

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. Proposals for 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.

■ Committee Members

Title	Name	Qualifications and Experience
Convener	Min-Chih Hsuan	Honorary Doctorate, Department of Electrical Engineering, National Chiao Tung University Chairman, Vice Chairman, CEO and President, Honorary Vice Chairman of United Microelectronics Corp. The individual has rich knowledge and adequate experience in business operations, performance evaluation, investment, corporate merger/acquisition, which is extremely helpful to the company's development. The Independent Director possesses more than 30 years of work experience required for the business

Title	Name	Qualifications and Experience
		of the Company.
Committee Member	Duei Tsai	PhD, Graduate Institute of Electrical Engineering, National Taiwan University Independent Director of Taiwan High Speed Rail Corporation, TTY Biopharm Company Ltd., and General Biologicals Corp.. The individual has professional capability in the communications network field, and rich knowledge as well as adequate experience in the company management and information security protection, which will help the company strengthen relevant management measures. The Independent Director possesses more than 30 years of work experience required for the business of the Company.
Committee Member	Wen-Chung Shen	Department of Electrical Engineering, National Taiwan University Chairman of Her Tuo Co., Ltd., and Director and Executive Vice President of Compal The individual has rich knowledge and adequate experience in electronics industry, business operations, risk management, which is extremely helpful to the company's development. The Independent Director possesses more than 30 years of work experience required for the business of the Company.

■ **Attendance of Members at Audit Committee Meetings**

·The company's Audit Committee is composed of three independent directors.

·The term of the 3rd committee is from August 27, 2021 to August 26, 2024.

·There were five Audit Committee meetings during 2022 (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	5	0	100%	

■ **The major audit items of the Audit Committee in 2022 are as follows:**

1. The amendments to the internal control system pursuant.
2. The amendment to the Procedures for Acquisition or Disposal of Assets, Procedures for Lending Funds to Other Parties
3. Annual and interim financial reports, Business report, Proposal for distribution of profits
4. To evaluate the CPAs' independence and competence for performing the financial report audit.
5. Matters in which a Director is an interested party.
6. A material monetary loan and providing of Letter of Undertaking.
7. A material asset transaction.
8. Assessment of the design and operation effectiveness of the internal control system.
9. The defects, irregularities, and the status of corrections in the internal control system.
10. Annual audit plan for year 2023
11. 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.
3 rd Meeting (14 th Term) 2022.2.10	1.To approve for loan to Kinpo&Compal Group Assets Development Corporation	V	None
	2. To approve for the Company to acquire the common shares of Poindus Systems Corp. by public tender offer.	V	None
	▲ Resolution adopted by the Audit Committee (2022.2.10): 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 To avoid conflict of interest, Jui-Tsung Chen, Chung-Pin Wong, Sheng-Chieh Hsu, and Chieh-Li Hsu who are also acting as Directors of the Kinpo&Compal Group Assets Development Corporation avoided 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 chairman, there was no objection addressed and the resolution was adopted unanimously by the remaining Directors present. • Motion 2 Upon solicitation of comments by the Chairman, there was no objection addressed and the resolution was adopted unanimously by the Directors present.		
4 th Meeting (14 th Term) 2022.3.15	1. To approve 2021 Audited Consolidated Financial Statements and Parent Company Only Financial Statements	V	None
	2. To approve the Business Report for the year 2021	V	None
	3. To approve the proposal for Distribution of Earnings for the year 2021	V	None
	4. To evaluate CPAs’ independence and competence of performing financial report audit.	V	None
	5. To approve the Internal Control System Statement for the year 2021	V	None
	▲ Resolution adopted by the Audit Committee (2022.3.15): 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: Upon solicitation of comments by the Chairman, there was no objection addressed and the resolution was adopted unanimously by the Directors present.		
5 th Meeting (14 th Term) 2022.5.11	1. To approve the 1Q 2022 Consolidated Financial Review Report	V	None
	2. To approve the amendment to the “Procedures for Acquisition or Disposal of Assets”	V	None
	3. To approve the amendment to the “Procedures for Lending Funds to Other Parties”	V	None
	4.To approve the release of non-competition restrictions for the managers	V	None
	5. To approve fund loan to 100% owned subsidiary Compalead Eletrônica do Brasil Indústria e Comércio Ltda.	V	None
	6. To approve fund loan to 100% owned subsidiary Compal Eletrônica Da Amazônia Ltda.	V	None

