



Delta Electronics, Inc.
The Implementation of Corporate Governance

| Appraisal Items | Implementation Status | | | Deviations from Corporate Governance Best-Practice Principles for TWSE- TPEX-listed Companies and Reason(s) |
|---|-----------------------|----|---|---|
| | Yes | No | Summary Description | |
| 1. Has the company set up and disclosed the principles for practicing corporate governance according to the “Corporate Governance Best-Practice Principles for TWSE-TPEX-listed Companies?” | √ | | The Company has set up the “Corporate Governance Best Practice Principles” which has been disclosed to stakeholders and posted on the Company’s official website under the Corporate Governance section. | Compliance with the Corporate Governance Best-Practice Principles for TWSE-TPEX-listed Companies |
| 2. The Company’s ownership structure and shareholders’ rights | | | | Compliance with the Corporate Governance Best-Practice Principles for TWSE-TPEX-listed Companies |
| (1) Does the company have internal procedures for handling shareholders’ suggestions, queries, disputes and litigation matters and have these procedures been implemented accordingly? | √ | | The Company has assigned spokesperson and acting spokesperson, investor service, investor relations unit and their contact information are disclosed on the Company’s official website so shareholders can express their opinions by phone or email. The Company in turn handles the issues according to relevant procedures. | |
| (2) Does the company have a list of major shareholders and beneficial owners of these major shareholders? | √ | | The major shareholders of the Company report changes in shareholding to the Company every month pursuant to the law. The list of top 10 shareholders is also disclosed in the annual report every year. | |
| (3) Has the company established and implemented risk | √ | | The finance related business dealings of the Company and its affiliates are independent as well as bank transactions | |

| Appraisal Items | Implementation Status | | | Deviations from Corporate Governance Best-Practice Principles for TWSE- TPEX-listed Companies and Reason(s) |
|---|-----------------------|----|--|---|
| | Yes | No | Summary Description | |
| control/management and firewall mechanisms between the company and its affiliated companies? | | | and credit usages. The receivables and payables among the Company's affiliates are settled on time. | |
| (4) Has the company established internal rules and regulations prohibiting the company's personnel from taking advantage of information that has not been disclosed to the public to purchase or sell securities? | √ | | The Company has established its Ethical Corporate Management Best Practice Principles, Code of Conduct and Procedures for Handling Material Inside Information that regulate the Company's personnel with respect to situations related to their duties that may give rise to the conflicts of interest and prohibit using undisclosed information or divulging in order to prevent insider trading. | |
| 3. The composition and duties of the Board of Directors (1) Has the company established and implemented a diversification policy for the composition of its Board of Directors? | √ | | According to Article 20.3 of the Company's Corporate Governance Best Practice Principles, the composition of the Board of Directors shall be determined by taking diversity into consideration, such as having different professional background, working field or gender etc., and shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities: 1. Ability to make operational judgments. 2. Ability to perform accounting and financial analysis. 3. Ability to conduct management administration. 4. Ability to conduct crisis management. 5. Knowledge of the industry. | Compliance with the Corporate Governance Best-Practice Principles for TWSE-TPEX-listed Companies |

| Appraisal Items | Implementation Status | | | Deviations from Corporate Governance Best-Practice Principles for TWSE- TPEX-listed Companies and Reason(s) |
|-----------------|-----------------------|----|--|---|
| | Yes | No | Summary Description | |
| | | | <p>6. An international market perspective.</p> <p>7. Ability to lead.</p> <p>8. Ability to make policy decisions.</p> <p>The implementation of diversity of the Board of Directors' members is showed in Note. 1.</p> <p>The Board of Directors of the Company is made up of 11 directors including 4 independent directors and the proportion of the independent directors constitutes 36% of the Board. Besides, there are 5 directors who are also employees of the Company constituting 45% of all directors. The chairman is Mr. Yancey Hai, who leads the Board in implementing a good Board governance mechanism, improving supervision and strengthening its management function.</p> <p>1. In order to implement a good Board governance mechanism, the diversity and professionalism of the Board members need to be considered:</p> <p>(1) Diversity of Board members</p> <p>Goal: As stated in the "Director Election Regulations" and "Corporate Governance Best Practice Principles", the appointment of directors should consider the overall composition of the Board of Directors. The composition of Board members should be diversified, such as having different professional backgrounds, fields of work or genders; as well as different knowledge, skills and attainment required for executive duties.</p> | |

