Paragraph shall be made in accordance with Article 6, Paragraph 4 herein.

2. When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except for trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the Supervisors:

- (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (2) The reason for choosing the related party as a trading counterparty.
- (3) With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Paragraphs 3 and 4 of this Article.
- (4) The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.
- (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the Paragraph 1 of this Article.
- (7) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to above in this Paragraph shall be made in accordance with Article 10, Paragraph 1, Sub-paragraph 5

herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors and recognized by the Supervisors need not be counted toward the transaction amount.

With respect to the acquisition or disposal of business-use equipment between the Company and its parent company or subsidiaries, the Company's Board of Directors may, pursuant to Article 3 through Article 5, delegate the Chairman of the Board to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board meeting.

As regulated previously, when an acquisition of real property from a related party is submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

3. When acquiring real property from a related party shall evaluate the reasonableness of the transaction costs by the following means (Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed below.):
 - (1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - (2) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70% or more of the financial institution's appraised loan value of the property and the period of the loan shall have been one year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.
4. When acquiring real property from a related party and appraises the cost of the real property in accordance with the preceding paragraph shall also engage a CPA to check the appraisal and render a specific opinion.
5. When acquiring real property from a related party, the regulations stipulated in the preceding two paragraphs can be exempted in any of the following conditions. However, what is regulated in paragraph 2 shall still be followed:

- (1) The related party acquired the real property through inheritance or as a gift.
 - (2) More than five years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction.
 - (3) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's owned or rented land.
6. In the case that the transaction price of the real property acquiring from a related party is higher than the result of the assessment made according to paragraph 3 of this Article, it shall be processed in compliance with paragraph 7 of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
- (1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - i. Where undeveloped land is appraised in accordance with the means set out in paragraph 3 of this Article, and structures are appraised according to the related party's construction cost plus reasonable construction profit, and the aggregate appraised value of such land and structures is in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent three years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - ii. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or properties in the neighboring area, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.
 - iii. Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.
 - (2) Acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of properties of a similar size in the

neighboring area by unrelated parties within the preceding year.

- (3) Completed transactions for properties in the neighboring area in paragraph (1) and (2) in principle refers to properties located on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction; within one year refers to one year from the actual date of acquisition of the real property.
7. Acquiring real property from a related party and the results of appraisals conducted in accordance with the paragraph 3 and 6 of this Article are uniformly lower than the transaction price, or if there is any evidence suggesting the transaction is not in line with normal business practice, the following steps shall be taken:
- (1) A special reserve shall be set aside in accordance with the provisions of Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. The special reserve set aside in accordance with the preceding provision shall not be utilized until the Company has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or based on other evidence confirming that there was nothing unreasonable about the transaction, and approval for utilization has been granted by the competent authority.
 - (2) Supervisors shall comply with the provisions of Article 218 of the Company Act.
 - (3) The processing status of (1) and (2) shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

Article 8 Processing Procedure for the Acquisition or Disposition of Derivatives:

Engaging in derivatives trading shall be subject to the relevant provisions as provided for in the Procedures for Financial Derivatives Transactions.

Article 9 Processing Procedure of the Merger, Demerger, Acquisition, or Transfer of Share:

1. Assessment and operation procedure

- (1) When implementing the merger, demerger, acquisition, or transfer of shares, the Company shall invite the attorney, CPA and securities

underwriter to work out a time table for legal proceedings, and set up a panel to implement the legal procedure. At the same time, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage.

- (2) The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in subparagraph (1) of paragraph 1 of this Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

2. Other Matters

- (1) Board Meeting Date: A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the same day to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. A company participating in a transfer of shares shall call a board of directors meeting on the same day, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.
- (2) Non-Disclosure Agreement: Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
- (3) The Principle to Decide on the Share Exchange Ratio or Acquisition

Price and the Change Thereof: Before convening the board of directors for resolution, all of the companies participating in the merger, demerger, acquisition, or transfer of shares shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. In principle, the share exchange ratio or acquisition price shall not be discretionarily changed, unless the terms of change have been regulated in the contract. The following are the terms that allow the change of the share exchange ratio or acquisition price:

- i. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
 - ii. An action, such as a disposal of major assets, that affects the company's financial operations.
 - iii. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
 - iv. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 - v. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 - vi. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
- (4) Contents Required to be Stated in a Contract: In addition to provisions governing the merger, demerger, acquisition or transfer of shares under Article 317-1 of the Company Act and Article 22 of Business Mergers and Acquisition Act, and shall also record the following:
- i. Handling of breach of contract.
 - ii. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 - iii. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
 - iv. The manner of handling changes in the number of participating entities or companies.
 - v. Preliminary progress schedule for plan execution, and anticipated completion date.

- vi. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
- (5) Change of the Number of the Companies Participating in the Merger, Demerger, Acquisition, or Transfer of Shares: After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
- (6) Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the company shall sign an agreement with the non-public company whereby the latter is required to abide by the paragraph 2 (1) of this Article (Date of Board Meeting), paragraph 2(2) of this Article (Non-Disclosure Agreement), and paragraph 2 (5) of this Article (Change of the Number of the Companies Participating in the Merger, Demerger, Acquisition, or Acquisition of Shares).
- (7) When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for five years for reference:
- i. Basic identification data for personnel:
Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
 - ii. Dates of material events:
Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
 - iii. Important documents and minutes:
Including merger, demerger, acquisition, and share transfer plans,

any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

- (8) When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days commencing immediately from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in Paragraph 2, Sub-paragraph 7, Items a & b of this Article to the competent authorities for recordation.
- (9) Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of paragraph 2 (7) and (8).

Article 10 Information Transparency and Disclosure Procedure:

1. Items to be announced and the standards of announcement and declaration

- (1) Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds.
- (2) Merger, demerger, acquisition, or transfer of shares.
- (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
- (4) Where an asset transaction, other than any of those referred to in the preceding three subparagraphs, or investment in the mainland area reaches 20% or more of paid-in capital of the Company or NT\$300 million; provided, this shall not apply to the following circumstances:
 - i. Trading of government bonds.
 - ii. Trading of bonds under repurchase/resale agreements or subscription or redemption of domestic money market funds.
 - iii. Where the type of asset acquired or disposed is equipment for operational use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.
 - iv. Where real property is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to

build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction is less than NT\$500 million.

