

Audit Committee

Member of the Audit Committee is composed of three 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 discusses with 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.

■The powers of the Committee are as follows:

1. The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
4. Matters in which a director is an interested party.
5. Asset transactions or derivatives trading of a material nature.
6. Loans of funds, endorsements, or provision of guarantees of a material nature.
7. The offering, issuance, or private placement of equity-type securities.
8. The hiring or dismissal of a certified public accountant, or their compensation.
9. The appointment or discharge of a financial, accounting, or internal audit officer.
10. Annual financial report which are signed or sealed by the chairperson, managerial officer, and accounting officer.
11. Business report, proposal for distribution of profits or covering of losses.
12. Other material matters as may be required by this Corporation or by the competent authority.

■Attendance of Members at Audit Committee Meetings

- The company's Audit Committee is composed of three independent directors.
- The term of the 2nd committee is from June 22, 2018 to August 27, 2021.
- The term of the 3rd committee is from August 27, 2021 to August 26, 2024.
- There were five Audit Committee meetings during 2021 (A). The attendance records of the Independent Directors are as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A]	Remarks
Convener	Min-Chih Hsuan	5	0	100%	-
Committee Member	Duei Tsai	5	0	100%	-
Committee Member	Wen-Chung Shen	2	0	100%	Inaugurated August 27, 2021
Committee Member	Duh Kung Tsai	3	0	100%	Stepped down August 27, 2021

1. 2010 Financial Statement, Business report, Proposal for distribution of profits
2. To change of independent auditor
3. To evaluate the CPAs' independence and competence for performing the financial report audit.
4. Election of the Committee convener and Chairman of the 3rd Audit Committee
5. Appointment of the Chief Strategy Officer, President, Accounting Officer, Financial Officer and Internal Audit Officer
6. A matter bearing on the personal interest of the Director and Manager
7. A material monetary loan and **providing** of Corporate Guaranty Letter
8. A material asset transaction.
9. Assessment of the design and operation effectiveness of the internal control system.
10. The defects, irregularities, and the status of corrections in the internal control system.
11. Annual audit plan for year 2022
12. Compliance with the relevant laws and regulations by the Corporation.

■Matters listed in Item 5, Article 14 of the Security Act:

Board of Directors Meeting	Content of discussion and actions taken in response	Matters listed in Item 5, Article 14 of the Security Act	Not approved by the Audit Committee but had the consent of more than two-thirds of all directors.	
18 th Meeting (13 th Term) 2021.3.26	1. To approve 2020 Audited Consolidated Financial Statements and Parent Company Only Financial Statements	V	No	
	2. To approve the Business Report for the year 2020	V	No	
	3. To approve the proposal for Distribution of Earnings for the year 2020	V	No	
	4. To approve the change of independent auditor	V	No	
	5. To evaluate CPAs' independence and competence of performing financial report audit.	V	No	
	6. To approve the proposal of donation to Hsu Chauing Social Welfare & Charity Foundation	V	No	
	7. To approve the proposal for providing Corporate Guaranty Letter to Quanta Computer Inc.	V	No	
	8. To approve the Internal Control System Statement for the year 2020	V	No	
	▲Resolution adopted by the Audit Committee (2021.3.26): Upon solicitation of comments by the Chairman, there was no objection addressed and the resolution was adopted unanimously by the Committee Members present.			
	▲Action taken by the Company in response to the opinion of the Audit Committee: • Except for motion 6 Upon solicitation of comments by the Chairman, there was no objection addressed and the resolution was adopted unanimously by the Directors present. • Motion 6 Chairman Sheng-Hsiung Hsu asked Independent Director Min Chih Hsuan to act as a deputy chairman to preside at this meeting for discussion and voting on this proposal. To avoid conflict of interest, Directors Sheng-Hsiung Hsu, and Chieh-Li Hsu, who are the spouse and the son to Chairman Li-Chu Tsai of Hsu Chauing Foundation, recuse and exclude themselves from discussion and voting on this proposal in accordance with the Company's Regulations Governing the Proceedings of Board of Directors Meetings. Upon solicitation of comments by the deputy chairman, there was no objection addressed and the resolution was adopted unanimously by the remaining Directors present •			