| Appraisal Items | Implementation Status | | | Deviations from Corporate Governance Best-Practice Principles for TWSE- TPEX-listed Companies and Reason(s) |
|-----------------|-----------------------|----|--|---|
| | Yes | No | Summary Description | |
| | | | <p>Achievement: The Board members have work experiences in the fields of commerce, finance, accounting or necessary for the business of the Company and have the professional backgrounds including control engineering, electrical engineering, materials science and engineering, accounting and management and other fields, which enable performance of strategic management functions.</p> <p>(2)Professionalism of Board members</p> <p>Goal: The overall consideration for the election of the Board of Directors of the Company includes operational judgment and management capabilities, accounting and financial analytical capabilities, crisis management capabilities, industry knowledge, international market outlook, leadership, and decision-making capabilities. In order to enhance the overall knowledge of the Company's highest management unit on economic, environmental and social issues, the Company invites external lecturers to hold internal training sessions annually, or arranges external training sessions for directors.</p> <p>Achievement: In 2018, the Company invites directors to participate in the internal training sessions on the impact of tax reform on Delta group; and the introduction of (EG) GDPR and personal</p> | |

| Appraisal Items | Implementation Status | | | Deviations from Corporate Governance Best-Practice Principles for TWSE- TPEX-listed Companies and Reason(s) |
|-----------------|-----------------------|----|---|---|
| | Yes | No | Summary Description | |
| | | | <p>data protection rules in China new regulations on the protection of personal data.</p> <p>2. In order to improve the supervision function of the Board of Directors, increasing frequency of Board meetings is necessary to be considered:</p> <p>Goal: The Company's Board of Directors meets at least once a quarter to review business performance and discuss key strategic issues.</p> <p>Achievement: In 2018, the Board meetings were held five times, with an average attendance rate of 94.92%.</p> <p>3. In order to strengthen management functions of the Board of Directors, increasing the efficiency of the Board of Directors is necessary to be considered:</p> <p>Goal: In 2016, the Board of Directors passed a resolution to establish the "Rules of Performance Evaluation of the Board of Directors", which assesses an internal board performance evaluation at least once a year. The amendment to the "Rules of Performance Evaluation of the Board of Directors" also passed by the Board of Directors of Company on April 29, 2019 regarding the Company's board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years.</p> <p>Achievement:</p> <p>(1) At the beginning of 2019, the Board of Directors has completed the self-evaluation</p> | |

| Appraisal Items | Implementation Status | | | Deviations from Corporate Governance Best-Practice Principles for TWSE- TPEX-listed Companies and Reason(s) |
|---|-----------------------|----|---|---|
| | Yes | No | Summary Description | |
| | | | <p>questionnaire for its 2018 performance, and the result has been published on the Company website under "Corporate Governance" for public access.</p> <p>(2) This year, the Company invited external independent professional institution to conduct the performance evaluation of the Board of Directors. The evaluation will be completed by the end of first quarter in 2020 and the result will be published on the Company website under "Corporate Governance" for public access.</p> | |
| (2) In addition to establishing a Compensation Committee and an Audit Committee, which are required by law, does the company voluntarily establish other types of functional committees? | √ | | The Company has set up an Strategic Steering Committee led by the chairman of the board which is responsible for analyzing and discussing major issues related to company strategies, operations, organization, etc., and providing advice and suggestions to the Board of Directors and executives with regard to decision-making and implementation. | |
| (3) Has the Company established methods for performance evaluation of the Board of Directors as well as actual procedures for executing the evaluation? If so, has the Company executed evaluation of the | √ | | 1. On October 27, 2016, the Company established the "Rules of Performance Evaluation of the Board of Directors", which assesses an internal board performance evaluation at least once a year. The investor service team of the Company was in charge of the self-evaluation of the Board performance in the latest fiscal year by using questionnaire survey upon the Rules of Performance Evaluation of the Board of Directors amended on October 29, 2019: | |