(5) The following are the ways to calculate the transaction amounts as mentioned in the preceding Sub-paragraphs 1 & 4, in which, the so-called within one year is calculated from one year ahead of the fact occurrence date of this transaction. However, the part which has been announced according to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” can be exempted from re-calculation.

- i. The amount of any individual transaction;
- ii. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within one year;
- iii. The cumulative transaction amount of real property acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within one year;
- iv. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within one year.

(6) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the competent authorities by the tenth day of each month.

2. Time limit for processing the announcement and declaration

For the assets acquired or disposed by the company requiring to be announced as regulated in Paragraph 1 of this Article and with the transaction amounts reaching the standards required to be announced and declared as regulated in this Article, the announcement and declaration shall be processed within two days commencing immediately from the date of occurrence of such transaction.

3. The announcement and declaration procedure

- (1) The Company shall post the related information on the website designated by the competent authorities as announcement and declaration.
- (2) When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety.
- (3) The Company acquiring or disposing of assets shall keep all relevant

contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company headquarters, where they shall be retained for five years except where another act provides otherwise.

- (4) Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with this Article, a public report of relevant information shall be made on the information reporting website designated by the competent authorities within two days from the day of occurrence of such event:
- i. Change, termination, or rescission of a contract signed in regard to the original transaction.
 - ii. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - iii. Change to the originally publicly announced and reported information.

Article 11 Announcement formats and contents:

The announcement formats and contents regarding asset acquisition or disposition shall be in compliance with the regulations stipulated by the competent authorities.

Article 12 For its subsidiaries, the company shall follow the regulations below to proceed with the necessary procedure:

The Company shall urge its subsidiaries to enact their own procedures for acquisition and disposal of assets in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and implement such procedures accordingly.

The Company shall give announcement and declaration if its subsidiaries are not the public listed companies and their acquired or disposed assets reach the standard requiring announcement and declaration. The so-called “reaching 20% of Company’s paid-in capital or 10% of the total assets.” as referred to in the announcement and declaration standard for the subsidiary is based on the Company’s paid-in capital or total assets.

Article 13 Penalty:

The Company’s employees violating this processing procedure and other related statutory laws and regulations shall be punished according to the reward and punishment in the company’s personnel regulations.

Article 14 Other matters

1. The professional appraiser issuing the appraisal report for the Company, CPA, attorney, and securities underwriting firms giving opinion lists for the Company, and the Company’s transaction involving parties shall not be the

related parties.

2. For the assets acquired or disposed through the court auction procedure, the Company may use the certificate documents issued by the court to replace the appraisal report or CPA's opinions.
3. For the items not included in the procedure, please follow the related statutory laws and regulations and the company's rules. If the original statutory laws, regulations and letter orders for the processing procedure of the acquisition or disposition of assets have been changed by the competent authorities, the Company shall follow the new statutory laws, regulations and letter orders accordingly.

Article 15 Enforcement and revision:

After the approval of the Board of Directors, the procedure shall be sent to all the Supervisors and submitted to the shareholders' meeting for approval before enforcement. The same also applies to revision. The data of any written or recorded objections from any of the Directors shall also be delivered to each Supervisor.

For the Company which has placed the Independent Director as statutorily regulated, the Independent Director's opinions shall be fully taken account when submitting the transaction of asset acquisition or disposition to the Board of Directors for discussion. If the independent director has any different opinions or qualified opinions, they shall be stated in the board meeting's minute book.

For the Company which has placed the audit committee as statutorily regulated, if the processing procedure for asset acquisition or disposition is required to be instituted or revised, it shall be approved by more than half of the audit committee members and submitted to the Board of Directors for the resolution.

If the preceding processing procedure fails to be approved by more than half of all the audit committee members, the approval of 2/3 of all the Directors can be replaced to pass the procedure. However, in this case, the resolution made by the audit committee members shall be stated in the Board meeting's minute book.

The calculation of the number of the above mentioned audit committee members and Directors is based on those who take office.

These Regulations regarding the Independent Director and audit committee in the processing procedure shall be enforced after the Company has them available.

Article 16 Additional Provisions

These Procedures were approved by the Board of Directors Meeting and entered into force on June 23, 1989.

The 1st amendment was approved by the Board of Directors Meeting and entered into force on September 19, 1991.

The 2nd amendment was adopted by the Board of Directors Meeting on June 22, 1995 and entered into force after it was approved by the Annual General

Shareholders' Meeting on March 27, 1996.

The 3rd amendment was approved by the Board of Directors Meeting on August 29, 1996 and entered into force after it was approved by the Annual General Shareholders' Meeting May 29, 1997.

The 4th amendment was approved by the Board of Directors Meeting on November 24, 1999 and approved by the Annual General Shareholders' Meeting on March 30, 2000.

The 5th amendment was approved by the Board of Directors Meeting on March 17, 2003 and entered into force after it was approved by the Annual General Shareholders' Meeting on June 10, 2003.

The 6th amendment approved by the Board of Directors Meeting on April 23, 2007 and entered into force after it was approved by the Annual General Shareholders' Meeting on June 15, 2007.

The 7th amendment was approved by the Board of Directors Meeting on July 23, 2008 and entered into force after it was approved by the Annual General Shareholders' Meeting on June 19, 2009.

The 8th Amendment was approved by the Board of Directors Meeting on April 30, 2012 and entered into force after it was approved by the Annual General Shareholders' Meeting on June 22, 2012.

The 9th amendment was adopted by the Board of Directors of the Company held on May 9, 2013 and entered into force after the approval by the General Shareholders Meeting on June 21, 2013.

The 10th Amendment was approved by the Board of Directors Meeting on May 8, 2014 and entered into force after it was approved by the Annual General Shareholders' Meeting on June 20, 2014.

Appendix 5

Procedures for Financial Derivatives Transactions of Compal Electronics, Inc.

Article 1 Objective

These Procedures for Financial Derivatives Transactions (hereinafter referred to as the “Procedures”) are enacted in accordance with applicable laws and regulations to protect shareholders’ rights and interest, fulfill the requirement of public disclosure of information and establish a risk management policy governing the operation of financial derivatives transactions by the Company.

Article 2 Definition

“Financial derivative” referred herein is defined as financial instrument having all of the following characters:

1. Its value changes in response to the changes in a specific variable (sometimes called the “underlying”), such as interest rate, foreign exchange rate, financial instrument price, commodity price, credit rating, price index, rate index or other variables.
2. It requires no initial net investment or an initial net investment that is smaller than would be required for other type of contracts that would be expected to have a similar response to changes in market factors;
3. It is settled at a future date.

