

■ Functional Committees

• Audit Committee

Member of the Audit Committee is composed of 3 independent directors. The Audit Committee exists as an enhancement to the Company's supervisory and management function. It assists the Board of Directors in various decisions such as review of financial statement, internal control policy, internal audit, accounting policies and procedures, major asset transactions, appointment/dismissal/independence /suitability of certified public accountants, appointment/dismissal of chief accountant and chief auditor, etc., thereby ensuring that the Company operates in compliance with the competent authority's instructions and relevant laws.

Once the internal audit report and tracking report have been prepared and approved by Compal's Chief Auditor, he/she is presented to each independent director for review before the end of the month following the audit. Independent directors may contact the Chief Auditor at any time should they require further information on the audit task or follow-up progress. The Chief Auditor reports the Audit Committee on a quarterly basis regarding the audit progress, and engages participants in discussions during the meetings. Independent directors engage external auditors to discuss the outcome of the financial statement audit and other relevant legal issues at least once a year. Independent directors are also involved in decisions such as appointment, independence review, and suitability review of certified public accountants.

• Remuneration Committee

The remuneration committee of the Company is composed of 3 independent directors. Its responsibilities are to assist the Board in assessing and approving the remuneration levels of directors, supervisors and managers, so that the remuneration is combined with individual and company operating performance to achieve the rationality of remuneration and attract/retain talents.

The Company's procedure of determining remuneration not only takes into account the Company's overall operational performance but also includes employee's personal performance and their contribution to the Company's performance in order to determine a reasonable compensation. Relevant wages and compensations are reviewed by the Remuneration Committee and resolved by the Board of Directors. The Company will also be keeping a close eye on the current developments in the global economy, international financial environment and state of the industry in order to predict its operational development, profit status, operational risks and changes in pertinent regulations in the near future. In addition, to review the compensation system timely, thereby striving for an ideal balance between the goal of Company's sustainable operation and relevant risk management.

• Member of Committee

Title	Name	Audit Committee	Remuneration Committee
Independent Director	Min Chih Hsuan	V (Convener)	V (Convener)
Independent Director	Duei Tsai	V	V
Independent Director	Duh Kung Tsai	V	V