| Appraisal Items | Implementation Status | | | Deviations from Corporate Governance Best-Practice Principles for TWSE- TPEX-listed Companies and Reason(s) |
|------------------------------------|-----------------------|----|--|---|
| | Yes | No | Summary Description | |
| performance of the Board annually? | | | <p><u>Evaluation Method:</u> inclusive of the internal evaluation of the board, self-evaluation by each board member, peer evaluation, or other appropriate methods.</p> <p><u>Evaluation Criteria:</u></p> <p>(1) the Company takes the following five aspects into consideration for evaluating the performance of the board of directors:</p> <ul style="list-style-type: none"> i Participation in the operation of the Company; ii Improvement of the quality of the board of directors' decision making; iii Composition and structure of the board of directors; iv Election and continuing education of the directors; and v Internal control. <p>(2) the Company takes the following six aspects into consideration for evaluating the performance of the board members:</p> <ul style="list-style-type: none"> i Familiarity with the goals and missions of the Company; ii Awareness of the duties of a director; iii Participation in the operation of the Company; iv Management and communication of internal relationship; v The director's profession and continuing education; and vi Internal control. <p>Assessing results: the Self-Evaluation of Board Performance completed on March 11, 2019 and</p> | |

| Appraisal Items | Implementation Status | | | Deviations from Corporate Governance Best-Practice Principles for TWSE- TPEX-listed Companies and Reason(s) |
|-----------------|-----------------------|----|---|---|
| | Yes | No | Summary Description | |
| | | | <p>reported to the Board of Directors on April 29, 2019 for review and improvement. The assessing results of 2018 self-evaluation of Board performance are as follows:</p> <p>(1) Weighted average scores for the performance of the board of directors: 3.83 scores out of 4 scores.</p> <p>(2) Weighted average scores for the performance of the board members: 3.66 scores out of 4 scores.</p> <p>The aspect of awareness of the duties of a director-well understood of the legal obligation has enhanced compared to the previous year, but this aspect related to legislative and regulatory advocacy still need to be improved through offering relevant laws and regulations.</p> <p>In conclusion, the assessing results of 2018 self-evaluation of Board performance shows the performance of the Board of Directors in running an effective and proper operation.</p> <p>2. The amendment to the "Rules of Performance Evaluation of the Board of Directors" approved by the Board of Directors of Company on April 29, 2019 regarding the Company's board performance evaluation being conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years.</p> <p><u>Evaluation Frequency</u>: the Company shall conduct an internal board performance evaluation at least once a year. The Company's board performance evaluation shall be conducted by an external independent</p> | |

| Appraisal Items | Implementation Status | | | Deviations from Corporate Governance Best-Practice Principles for TWSE- TPEX-listed Companies and Reason(s) |
|-----------------|-----------------------|----|--|---|
| | Yes | No | Summary Description | |
| | | | <p>professional institution or a panel of external experts and scholars at least once every three years.</p> <p><u>Evaluated Parties:</u> the evaluated parties include the board as a whole, individual directors, audit committee and compensation committee.</p> <p><u>Evaluation Method:</u> inclusive of the internal evaluation of the board, self-evaluation by each board member, peer evaluation, and evaluation by appointed external professional institutions, experts, or other appropriate methods.</p> <p><u>Evaluation Criteria:</u></p> <p>(1) the Company takes the following five aspects into consideration for evaluating the performance of the board of directors:</p> <ul style="list-style-type: none"> i Participation in the operation of the Company; ii Improvement of the quality of the board of directors' decision making; iii Composition and structure of the board of directors; iv Election and continuing education of the directors; and v Internal control. <p>(2) the Company takes the following six aspects into consideration for evaluating the performance of the board members:</p> <ul style="list-style-type: none"> i Familiarity with the goals and missions of the Company; ii Awareness of the duties of a director; iii Participation in the operation of the Company; | |