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>7. To approve the execution of the investment agreement for the project of New Taipei City RuiFang District Medical and Long-Term Care Facility BOT+BTO Project</p> <p>▲ Resolution adopted by the Audit Committee (2022.5.11): Upon solicitation of comments by the Chairman, there was no objection addressed and the resolution was adopted unanimously by the Committee Members present.</p> <p>▲ Action taken by the Company in response to the opinion of the Audit Committee:</p> <ul style="list-style-type: none"> • Except for motion 4 and 8 Upon solicitation of comments by the Chairman, there was no objection addressed and the resolution was adopted unanimously by the Committee Members present. • Motion 4 An interested party relationship existed in 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 8 Chairman <u>Sheng-Hsiung Hsu</u> asked <u>Independent Director Min-Chih Hsuan</u> to act as a deputy chairman to preside at this meeting for discussion and voting on this proposal. To avoid conflict of interest, <u>Directors Directors Jui-Tsung Chen, Chieh-Li Hsu, Chung-Pin Wong</u> who are also acting as Director of the Raypal, Director Sheng-Hsiung Hsu, the Father-son relationship, who is relatives within first degree, of kinship of the Director Chieh-Li Hsu of Raypal, Director Jui-Tsung Chen, the Father-son relationship, who is relatives within first degree, of kinship of the Director Douglass Chen of Raypal, 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 	V	None
6 th Meeting (14 th Term) 2022.8.12	1. To approve the 1H 2022 Consolidated Financial Review Report	V	None
	2. To approve for a loan to Henghao Technology Co. Ltd.	V	None
	3. To approve for a loan to Unicom Global, Inc.	V	None
	4. To approve the Company to adjust the lending interest rate and interest payment date of the capital loan to the subsidiaries	V	None
	<p>▲ Resolution adopted by the Audit Committee (2022.8.12): Upon solicitation of comments by the Chairman, there was no objection addressed and the resolution was adopted unanimously by the Committee Members present.</p> <p>▲ 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.</p>		
7 th Meeting (14 th Term) 2022.11.11	1. To approve the 3Q 2022 Consolidated Financial Statements	V	None
	2. To approve the amendment to the "Internal Control System"	V	None
	3. To approve to indirectly invest in the	V	None

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.
	establishment of a Vietnamese subsidiary and obtain the land use rights by the subsidiary.		
	4.To approve the proposal of the subsidiary’s planned gross project budget of the leased land and commissioned to build the new group operating headquarters building	V	None
	5.To approve the issuance of Letter of Undertaking by the Company to facilitate its subsidiary in obtaining credit facilities from financial institution	V	None
	6.To propose for approval of annual audit plan for year 2023	V	None
	<p>▲ Resolution adopted by the Audit Committee (2022.11.11): Upon solicitation of comments by the Chairman, there was no objection addressed and the resolution was adopted unanimously by the Committee Members present.</p>		
	<p>▲ Action taken by the Company in response to opinion of the Audit Committee:</p> <ul style="list-style-type: none"> • Except for motion 4 and 5 Upon solicitation of comments by the Chairman, there was no objection addressed and the resolution was adopted unanimously by the Directors present. • Motion 4 Chairman Sheng-Hsiung Hsu asked the Independent Director Min Chih Hsuan to act as a deputy chairman to preside at this meeting for discussion and voting on this proposal. Directors of the Company, Jui-Tsung Chen, Chung-Pin Wong, Sheng-Chieh Hsu, and Chieh-Li Hsu are also acting as Directors of Kinpo&Compal Group Assets Development Corporation. In addition, Sheng-Hsiung Hsu and Sheng-Chieh Hsu are second cousins (brothers), Sheng-Hsiung Hsu and Chieh-Li Hsu are first cousins (father and son). To avoid conflict of interest, they 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 chairman, there was no objection addressed and the resolution was adopted unanimously by the remaining Directors present. • Motion 5 Chairman Sheng-Hsiung Hsu asked the Independent Director Min Chih Hsuan to act as a deputy chairman to preside at this meeting for discussion and voting on this proposal. Directors of the Company, Jui-Tsung Chen, Chung-Pin Wong, Sheng-Chieh Hsu, and Chieh-Li Hsu are also acting as Directors of Kinpo&Compal Group Assets Development Corporation. In addition, Sheng-Hsiung Hsu and Sheng-Chieh Hsu are second cousins (brothers), Sheng-Hsiung Hsu and Chieh-Li Hsu are first cousins (father and son). To avoid conflict of interest, they 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 chairman, there was no objection addressed and the resolution was adopted unanimously by the remaining 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.