Article 3 Principles and Strategies

When operating financial derivatives, the Company shall follow the principles and the operating strategies as follows:

1. Principles:
The Company’s financial derivative operation is mainly to eliminate currency risk, interest rate risk, etc. arising out of operating activities and shall take steady and hedging approach.
2. Strategies:
 - (1) Asset or liability positions currently held by the Company and those required in the future will be used as hedging operations in consideration of the future market changes.
 - (2) As a result of changes in the environment, engaging in financial derivative trading operations to avoid business financial risk and minimize the Company’s losses.

Article 4 Type of Instruments

The major financial derivatives operated by the Company in the financial market are listed below: Type of Instruments trading on the spot market	Forward Contract	Option	Swap
Exchange Rate	Forward Exchange Contract	FX Option	1. Currency Swap 2. Cross Currency Swap
Interest Rate	Forward Rate Agreement	Interest Rate Option	1. Interest Rate Swap 2. Cross Currency Swap

The Company's engagement in any other financial instruments not set forth above shall be subject to special approval of the Chairman.

Article 5 Boundary / Scope

Operations of financial derivatives by the Company shall fall within the scope of the following items:

1. Sales revenue.
2. Expenses for purchasing material, product and equipment.
3. Long-term and short-term loans.
4. Other operating and non-operating transactions.

Article 6 Responsibility

To facilitate the trading operations, the respective department concerned shall complete cash budget material on time or be responsible for implementation of relevant works.

Article 7 Level of Authority

1. Total Authorized Contract Dollar Amount
 - (1) Transactions to hedge exchange rate risk: The authorized dollar amount of total contracts outstanding shall not exceed the aggregate import and export amount of each relevant year.
 - (2) Transactions to hedge interest rate risk: The authorized dollar amount of total contracts outstanding shall not exceed the total amount of liabilities.
 - (3) Transactions to hedge project risk: The authorized dollar amount of total contracts outstanding shall not exceed total project budget.
2. Levels of authorization and delegation, contract amount limits and deputy appointment are handled in accordance with the "Authorization and Delegation Form" and applicable regulations.

Article 8 Operating Procedures

The "Operating Instructions to Engage in Financial Derivatives Transactions"

shall expressly set forth the operating procedures.

Article 9 Internal Control

1. Risk Management

(1) Credit Risk Control

The corresponding banks that the Company deals with should be the financial institutions with outstanding credit rating, sizable business and capable to provide professional information.

(2) Market/Price Risk Management

Considering the fact that the fluctuation in the market price of derivative products may result in loss, after conclusion of the position, it is required to strictly conform to the established stop-loss points for hedging and non-hedging transactions.

(3) Liquidity Risk Control

- i. Liquidity of Financial Products: It is necessary to consider whether the traded products are common and universal in the market.
- ii. Liquidity of Cash Flow: It is necessary to pay attention to the Company's cash flow from time to time to ensure the successful settlement upon maturity of the various transactions.

(4) Operating Risk Control

It is necessary to strictly comply with the authorized limit, operating procedure for transactions, and entry and control related to the transaction record.

(5) Legal Risk Control

Any contract in respect of transactions shall first be reviewed by the Legal Department before being signed to avoid any risk arising therefrom.

(6) Product Risk Control

Personnel in charge of operating financial derivatives must possess complete and accurate professional knowledge to avoid loss arising from the misuse of financial derivatives.

2. Internal Control

The purposes of internal control are to prevent and detect any unauthorized transactions, transactions beyond the scope of authorization, unrecorded transactions and unrecognized loss. Requirements are including the following:

- (1) The Company shall, in the name of the Company, officially inform the corresponding banks in writing of the trader being assigned. The same shall apply where the trader is changed.
- (2) After completion of each transaction, the form about transaction shall be filled in after completion of each transaction and forwarded to the Accounting Department for entry, and bank confirmation letter shall be subsequently provided to the Accounting Department for reference.

- (3) The functions of trading, confirmation and settlement shall be performed by different personnel. Each responsible personnel must not hold a concurrent post or acting as each other's deputy.
 - (4) Personnel responsible for confirmation shall check the transaction records truly and control the transaction positions.
 - (5) Accounting personnel shall check the account with the corresponding banks or ask for the statement of account periodically. .
 - (6) Audit and accounting personnel shall check whether the total transaction amount exceeds the total authorized contract amount under these Procedures from time to time.
 - (7) Audit personnel shall conduct an independent post-audit for the entire operation process of each trading.
3. Regular Evaluation
- (1) The department implementing the transactions shall require the respective corresponding bank to provide a list of pricing and price evaluation information about the undue transactions of each type of instruments.
 - (2) The department implementing the transactions will prepare an assessment report on each type of instruments based on such information accordingly.
 - (3) The assessment report shall be submitted to the high-level management authorized by the Board of Directors and the Accounting Department for review.
 - (4) The Board of Directors and the authorized high-level management authorized by the Board of Directors will handle this matter in accordance with Article 14 herein.

Article 10 Setting Stop-Loss Point

The loss ceilings of the total contracts and that of each individual contract for non-economic hedging operation are set as follows:

1. The loss ceiling of the total contracts: 5% of the total contracts dollar amount.
2. The loss ceiling of each individual contract: 5% of each individual contract dollar amount.

Article 11 Disciplinary Sanction

In case where an employee of the Company is in violation of these Procedures and other applicable laws and regulations, a proper disciplinary punishment may be imposed on such employee based on the seriousness of the case and in accordance with the Reward and Punishment Rules under the Regulations of Personnel Administration adopted by the Company.

Article 12 Public Announcement and Reporting

The reporting standard, content and deadlines for public announcement and reporting of financial derivative transactions shall be handled in accordance with regulations enacted by the competent authorities.

Article 13 Internal Audit

1. Internal audit personnel is required to evaluate the suitability of the internal control system in connection with financial derivative transactions on a regular basis, to conduct monthly auditing on how well the related departments follow these Procedures, and to produce report accordingly. Should there be any serious violation found, a written report must be submitted to each of Supervisors.
2. Internal audit personnel is required to submit the foresaid report and the implementation status of the annual audit plan to the competent authorities no later than the end of February in the following year and the unusual item improvement status to competent authorities for records no later than the end of May in the following year.