| Appraisal Items | Implementation Status | | | Deviations from Corporate Governance Best-Practice Principles for TWSE- TPEX-listed Companies and Reason(s) |
|-----------------|-----------------------|----|---|---|
| | Yes | No | Summary Description | |
| | | | <ul style="list-style-type: none"> iv Management and communication of internal relationship; v The director's profession and continuing education; and vi Internal control. <p>(3) the criteria for evaluating the performance of the audit committee shall at least include the following five aspects:</p> <ul style="list-style-type: none"> i Participation in the operation of the company; ii Awareness of the duties of the audit committee; iii Improvement of quality of decisions made by the audit committee; iv Makeup of the audit committee and election of its members; and v Internal control. <p>(4) the criteria for evaluating the performance of the compensation committee shall at least include the following four aspects:</p> <ul style="list-style-type: none"> i Participation in the operation of the company; ii Awareness of the duties of the compensation committee; iii Improvement of quality of decisions made by the compensation committee; iv Makeup of the compensation committee and election of its members <p>3. The "Performance Evaluation of the Board of Directors" and "assessing results of 2018 self-evaluation of board performance" have been disclosed on the Company's website. Please refer to the appendix I for the</p> | |

| Appraisal Items | Implementation Status | | | Deviations from Corporate Governance Best-Practice Principles for TWSE- TPEX-listed Companies and Reason(s) |
|--|-----------------------|----|---|---|
| | Yes | No | Summary Description | |
| (4) Does the company periodically evaluate the independence of its external auditors? | √ | | <p>Questionnaire of 2018 Self-Evaluation of Performance of the Board.</p> <p>The financial department of the Company evaluates its external auditors' independence once a year and the evaluation result is reported to the Audit Committee and the Board of Directors for approval. The evaluation results on March 8, 2018 and March 11, 2019 indicate the external auditors' compliance with the Company's independence standards. The criteria for CPA independence review are detailed in Note 2.</p> | |
| 4. Does the company set up the dedicated or non-dedicated unit or staff in charge of the corporate governance-related affairs (including but not limited to providing information for the Directors and Supervisors to execute their duties, handling the affairs related to the Board meetings and the Shareholders Meeting as prescribed by law, handling the company's registration or its amendments, preparing the minutes of the Board meetings and the Shareholders Meeting, etc.)? | √ | | <p>The Company assigned the senior manager of financial department to act concurrently as the Company Secretary through a meeting of board of directors on April 29, 2019. The Company Secretary and the Investor Service unit are responsible for dealing with the following matters:</p> <ol style="list-style-type: none"> 1. Handling matters relating to board meetings and shareholders meeting. 2. Producing minutes of board meetings and shareholders meetings. 3. Assisting in onboarding and continuous development of directors and supervisors. 4. Furnishing information required for business execution by directors and supervisors. 5. Assisting directors and supervisors with legal compliance. 6. Other matters described or established in the articles of incorporation or contract. <p>The Company Secretary performed upon the assigned tasks above and participated 15 hours training sessions</p> | Compliance with the Corporate Governance Best-Practice Principles for TWSE-TPEX-listed Companies |

| Appraisal Items | Implementation Status | | | Deviations from Corporate Governance Best-Practice Principles for TWSE- TPEX-listed Companies and Reason(s) |
|---|-----------------------|----|--|---|
| | Yes | No | Summary Description | |
| | | | from taking up the posting until the end of 2019 and the detail of training sessions are shown in note3. | |
| 5. Has the company established channels for communicating with stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.), set up a dedicated stakeholder area on company website, as well as appropriately responded to important CSR issues that stakeholders are concerned about? | √ | | <ol style="list-style-type: none"> 1. The Company values the balance of rights and obligations among stakeholders (including shareholders, employees, suppliers and customers, banks, creditors, etc.). In addition to maintaining good communication, the Company has established "Communication with Stakeholders" section on company website and the contact e-mail address is: 2308@deltaww.com. 2. The Company has established "Corporate Governance" section for investors so they can check and download relevant rules and regulations of corporate governance, important board resolutions and material information. 3. Simultaneously, a webpage of "Corporate Social Responsibility"(CSR) has been set up on the Company's official website. The Company communicate with stakeholders through comprehensive channels including online questionnaire to understand key issues for stakeholders concern. The Company also disclose the practice and the most updated information about the CSR for stakeholders' reference. The CSR hotline for stakeholders' feedback is csr@deltaww.com. | Compliance with the Corporate Governance Best-Practice Principles for TWSE-TPEX-listed Companies |
| 6. Has the company appointed a professional shareholders service agency to handle affairs | √ | | The Company has appointed CTBC Bank Co., Ltd. to handle matters related to shareholders' meetings. | Compliance with the Corporate Governance Best- |