Board of Directors Meeting	Content of discussion and actions taken in response	Matters listed in Item 5, Article 14 of the Security Act	Not approved by the Audit Committee but had the consent of more than two-thirds of all directors.
19 th Meeting (13 th Term) 2021.5.12	1.To approve the release of non-competition restrictions for the managers	V	No
	2.To approve fund loan to 100% owned subsidiary Compalead Eletrônica do Brasil Indústria e Comércio Ltda.	V	No
	3.To approve fund loan to 100% owned subsidiary Compal Eletrônica Da Amazônia Ltda.	V	No
	▲ Resolution adopted by the Audit Committee (2021.5.12): Upon solicitation of comments by the Chairman, there was no objection addressed and the resolution was adopted unanimously by the Committee Members present.		
	▲ Action taken by the Company in response to the opinion of the Audit Committee: • Motion 1 An interested parties relationship existed between Directors Jui-Tsung Chen, Chung-Pin Wong. In order to avoid conflict of interest, these Directors excused themselves from discussion and voting on this proposal. Upon solicitation of comments by the Chairman of the meeting, there was no objection addressed and the resolution was adopted unanimously by the remaining Directors present. • Motion 2 and 3 Upon solicitation of comments by the Chairman, there was no objection addressed and the resolution was adopted unanimously by the Directors present.		
21 th Meeting (13 th Term) 2021.8.12	1.To approve for a loan to Henghao Technology Co. Ltd.	V	No
	2.To approve for a loan to Unicom Global, Inc.	V	No
	3.Proposal for providing a Corporate Guarantee Letter for Henghao Optoelectronics Technology (KunShan) Co., Ltd., a sub-subsidiary of the Company, to Huawei Device Co., Ltd., to be resolved.	V	No
	▲ Resolution adopted by the Audit Committee (2021.8.12): Upon solicitation of comments by the Chairman, there was no objection addressed and the resolution was adopted unanimously by the Committee Members present.		
	▲ Action taken by the Company in response to opinion of the Audit Committee: Upon solicitation of comments by the Chairman, there was no objection addressed and the resolution was adopted unanimously by the Directors present.		
1 st Meeting (14 th Term) 2021.8.27	1. Election of the Committee convener and the Chairman of the 3 rd Audit Committee	V	No
	2. To approve the appointment of Chief Strategy Officer	V	No
	3. To approve the appointment of President	V	No
	4. To approve the appointment of Accounting Officer	V	No
	5. To approve the appointment of Financial Officer	V	No
	6. To approve the appointment of Internal Audit Officer	V	No
	▲ Resolution adopted by the Audit Committee (2021.8.27): • Motion 1: Min-Chih Hsuan is elected by all members as the convener and Chairman of the Audit Committee. • Except for motion 1 Upon solicitation of comments by the Chairman, there was no objection addressed and the resolution was adopted unanimously by the Committee Members present.		

Board of Directors Meeting	Content of discussion and actions taken in response	Matters listed in Item 5, Article 14 of the Security Act	Not approved by the Audit Committee but had the consent of more than two-thirds of all directors.
	<p>▲ Action taken by the Company in response to the opinion of the Audit Committee:</p> <ul style="list-style-type: none"> • Motion 1: Not applicable (No request of the consent of the Board of Directors) • Motion 2 and 3 An interested party relationship existed in Directors Jui-Tsung Chen and Chung-Pin Wong, In order to avoid conflict of interest, the Director excused himself from discussion and voting on this proposal. Upon solicitation of comments by the Chairman of the meeting, there was no objection addressed and the resolution was adopted unanimously by the remaining Directors present. • Except for motion 2 and 3 Upon solicitation of comments by the Chairman, there was no objection addressed and the resolution was adopted unanimously by the Directors present. 		
2 nd Meeting (14 th Term) 2021.11.11	1. Proposal for providing Corporate Guaranty Letter to Lenovo PC HK Limited	V	No
	2. To approve the proposal of application for open tender	V	No
	3. To propose for approval of annual audit plan for year 2022	V	No
	▲ Resolution adopted by the Audit Committee (2021.11.11): Upon solicitation of comments by the Chairman, there was no objection addressed and the resolution was adopted unanimously by the Committee Members present.		
	▲ Action taken by the Company in response to opinion of the Audit Committee: Upon solicitation of comments by the Chairman, there was no objection addressed and the resolution was adopted unanimously by the Directors present.		

Note: With the exception of the aforementioned matter, other matters not approved by the Audit Committee but had the consent of more than two-thirds of all directors: None.

■ The actions of the independent directors with respect to the avoidance: None.