Article 14 Supervision and Management

1. The supervision and management conducted by the Board of Directors shall meet the following principles:
 - (1) Appointing high-level management to monitor and control the financial derivatives transaction risk from time to time.
 - (2) Evaluating regularly whether the financial derivatives performance meet the established business and operating strategies of the Company and whether the associated risks thereof have exceed the Company's risk tolerance.
2. The high-level management authorized by the Board of Directors shall manage the financial derivative transactions according to the following principles:
 - (1) Evaluating, on a regular basis, whether the risk management measures currently adopted by the Company is appropriate and whether the risk management measures are taken in accordance with these Procedures herein.
 - (2) Monitoring transactions and the status of profit and loss, taking necessary countermeasures and reporting to the Board of Directors immediately if abnormal events are detected. If the Company has established the position of Independent Directors, such Independent Director(s) must attend the Board of Directors' Meeting and express their comments.
3. Personnel authorized to engage in the financial derivatives transactions in accordance with these Procedures shall report the transaction status to the most recent Board of Directors afterward.

Article 15 Implementation and Amendment

These Procedures shall be adopted by the Board of Directors, be submitted to each Supervisor and entered into force after the approval of resolution by the Shareholders Meeting. If any Director expresses his/her dissent and such dissent is recorded in the minutes or a written statement of dissent is presented, the dissenting opinion shall be submitted to each Supervisor and reported to the Shareholders' Meeting for discussion. This paragraph applies to amendment of these Procedures.

Where the Company has established the position of Independent Director and when it submits these Procedures for Financial Derivatives Transactions to the Board of Directors' Meeting for discussion in accordance with the provisions prescribed herein, it shall take into full consideration the opinions of each Independent Director; Independent Directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be recorded in the minutes of the Board of Directors' Meeting.

The regulations regarding the Independent Director contained herein shall become enforceable upon the establishment of the Independent Director by the Company.

Article 16 Enactment of Operating Instructions

Detailed operating instructions are drafted by Financial Department and then decided by the Chairman duly authorized by the Board of Directors.

Article 17 Supplementary Provisions

These Procedures were approved by the Board of Directors' Meeting and entered into force on July 25, 1996.

The 1st amendment was adopted by the Board of Directors' Meeting on March 17, 2003 and was implemented after it was approved by the General Shareholders' Meeting on June 10, 2003.

The 2nd amendment was adopted by the Board of Directors' Meeting on February 16, 2006 and was implemented after it was approved by the General Shareholders Meeting on June 9, 2006.

The 3rd amendment was adopted by the Board of Directors' Meeting on April 30, 2012 and was implemented after it was approved by the General Shareholders' Meeting on June 22, 2012.

The 4th amendment was adopted by the Board of Directors' Meeting on May 8, 2014 and was implemented after it was approved by the General Shareholders' Meeting on June_20, 2014.

Appendix 6

Procedures for Endorsement and Guarantee of Compal Electronics, Inc.

Article 1 Purpose

To perfect the financial management of endorsement/guarantee by the Company to outside parties and to control the risk in operation, the following procedures, enacted in accordance with the applicable regulations announced by the competent authority, shall apply when providing endorsement and/or guarantee to outside parties.

Article 2 Definition and Scope

The terms "endorsements" or "guarantees" as used herein are defined as:

1. Financing endorsement and/or guarantee, including:
 - (1) Bill discount financing;
 - (2) Endorsement or guarantee made to meet the financing needs of another company;
 - (3) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.
2. Customs duty endorsement/guarantee which refers to an endorsement or guarantee for the company itself or another company with respect to customs duty matters.
3. Other endorsements/guarantees which refer to endorsements or guarantees beyond the scope of the preceding two Paragraphs.

Any creation by the Company of a pledge or mortgage on its assets and real assets as security for the loans of another company shall also comply with these Regulations.

Article 3 Object to be Provided Endorsement and/or Guarantee by the Company

1. The object to be provided endorsement and/or guarantee by the Company shall be limited as follows:
 - (4) Any company having business relationship with the Company;
 - (5) Any company in which the Company directly or indirectly holds 50% or more voting-right-shares or capital of such company; or
 - (6) Any company directly or indirectly holds 50% or more shareholding in the Company.
2. Between subsidiaries 90% owned or more, directly or indirectly, by the Company may provide endorsement and/or guarantee for each other.
3. If the Company fulfill its contractual obligations by providing mutual endorsement and/or guarantee for another Company in the same industry or

- for the co-builders for purposes of undertaking a construction project, or if shareholders make endorsement and/or guarantees for their jointly invested company in proportion to their shareholding percentages, such endorsements and/or guarantees such endorsements and/or guarantees shall be free of the restriction of the preceding Paragraphs (1) and (2).
4. The term “shareholding” as referred to in the preceding Paragraph means the Shareholding directly held by the Company or held through wholly owned subsidiaries.
 5. The terms “subsidiary” and “parent company” as used herein shall be determined in accordance with requirements of the competent authorities.

Article 4 Limited Amounts of Endorsement and Guarantee

The aggregate amount of endorsement and guarantee provided for by the Company or the Company together with its subsidiaries, and the total amount of endorsement/guarantee provided for a single enterprise by the Company or the Company and its subsidiaries is subject to the following limits:

1. The aggregate amount of endorsement/guarantee provided by the Company or the Company together with its subsidiaries shall not exceed 50% of net worth of the Company,
2. The total amount of endorsement/guarantee provided for a single enterprise by the Company or the Company together with its subsidiaries shall not exceed 25% of net worth of the Company. The total amount of endorsement/guarantee provided for a single enterprise having business relationship with the Company shall also meet the requirements set forth in Article 5, Paragraph 1 of the Procedures for Lending Funds to Other Parties adopted by the Company.
3. Between subsidiaries 90% owned or more, directly or indirectly, by the Company may provide endorsement and/or guarantee for each other, and the amount shall not exceed 10% of net worth of the Company. Between subsidiaries that are 100% directly or indirectly owned by the Company, the amount of endorsement/guarantee provided for each other is not subject to the 10% restriction as referred to in the foregoing provided, however, that such amount shall not exceed 25% of the net worth of the Company.
4. If a subsidiary to be provided endorsement/guarantee whose net worth is lower than 50% of its paid-in capital, the management and control shall be subject to the Enforcement Rules of the Procedures for Endorsement and Guarantee.
5. In the case of a subsidiary with shares of no par value or at a par value other than NT\$10, the amount of paid-in capital calculated in accordance with the preceding paragraph 4 shall be the sum of the capital contribution plus “share issuance premium under capital reserve item”.
6. The term “net worth” as used herein shall mean the “equity attributable to the owners of the parent company” stated in the most recent audited balance sheet

prepared in accordance with the requirements of the competent authorities.