| Appraisal Items | Implementation Status | | | Deviations from Corporate Governance Best-Practice Principles for TWSE- TPEX-listed Companies and Reason(s) |
|---|-----------------------|----|--|---|
| | Yes | No | Summary Description | |
| related to the shareholders meeting? | | | | Practice Principles for TWSE- TPEX-listed Companies |
| <p>7. Information Disclosure</p> <p>(1) Has the company established a corporate website to disclose information regarding the company's financial, business and corporate governance?</p> <p>(2) Has the company adopted other ways to disclose information (e.g., maintaining an English-language website, appointing responsible people to handle corporate information collection and disclosure, appointing spokespersons, webcasting investor's meetings, etc.)?</p> | <p>√</p> <p>√</p> | | <p>(1) The Company has established a public website to disclose information regarding its financial, business and corporate governance.</p> <p>(2) In addition to setting up an English-language website along with designating a dedicated staff to maintain it, the Company established a spokesperson system and dedicated team to handle shareholder services. Information related to shareholders' meetings or investors' meetings is updated immediately on the company website.</p> | Compliance with the Corporate Governance Best-Practice Principles for TWSE- TPEX-listed Companies |
| 8. Has the company disclosed other information to facilitate better understanding of its corporate governance practices (including but not limited to employee rights and interests, | √ | | Regarding information on employee rights and interests, employee wellness, investor relations, supplier relations and rights of the stakeholders, please refer to Chapter 4 "Corporate Social Responsibility" section in the annual report. | Compliance with the Corporate Governance Best-Practice Principles for TWSE- TPEX-listed Companies |

| Appraisal Items | Implementation Status | | | Deviations from Corporate Governance Best-Practice Principles for TWSE- TPEX-listed Companies and Reason(s) |
|---|-----------------------|----|---------------------|---|
| | Yes | No | Summary Description | |
| employee wellness, investor relations, supplier relations, rights of the stakeholders, training records of directors and supervisors, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and the purchase of insurance for directors and supervisors, etc.)? | | | | |

Note 1: Diversity of the Board of Directors' members has been implemented as shown below

| Name of Directors Gender | Diversity Items | Years acting as an independent Director | Professional Background (Education) | Ability to make operational judgments | Ability to perform accounting and financial analysis | Ability to conduct management administration | Ability to conduct crisis management | Knowledge of the industry | An international market perspective | Ability to lead | Ability to make policy decisions |
|-----------------------------|--|---|--|---------------------------------------|--|--|--------------------------------------|---------------------------|-------------------------------------|-----------------|----------------------------------|
| | Title | | | | | | | | | | |
| Yancey Hai M | Chairman/ Chairman in Strategic Steering Committee of Delta Electronics, Inc. | 0 | MS Global Management, University of Dallas, U.S.A. | V | V | V | V | V | V | V | V |
| Mark Ko M | Vice-chairman/ Vice-Chairman in Strategic Steering Committee of Delta Electronics, Inc. | 0 | Department of Electrical and Control Engineering, National Chiao Tung University | V | V | V | V | V | V | V | V |
| Bruce CH Cheng M | Director | 0 | Department of Electrical Engineering, National Cheng Kung University | V | V | V | V | V | V | V | V |
| Ping Cheng M | Director/ CEO | 0 | Department of Business Administration, California State University, Hayward | V | V | V | V | V | V | V | V |
| Simon Chang M | Director/ President and COO | 0 | EMBA of Chung Yuan Christian University | V | V | V | V | V | V | V | V |
| Albert Chang M | Director | 0 | EMBA, National Central University | V | V | V | V | V | V | V | V |

