

The actual performance of the corporate governance unit

Board of Directors' Meeting approved the appointment to Vice President Cheng- Chiang Wang be of the Corporate Governance Officer, taking charge of and supervising affairs pertaining to corporate governance in accordance with the Company's "Corporate Governance Guidelines", while the BOD secretariat Department is assigned as the Company's responsible unit for corporate governance to handle relevant affairs. Vice President Cheng-Chiang Wang and designated persons responsible for corporate governance have more than 25 years of experience in stock affairs and related management of publicly traded companies. They are primarily responsible for handling corporate governance affairs, such as handling matters relating to board meetings and shareholders meetings according to the laws, producing minutes of board meetings and shareholders meetings, assisting in onboarding and continuous development of directors, furnishing information required for duty execution by directors and members of the audit committee, ensuring legal compliance and taking other matters set out in the articles of corporation or contracts, periodically examining and revising the Company's corporate governance guidelines and relevant procedures, improving disclosure transparency, safeguarding shareholder rights and promoting better corporate governance.

■ 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; 13th 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.

■ The status of Compal’s corporate governance unit operations for 2019 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 amendments to pertinent regulations, operations needs and corporate governance, partial revisions have been made to the “Articles of Incorporation”, “Procedures for Acquisition or Disposal of Assets”, “Procedures for Financial Derivatives Transactions”, “Procedures for Endorsement and Guarantee”, “Procedures for Lending Funds to Other Parties”, “Corporate Governance Best-Practice Principles”, “Rules and Procedures for Board of Directors Meetings”, “Ethical Corporate Management Best Practice Principles” and the company formulates policies that are based on integrity accordingly, all of which have been submitted to the Board of Directors for approval.
- 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 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 2019 came to USD 50,000 thousand, which was roughly equivalent to NTD 1,525,000 thousand. Vital information relating to their liability insurance was reported to the Board of Directors on the nearest meeting of the Board of Directors.

■ Continuing education for Corporate Governance Officer

- Corporate Governance Officer: Vice President Cheng-Chiang Wang
- Date of first appointment: May 13, 2019

Host Institution	Course title	Date of training	Hours of training
Accounting Research and Development Foundation	Practices of corporate governance: Compliance for listed companies in the matter of appointment of independent directors & audit committees	2019/08/21	3
Taiwan Corporate Governance Association	Key audit matters and corresponding strategies for the board of directors to learn	2019/11/1	3
Accounting Research and Development Foundation	Application and legal liability in Business Judgment Rule under economic crime	2019/12/9	3
Accounting Research and Development Foundation	Rules and practices in compliance with the Corporate Governance Roadmap 2018~2020	2019/12/9	3
Taiwan Corporate Governance Association	Practices of exercising powers by the Audit Committee	2019/12/13	3