Article 5 Decision-Making and Level of Authority

1. The limited amount of endorsement and/or guarantee delegated to the Chairman of Board shall not exceed 20% of respective endorsement and/or guarantee amount as referred to in the foregoing Article 4.
2. A pre-determined execution of endorsement/guarantee delegated to the Chairman of Board shall be submitted to the most upcoming Board of Directors' Meeting for ratification.
3. When providing guarantee to a foreign company, the guarantee letter should be executed by the person delegated by the Board of Directors of the Company.
4. Any subsidiary in which the Company directly or indirectly holds 90% or more voting-right-shares or capital of such subsidiary may make an endorsement and/or guarantee only after approved by a resolution of the Board of Directors of the Company. However, between direct or indirect wholly owned subsidiaries of the Company, the provision of endorsement and/or guarantee for each other is not subject to the foregoing restriction.
5. When providing endorsement and/or guarantee, if the required amount of endorsement and/or guarantee exceeds the limit as referred to in the foregoing Article 4 to accommodate business needs, a resolution of the Board of Directors shall be obtained and over half of all the Directors shall jointly endorse the potential loss that may be brought about by the excess of limit. The Board of Directors shall also revise these Procedures accordingly and forward these revised Procedures to the Shareholders' Meeting for ratification. If the revised Procedures are not ratified at the Shareholders' Meeting, the Board of Directors shall withdraw the excess portion within a period of time.

When submitting the relevant documents to the Board of Directors for discussion in accordance with the provision prescribed herein, it shall take into full consideration the opinions of each Independent Director; Independent Directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be recorded in the minutes of the Board of Directors' meeting.

Article 6 Procedures for Making Endorsement and/or Guarantee

1. Before providing endorsement and/or guarantee to others, the Company shall conduct a detailed review process, including:
 - (1) The necessity of and rationality of endorsement/guarantee;
 - (2) Credit status and risk assessment of the object to be provided endorsement and/or guarantee;
 - (3) Impact on the Company's business operations, financial condition, and shareholders' equity.
 - (4) Whether collateral must be obtained and appraisal of the value thereof.

2. The Company may make/revoke an endorsement/guarantee only after the evaluation results have been submitted to Board of Directors and approved by the Board of Directors.
3. The Company shall prepare a register book for recording the information about the entity for which the endorsement/guarantee is made, the endorsement/guarantee amount, the date of approval resolved by the Board of Directors or the date of pre-determined execution by the Chairman of the Board, the date that the endorsement/guarantee is made and the matters to be carefully evaluated as required by the applicable Regulations and/or Procedures.
4. The detail operating procedures shall be provided in the Enforcement Rules of the Procedures for Endorsement and Guarantee.
5. The Company shall evaluate or recognize the contingent loss of endorsements/guarantees and shall adequately disclose information on endorsements/ guarantees in its financial reports, and provide certified public accountants with relevant information for implementation of necessary audit procedures.

When submitting the relevant documents to the Board of Directors for discussion in accordance with the provision prescribed herein, it shall take into full consideration the opinions of each Independent Director; Independent Directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be recorded in the minutes of the Board of Directors' meeting.

Article 7 Procedures for Use and Custody of Corporate Seal

Seals exclusively for use of endorsement/guarantee shall be the seals officially registered with the Ministry of Economic Affairs. Such official seals shall be kept separately by special persons. Company's internal procedures must be followed for such sealing usage and the issuance of negotiable instruments. The appointment of seal custodian shall be approved by the Board of Directors. The procedure shall apply to the change in the seal custodian.

Article 8 Other matters

1. According to these Procedures, in the event that a party endorsed and/or guaranteed by the Company previously qualified but no longer qualifies or the endorsement and/or guarantee amount resulted in exceeding the credit limits due to the basis for calculation of such amount has changed, rectification plans must be prepared by the department in charge of such endorsement and/or guarantee. Such rectification plans shall be reexamined by the financial department and be submitted to each Supervisor of the Company for approval. The department in charge of the endorsement and guarantee shall conduct the rectification based on the planned time schedule.
2. The adoption and amendment to the "Procedures for Endorsement and Guarantee" by subsidiaries of the Company shall be handled in accordance

with the regulations published by the competent authorities and the endorsement and/or guarantee shall be provided in accordance with said Procedures.

Article 9 Public Announcement and Report

1. The accounting department shall prepare a statement of endorsement and guarantee provided for by the Company and its subsidiaries for previous month, and shall submit such statement to President and Chairman of the Board for review each month.
2. The accounting department shall announce and report the previous month's balance of endorsement/guarantee by the 10th day of each month.
3. If the amount of endorsement and guarantee reaches one of the following levels, the accounting department shall announce and report such event within the time period prescribed by the competent authorities:
 - (1) The aggregate amount of endorsement and guarantee provided for by the Company and its subsidiaries reaches 50% or more of the net worth of the Company,
 - (2) The amount of endorsement and guarantee provided for a single enterprise by the Company and its subsidiaries reaches 20% or more of the net worth of the Company,
 - (3) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 millions or more and the aggregate amount of all endorsements/guarantees for, investment of a long-term nature in, and balance of loans to, such enterprise reaches 30 percent or more of the Company's net worth.
 - (4) The newly increased aggregate amount of endorsement and guarantee provided for by the Company and its subsidiaries reaches NT\$ 30 Million and such amount exceeds 5% of the net worth of the CompanyIf any subsidiary of the Company is not an ROC public company, the Company shall announce and report on behalf of such subsidiary any matter that such subsidiary is required to announce and report pursuant to the foregoing Paragraph 3, Item 4.
4. The accounting department shall announce and report to the competent authorities the status of endorsement/guarantee by the subsidiaries of the Company in accordance with the provisions set forth in the foregoing Paragraph 2 &3.
5. In the event of any change in the applicable regulations, the public announcement and report shall be handled in accordance with the updated regulations.

Article 10 Penal Provision

If any employee of the Company violates these Procedures and/or other applicable laws and regulations, sanctions will be imposed on such employee

depending upon his/her severity level of such violation in accordance with the punishment procedures under the personnel administration rules of the Company.

Article 11 Implementation and Amendment

The Procedures shall be adopted by the Board of Directors, be submitted to each Supervisor and entered into force after the approval of resolution by the Shareholders Meeting. If any Director expresses his/her dissent and such dissent is recorded in the minutes or a written statement of dissent is presented, the dissenting opinion shall be submitted to each Supervisor and reported to the Shareholders' Meeting for discussion. The same procedure applies to amendment.

Where the Company has established the position of Independent Director and when it submits the Procedures for Endorsement and Guarantee to the Board of Directors for discussion in accordance with the provisions prescribed herein, it shall take into full consideration the opinions of each Independent Director; Independent Directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be recorded in the minutes of the Board of Directors' Meeting.

The regulations regarding the Independent Director and in the procedures shall be enforced after the Company has them available.

Article 12 Enactment of Enforcement Rules

Enforcement Rules for the Procedures of Endorsement and Guarantee shall be drafted by the financial department and approved for implementation by the Chairman duly authorized by the Board of Directors.

Article 13 Supplementary Provisions

These Procedures were adopted on April 3, 1990 and entered into force after the approval by the Board of Directors of the Company.

The 1st amendment was adopted by the Board of Directors of the Company held on January 31, 1991.

The 2nd amendment was adopted by the Board of Directors of the Company held on March 31, 1995.

The 3rd amendment was adopted by the Board of Directors of the Company held on March 31, 1997 and entered into force after the approval by the Annual General Shareholders Meeting on May 29, 1997.

The 4th amendment was adopted by the Board of Directors of the Company held on March 17, 2003 and entered into force after the approval by the Annual General Shareholders Meeting on June 10, 1997.

The 5th amendment was adopted by the Board of Directors of the Company held on February 21, 2006 and entered into force after the approval by the Annual General Shareholders Meeting on June 9, 2006.

The 6th amendment was adopted by the Board of Directors of the Company held on April 29, 2009 and entered into force after the approval by the Annual General Shareholders Meeting on June 19, 2009.

The 7th amendment was adopted by the Board of Directors of the Company held on April 28, 2010 and entered into force after the approval by the Annual General Shareholders Meeting on June 18, 2010.

The 8th amendment was adopted by the Board of Directors of the Company held on May 9, 2013 and entered into force after the approval by the General Shareholders Meeting on June 21, 2013.

Appendix 7

Procedures for Lending Funds to Other Parties of Compal Electronics, Inc.

Article 1 Purpose

To perfect the financial management of lending funds to others and to control the risk in operation, the following procedures, enacted in accordance with applicable regulations announced by the competent authority, shall apply when lending funds to others.

Article 2 Recipients of Fund Lending

Unless otherwise provided below, the Company shall not lend funds to its shareholder or any person:

1. Companies having business relationship with the Company;
2. Any of the following companies in need of funds for a short-term period:
 - (1) Subsidiaries having necessity of short-term financing for business operation;
 - (2) Other companies having necessity of short-term financing for business need.

Lend funds between overseas subsidiaries that are wholly owned, either directly or indirectly, by the Company are permitted.

Article 3 Reasons and Necessity of Fund Lending

1. For business operation need, a company or the satellite factory or subcontractor of the Company is necessary to increase its capital. Such company or the satellite factory or subcontractor of the Company applies for fund lending because of its insufficiency. After confirmed by the department in charge of fund lending, it shall report to the Company the application for fund lending.
2. Affiliates of the Company apply for fund lending to meet its business operation need. The term “affiliate” refers to any company invested by the Company.

Article 4 Total Amount of Fund Lending

1. The total amount for lending to a company having business relationship with the Company shall not exceed 50% of the net worth of the Company.
2. The total amount for lending to a company for funding for a short-term period shall not exceed 40% of the net worth of the Company.
3. Fund lending between overseas subsidiaries that are 100% directly or indirectly owned by the Company is not subject to the restriction stated in the preceding Paragraph 2 provided, however, that the total lending amount shall not exceed the net worth of the lending subsidiary.

Article 5 Lending Limit for Each Recipient

1. The total amount for lending to a company having business relationship with the

Company shall not exceed 80% of exceeds the total trading amount between the two in the most recent fiscal year or 80% of the forecast trading amount between the two companies in the then year. In addition, the lending amount shall be counted in the limit of endorsement and guarantee provided by the Company to such single entity.

2. The total amount for lending to a company for funding for a short-term period shall be no more than 80% of the net worth of the borrower and shall not exceed 50% of the total lending limit of the Company. In addition, the lending amount shall be counted in the limit of endorsement and guarantee provided by the Company to such single entity.
3. The Company may lend funds to a subsidiary wholly owned, directly or indirectly, by the Company without restriction on 80% of net worth as referred to in the foregoing two Paragraphs. However, the total lending amount to such subsidiary shall not exceed 50% of the total lending limit of the Company and such lending amount shall be counted in the limit of endorsement and guarantee provided to the Company to such subsidiary.
4. For the fund lending between the Company and its subsidiary or between the subsidiaries of the Company, the Board of Directors may authorize the Chairman to approve a revolving or parcel release credit facility within a specific credit limit granted by the Board of Directors to a single enterprise and the duration of such credit facility may not excess one year. The specific credit limit granted by such Board of Directors shall not exceed 10% of the net worth of the lending Company/subsidiary.
5. Fund leading between overseas subsidiaries that are 100% directly or indirectly owned by the Company is not subject to the 10% restriction as referred to in the preceding Paragraph 4.
6. The term “net worth” as used herein shall mean the “equity attributable to the owners of the parent company” stated in the most recent audited balance sheet prepared in accordance with the requirements of the competent authorities.
7. The terms “subsidiary” and “parent company” as used herein shall be determined in accordance with requirements of the competent authorities.