| Name of Directors Gender | Diversity Items | Years acting as an independent Director | Professional Background (Education) | Ability to make operational judgments | Ability to perform accounting and financial analysis | Ability to conduct management administration | Ability to conduct crisis management | Knowledge of the industry | An international market perspective | Ability to lead | Ability to make policy decisions |
|-----------------------------|----------------------|---|---|---------------------------------------|--|--|--------------------------------------|---------------------------|-------------------------------------|-----------------|----------------------------------|
| | Title | | | | | | | | | | |
| Victor Cheng M | Director | 0 | MS Electrical Engineering, Santa Clara University | V | V | V | V | V | V | V | V |
| Yung-Chin Chen M | Independent Director | 7 | MA Accounting, Soochow University | V | V | V | V | V | V | V | V |
| George Chao M | Independent Director | 7 | Department of Banking and Insurance, Tamkang University | V | V | V | V | V | V | V | V |
| Tsong-Pyng Perng M | Independent Director | 7 | Ph. D. Materials Science and Engineering, University of Illinois | V | V | V | V | V | V | V | V |
| Ji-Ren Lee M | Independent Director | 3 | Ph. D. Strategic Management, University of Illinois at Urbana-Champaign | V | V | V | V | V | V | V | V |



Note 2: Items for assessment of the CPA's independence for the last 2 years are shown below.

| Evaluation Items | Evaluation Result | Compliant with Independence? |
|---|-------------------|------------------------------|
| 1. Does the CPA have a direct or significant/ indirect relations with the Company in financial interests? | No | Yes |
| 2. Does the CPA have any financing or guarantee with the Company or its directors? | No | Yes |
| 3. Does the CPA have a close business relations or potential employment relationship with the Company? | No | Yes |
| 4. Does the CPA or members of the audit team hold the posts in the Company, such as the director, supervisor and officer or occupied a key position with significant influence on the auditing process? | No | Yes |
| 5. Does the CPA offer non-audit service which could impact the auditing process for the Company? | No | Yes |
| 6. Does the CPA act as a broker for the shares or other securities issued by the Company? | No | Yes |
| 7. Does the CPA act as the company's defense attorney or represent the Company to negotiate with any third party over any dispute? | No | Yes |
| 8. Does the CPA have kinship with the Company's directors, supervisors, or officers or any post with significantly influences on the auditing work? | No | Yes |

Note 3: Training sessions in 2019 attended by the Company Secretary are shown below:

| Institution of training | Name of the training session | Period of training | | Hours of training |
|--|---|--------------------|------------|-------------------|
| | | Start | End | |
| Taiwan Corporate Governance Association | Corporate Strategy | 2019/04/29 | 2019/04/29 | 3 |
| Accounting Research and Development Foundation | Corporate Governance Practice: Trends and Case Studies of "Cross-functional Management of Corporate Values" | 2019/05/23 | 2019/05/23 | 3 |
| Accounting Research and Development Foundation | Practical Analysis and Relevant Regulations of Corporate Governance Roadmap (2018-2020) New Version | 2019/05/23 | 2019/05/23 | 3 |
| Taiwan Corporate Governance Association | Balance Between Technology and Humanities- Which Side AI Stand On | 2019/07/31 | 2019/07/31 | 3 |
| Accounting Research and Development Foundation | Practical Analysis of Evaluation Report Read and Analyzed by Corporate | 2019/08/07 | 2019/08/07 | 3 |
| Total training hours in 2019 | | | | 15 |

Delta Electronics, Inc. (the "Company")

Questionnaire of Self-Evaluation of Performance of the Board of Directors (Functional Committees)
(Translation)

| Items | Results | | Note |
|--|---------|---|--|
| A. Participation in the operation of the Company | | | |
| 1. Did directors participate in the Board of Directors, excluding attendance by proxy, exceeding 70% in average participation rate? | Yes | V | The average participation rate is 94.92% |
| | No | | |
| 2. Did directors participated in general meetings exceeding 50% in participation rate? | Yes | V | In 2018 AGM, Directors' participation rate is 69.23% (9 out of 13) |
| | No | | |
| 3. Did director understand proposals before meetings and positively participated in discussions? | Yes | V | Agendas with material were delivered to Directors at least 7 days prior to the date of the meeting |
| | No | | |
| 4. Did the Board of Directors communicate well with management? | Yes | V | |
| | No | | |
| 5. Did the Board of Directors supervise the Company to comply with the laws and regulations and implement practice principles? | Yes | V | |
| | No | | |
| 6. Did directors of the Company efficiently contribute to the Board of Directors? | Yes | V | |
| | No | | |
| 7. Did the Board of Directors continuously promote to establish corporate governance relevant rules, support the Company to participate assessments and protect shareholders' rights for enhancing corporate governance? | Yes | V | |
| | No | | |
| 8. Did members of the Board of Directors fully understand the Company, managements and the industry which the Company belongs? | Yes | V | |
| | No | | |
| 9. Did directors certainly evaluate and supervise the exiting and potential risks of the Company and implement, follow up and discuss about the internal control systems? | Yes | V | |
| | No | | |
| 10. Did Independent Directors communicate with CPAs? | Yes | V | In 2018, CPAs participated |

| | | | |
|--|-----|---|---|
| (A meeting is necessary to be called when new accounting standards are implemented or major adjustments in financial statements.) | No | | in 4 meetings of the Audit Committees to communicate with Independent Directors (at least once in a quarter). |
| 11. Did the chairperson, any board member or managerial officer of the Company violates the Securities and Exchange Act, Company Act, Banking Act, Financial Holding Company Act, or Commercial Accounting Act, or had been indicted for a crime of corruption malfeasance in office, fraud, breach of trust, or misappropriation? | Yes | V | |
| | No | | |
| 12. Did the Board of Directors regularly review the operation performance of the management and offer timely rewards and punishments? | Yes | V | |
| | No | | |
| 13. Did the Board of Directors timely obtain overall operation performance and quickly master the adverse trend? | Yes | V | |
| | No | | |
| B. Improvement of the quality of the Board of Directors' decision making | | | |
| 14. Did the Board of Directors establish the Company's core values (discipline, mission, honor, vision, etc.) and specify strategic goals? | Yes | V | |
| | No | | |
| 15. Did the Company's strategic plan and annual budget be appropriately discussed about and established? | Yes | V | |
| | No | | |
| 16. Did the Company hold at least 6 meetings of the Board of Directors? | Yes | | The Company held 5 meetings of the Board of Directors in 2018. |
| | No | V | |
| 17. Did the Company timely provide the Board of Directors with comprehensive information with certain quality for the Board of Directors including Independent Directors to conduct their duties? | Yes | V | |
| | No | | |
| 18. Did contents of discussion have been appropriately recorded in the meeting minutes of the Board of Directors and the opinion from individual or assemble also have been appropriately recorded? | Yes | V | |
| | No | | |
| 19. Did each proposal in the meetings of the Board of Directors have been discussed in sufficient time? | Yes | V | |
| | No | | |
| 20. Are the discussion items in the Board of Directors appropriate? | Yes | V | |
| | No | | |

| | | | |
|--|-----|---|---|
| 21. Did each proposal in the meetings of the Board of Directors be allocated with sufficient time for discussion? | Yes | V | |
| | No | | |
| 22. Is the Board of Directors a sufficient path to communication with Independent Directors? | Yes | V | |
| | No | | |
| 23. Have resolutions to all proposals been appropriately followed? | Yes | V | All meeting minutes have been delivered to all members within 20 days after the dates of meetings. The status of implementation have be reported in the following meeting and recorded as important report items. |
| | No | | |
| 24. If a director is an interested party with respect to any agenda item, did the director not participate in discussion or voting and be recorded in the meeting minutes? | Yes | V | |
| | No | | |
| 25. Did the Board of Directors, members of the Board and members of each functional committee sufficiently implement performance evaluation on a regular basis? | Yes | V | |
| | No | | |
| C. Composition and structure of the Board of Directors | | | |
| 26. Have the Board of Directors established sufficient seats for independent directors and the number of independent directors are complied with relevant regulations? | Yes | V | 4 Independent Directors |
| | No | | |
| 27. Is there no any Independent Director concurrently serve as a Director (including an Independent Director) of more than three other public companies? | Yes | V | |
| | No | | |
| 28. Did the Board of Directors establish appropriate and sufficient functional committees? | Yes | V | Compensation Committee, Audit Committee and Strategic Steering Committee have been established. |
| | No | | |
| 29. Does each existing functional committee have the capability to implement duties designated by the Board of Directors? | