

## ■ The actual performance of the corporate governance unit

Vice President Gary Lu has been appointed to take charge of and supervise affairs pertaining to corporate governance in accordance with the Company's "Corporate Governance Guidelines", while the HQ Accounting Department is assigned as the Company's responsible unit for corporate governance to handle relevant affairs. Vice President Gary Lu and designated persons responsible for corporate governance have more than 25 years experience in stock affairs and related management of publicly traded companies. They are primarily responsible for handling corporate governance affairs, including arranging director and shareholder meetings as required by pertinent regulations, taking the meeting minutes for board of directors' meeting/shareholders' meeting, processing changes in company registration, examining and revising the Company's corporate governance guidelines and relevant procedures periodically, and providing the requisite information/data to independent directors or Audit Committee to perform their duties and to ensure legal compliance so as to improve disclosure transparency, safeguard shareholder rights and better corporate governance.

## ■ The status of Compal's corporate governance unit operations for 2017 was as follows:

- Compiled and prepared relevant documents needed for the Audit Committee and the Board of Directors' Meetings in accordance with pertinent regulations and operational/financial needs; and be responsible for coordination of relevant units and coordination of proposal making from different relevant units.
- Pursuant to amendments to pertinent regulations and operations needs, partial revisions have been made to the "Corporate Governance Best-Practice Procedures", "Procedures for Acquisition or Disposal of Assets", "Board of Directors Meeting Guidelines", "Audit Committee Procedures", and "The Responsibilities and Rules for Independent Directors", all of which have been submitted to the Board of Directors for approval.
- Cancelled and changed the registration for new restricted employee shares because the criteria were not met by the intended employees.
- Planned the communication meeting between Independent Directors, Internal Audit Supervisors and CPA to have the Audit Committee determine the independence and fitness of the CPA engaged by the Company as a measure to ensure sound corporate governance. For the records of the communication meetings, access Compal's website.
- Pursuant to "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies", Compal has advocated and encouraged Directors to take part in the courses on pertinent regulations offered by subsidiary Kinpo Group Management Consultant Company or by external professional organizations.
- Disclosed and announced important information in conjunction with Board of Directors Meetings, Shareholders Meetings, financial and sales information; in addition, the Company has also hosted investor conferences on a quarterly basis and has been invited to attend domestic/overseas investor conferences to help investors better understand the Company's status of operation.
- Registered the date for Shareholders Meetings as required by law; prepared meeting notifications within the scheduled deadline, meeting handbook and meeting minutes; coordinated relevant units, agents for stock affairs, CPA, attorneys and so forth.
- Contents on the chapter for corporate governance – responsible for the collection of data, compilation of stock affairs data, coordination of different units and editing.
- Corporate governance evaluation – responsible for the collection of data, compilation of stock affairs data, coordination of different units and website maintenance.
- The Company has offered liability coverage for directors, supervisors and managers. The amount for their liability insurance in 2017 came to USD 50,000 thousand, which was roughly equivalent to NTD 1,499,750 thousand. Vital information relating to their liability insurance was reported to the Board of Directors on March 6, 2018.

■ The status of Compal's corporate governance unit operations for 2018 is as follows:

- Compiled and prepared relevant documents needed for the Audit Committee and the Board of Directors' Meetings in accordance with pertinent regulations and operational/financial needs; and be responsible for coordination of relevant units and coordination of proposal making from different relevant units.
- Pursuant to business operation needs, partial revisions have been made to the "Corporate Social Responsibility Committee Organizational Rules" has been made and submitted to the Board of Directors for approval.
- Cancelled and changed the registration for new restricted employee shares because the criteria were not met by the intended employees.
- Planned the communication meeting between Independent Directors, Internal Audit Supervisors and CPA to have the Audit Committee determine the independence and fitness of the CPA engaged by the Company as a measure to ensure sound corporate governance. For the records of the communication meetings, access Compal's website.
- Pursuant to "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies", Compal has advocated and encouraged Directors to take part in the courses on pertinent regulations offered by subsidiary Kinpo Group Management Consultant Company or by external professional organizations.
- Disclosed and announced important information in conjunction with Board of Directors Meetings, Shareholders Meetings, financial and sales information; in addition, the Company has also held investor conferences at least two times annually, and has been invited to attend domestic/overseas investor conferences to help investors better understand the Company's status of operation.
- Registered the date for Shareholders Meetings as required by law; prepared meeting notifications within the scheduled deadline, meeting handbook and meeting minutes; 13<sup>th</sup> term directors election and filing; coordinated relevant units, agents for stock affairs, CPA, attorneys and so forth.
- Contents on the chapter for corporate governance – responsible for the collection of data, compilation of stock affairs data, coordination of different units and editing.
- Corporate governance evaluation – responsible for the collection of data, compilation of stock affairs data, coordination of different units and website maintenance.
- The Company has offered liability coverage for directors, supervisors and managers. The amount for their liability insurance in 2018 came to USD 50,000 thousand, which was roughly equivalent to NTD 1,541,500 thousand. Vital information relating to their liability insurance was reported to the Board of Directors on the nearest meeting of the Board of Directors.