Article 6 Procedures for Fund lending

1. Any borrower, when applying for a loan from the Company, shall submit a request letter describing the purpose, duration, loan amount requested, terms of repayment, source of fund and collateral together with certain basic information and financial data. These documents will be forwarded to the financial department of the Company to facilitate the evaluation and credit checking after approved by the head of the department in charge of fund lending. The department in charge of fund lending will issue an evaluation report based on the credit check result and the evaluation report shall include:
 - (1) The necessity of and rationality of extending loans to others;
 - (2) Borrower’s credit status and risk assessment,

- (3) Impact on the company's business operations, financial condition, and shareholders' equity;
 - (4) Whether collateral must be obtained and appraisal of the value thereof.
2. If, after the credit evaluation, it is declined to extend funds to the borrower due to the borrower's bad credit or the improper purpose of fund lending, the financial department shall inform the borrower of its decline as soon as possible after the reasons for decline are submitted to the President and Chairman of the Board for review and approval. If, after the credit evaluation, the borrower's credit is good and the purpose of fund lending is appropriate, the financial department shall propose the fund lending conditions based on the credit evaluation report, submit the proposal to the President and Chairman of the Board for review after countersigned by the relevant departments, and then extend funds after the proposal is approved by the Board of Directors. Prior to the fund is extend, the borrower shall issue a promissory note to ensure the guarantee for the payment and value of such promissory note should be 1.2 times the amount of fund lending. Fund lending is not acceptable if the borrower's total liabilities are greater than the value of its total assets unless collateral of equivalent value is provided and the procedures of mortgage and/or pledge registration are completed so as to ensure that the Company's rights have been protected, or the Company holds 90% or more shareholding in the borrower.
 3. For collaterals, the borrower shall procure and maintain all risk insurance for vehicles, fire and allied perils insurance for other collaterals other than land and negotiable securities. The insured amount shall, in principle, be no less than the replacement cost value of these collaterals. In addition, the Company shall be designated as beneficiary in the insurance policy. The insured object, quantity, location and policy conditions must be consistent with the fund lending conditions of the Company.
 4. The department in charge of fund lending shall collect the borrowers' financial statements and fund utilization status month by month and submit them to the financial department. In the event of significant change in the borrower's financial status and fund utilization, the financial department shall promptly report to the President and Chairman of the Board, and take appropriate actions as per instructions.
 5. The financial department shall establish a fund lending register book detailing the borrowers, amounts, dates on which the Board of Directors approves the fund lending and result of credit evaluation (or evaluation report).
 6. The accounting department shall report to the competent authorities the information of fund lending to others in a proper format and within a prescribed time limit under the applicable laws and regulations.

When submitting the relevant documents to the Board of Directors for discussion in accordance with the provision prescribed herein, it shall take into full consideration

the opinions of each Independent Director; Independent Directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be recorded in the minutes of the Board of Directors' meeting.

Article 7 Duration of Fund Lending

1. Duration of each fund lending to a company, having business relationship with the Company and having necessity of short-term financing, shall not exceed six (6) months and may be extended for a maximum period of six (6) month as a result of business need and only after approval by the Board of Directors of the Company.
2. Duration of each lending fund to a subsidiary 100% owned, directly or indirectly, by the Company shall not exceed one (1) year.
3. The term of each fund lending between overseas subsidiaries that are 100% directly or indirectly owned by the Company shall not exceed two (2) years.

Article 8 Method of Interest Calculation

1. For fund lending to affiliates of the Company, the interest rate shall be adjusted variably based on the capital cost of the Company.
2. For fund lending to any companies other than affiliates of the Company, approved by the Board of Directors of the Company, the interest rate shall be adjusted variably based on the capital cost of the Company provided, however, that such interest rate shall not less than the rate on short-term accommodations.
3. The interest will be collected in accordance with the terms and conditions of the facility agreement.

Article 9 Repayment of Loans

Upon request of the borrower or the Company, the borrower or the Company is willing to repay or collect fund, the financial department shall take the following actions:

1. Making sure the amount of capital and accrued interest already paid by the borrower; and
2. De-registering the mortgage/pledge or return the collateral to the borrower after receiving approval from the President and Chairman of the Board.

Article 10 Procedures for Handling Overdue Loans

1. The so-called "overdue loans" refers to the loan has become mature and has not been paid off (including capital and interest) or the duration of such loan has not been extended in accordance with Article 7 herein.
2. In the event of overdue, the financial department shall immediately notify the department in charge of fund lending and the legal department to evaluate the borrower's financial and business status. If it is considered that the flow of funds is sufficient to cover the repayment, the Company may amend to the repayment terms under the original loan agreement after approval by the Board of Directors of the Company and shall obtain collateral of equivalent value if necessary.

- 3 In addition to the foregoing Paragraph, the financial department shall forthwith take the following actions:
- (1) The financial department shall check thoroughly any property that may be executed and apply for security procedure against such property in accordance of applicable laws if necessary;
 - (2) For overseas loans, if due to the change of foreign exchange policy by the foreign government, the repayment cannot be made as scheduled; it may be handled via a special project approved by the Board of Directors.
 - (3) Under any of the following circumstances, the overdue loans, after deducting the estimated collectable amount, should be written off as uncollectible bad debt; and report to the most upcoming Board of Directors and Supervisors.
 - i. All or part of the overdue loans cannot be repaid due to the dissolution, running away, compromise, declaration of bankruptcy or other reasons, and has received supporting documents from the competent authorities.
 - ii. The evaluated value of the collaterals is low or, after deducting the amount collected by exercising the priority mortgage/pledge over the collaterals by others, nothing left for repayment, or the execution cost is close to or even more than the collectable amount by the Company. There is no actual benefit in execution.
 - iii. Failure to sell the collaterals after several price reductions by public auctions.
 - iv. Default in loan repayment exceeds two years and it is unable to collect such repayment through collection procedure.

Article 11 Other Matters

1. If the qualification of borrowers does not meet the provisions set forth in these Procedures or the loan balance exceeds the limit as a result of change of circumstances, rectification plans must be prepared by the department in charge of the fund lending and such plans shall be reexamined by the financial department and then be submitted to the Supervisors for approval. The department in charge of the fund lending shall conduct the rectification based on the planned time schedule.
2. The adoption and amendment to the “Procedures for Lending Funds to Other Parties” by subsidiaries of the Company shall be handled in accordance with the regulations published by the competent authorities and their fund lending activities shall be handled in accordance with said Procedures.

Article 12 Public Announcement and Report

1. The accounting department shall prepare a statement of fund lending extended by the Company and its subsidiaries for previous month and submit such statement to President and Chairman of the Board for review each month.
2. The accounting department shall announce and report the previous month’s loan balance by the 10th day of each month.

3. If the loan balance reaches one of the following levels, the accounting department shall announce and report such event within the time period prescribed by the competent authorities:
 - (1) The aggregate balance of loans extended by the Company and its subsidiaries reaches 20% or more of the net worth of the Company;
 - (2) The balance of loans to a single enterprise extended by the Company and its subsidiaries reaches 10% or more of the net worth of the Company;
 - (3) The newly increased aggregate amount of loan extended by the Company and its subsidiaries reaches NT\$10 Million and such amount exceeds 2% of the net worth of the Company.

If any subsidiary of the Company is not an ROC public company, the Company shall announce and report on behalf of such subsidiary any matter that such subsidiary is required to announce and report pursuant to the foregoing Paragraph 3, Item 3.

4. The accounting department shall announce and report to the competent authorities the status of fund lending by the subsidiaries of the Company in accordance with the provisions set forth in the foregoing Paragraphs 2 & 3.
5. In the event of any change in the applicable regulations, the public announcement and report shall be handled in accordance with the updated regulations.

Article 13 Penal Provision

If any employee of the Company violates these Procedures and/or other applicable laws and regulations, sanctions will be imposed on such employee depending upon his/her severity level of such violation in accordance with the punishment procedures under the personnel administration rules of the Company.

Article 14 Implementation and Amendment

The Procedures shall be adopted by the Board of Directors, be submitted to each Supervisor and entered into force after the approval of resolution by the Shareholders Meeting. If any Director expresses his/her dissent and such dissent is recorded in the minutes or a written statement of dissent is presented, the dissenting opinion shall be submitted to each Supervisor and reported to the Shareholders' Meeting for discussion. The same procedure applies to amendment.

Where the Company has established the position of Independent Director and when it submits the Procedures for Lending Funds to Other Parties to the Board of Directors for discussion in accordance with the provisions herein, it shall take into full consideration each Independent Director's opinion; Independent Directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be recorded in the minutes of the Board of Directors' Meeting.

The regulations regarding the Independent Director and in the procedures shall be enforced after the Company has them available.

Article 15 Supplementary Provisions

These Procedures were adopted on April 3, 1990 and entered into force after the approval by the Board of Directors of the Company.

The 1st amendment was adopted by the Board of Directors of the Company held on January 31, 1991.

The 2nd amendment was adopted by the Board of Directors of the Company held on April 28, 1994 and entered into force after the approval by the Annual General Shareholders Meeting on March 31, 1995.

The 3rd amendment was adopted by the Board of Directors of the Company held on February 25, 2002.

The 4th amendment was adopted by the Board of Directors of the Company held on April 23, 2002.

The 5th amendment was adopted by the Board of Directors of the Company held on March 17, 2003 and entered into force after the approval by the Annual General Shareholders Meeting on June 10, 2003.

The 6th amendment was adopted by the Board of Directors of the Company held on April 21, 2004 and entered into force after the approval by the Annual General Shareholders Meeting on June 15, 2004.

The 7th amendment was adopted by the Board of Directors of the Company held on April 29, 2009 and entered into force after the approval by the Annual General Shareholders Meeting on June 19, 2009.

The 8th amendment was adopted by the Board of Directors of the Company held on April 28, 2010 and entered into force after the approval by the Annual General Shareholders Meeting on June 18, 2010.

The 9th amendment was adopted by the Board of Directors of the Company held on May 9, 2013 and entered into force after the approval by the General Shareholders Meeting on June 21, 2013.

Appendix 8

Compal Electronics, Inc. Shareholding of Directors and Supervisors

Book closure date: April 28, 2015

Position	Name	Shares
Chairman	Sheng-Hsiun Hsu	17,775,401
Vice Chairman	John Kevin Medica	3,061,452
Director	Jui-Tsung Chen	50,782,587
Director	Wen Being Hsu	4,000,000
Director	Kinpo Electronics, inc.	151,628,692
Director	Wen-Chung Shen	11,935,968
Director	Yung-Ching Chang	3,898,587
Director	Chung-Pin Wong	4,833,618
Director	Chiung-Chi Hsu	2,000,731
Director	Sean Martin Maloney	0
Director	Chao-Cheng Chen	4,850,000
Independent Director	Min Chih Hsuan	0
Independent Director	Duei Tsai	0
Independent Director	Duh Kung Tsai	0
Shareholding of all Directors		254,767,036
Supervisor	Charng-Chyi Ko	7,896,867
Supervisor	Yen-Chia Chou	8,022,874
Supervisor	Sheng-Chieh Hsu	9,119,297
Shareholding of all Supervisors		25,039,038

Note :

- The above mentioned shares includes the shares under trust with discretion reserved.
- In accordance with the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, where the paid-in capital of the company is more than NT\$10 billion but NT\$50 billion or less, the aggregate number of registered shares owned by all Directors shall not be less than three percent of the total issued shares; the aggregate number of registered shares owned by all Supervisors shall not be less than 0.3 percent of the total issued shares. The aggregate numbers of registered shares held by all Directors and Supervisors of Compal are listed below:
 - The aggregate number of the registered shares held by all Directors shall not less than 107,342,319 shares;
 - The aggregate number of the registered shares held by all Supervisors shall not less than 10,734,231 shares.

Appendix 7

The Impact of Non-compensated Distribution of Shares on the Company's Business Performance, Earnings Per Share, and Shareholder Return Rate: Inapplicable

The Company does not disclose the financial forecast of 2015; it is not required to produce this table.

Appendix 8

Other

Acceptance of proposals submitted by shareholders and receiving nomination of candidate of the Director at this Annual General Shareholders Meeting

- 1 In accordance with Article 172-1 of the Company Act, shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a general shareholders' meeting, provided that only one matter shall be allowed in each single proposal. The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words (including proposal, explanatory notes and punctuation marks), and any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the general shareholders' meeting where at his proposal is to be discussed and shall take part in the discussion of such proposal.
- 2 According to the Articles of Incorporation of the Company and Article 192-1 of the Company Act, the candidate nomination system has been adopted by the Company for the Director election. Any shareholder holding 1% or more of the total number of outstanding shares issued by the Company may submit to the Company in writing a roster of director candidates, provided that the total number of director candidates so nominated shall not exceed the quota of 1 Director to be elected.
- 3 The proposal and candidate nomination accepting period of 2015 Annual General Shareholders Meeting is from April 10, 2015 to April 20, 2015.
- 4 Nomination of director candidates for the 12th term of BOD is accepted by the Company during April 10-20, 2015. During such period of nomination acceptance, except the candidates proposed by the BOD, no other candidate is proposed by the shareholders.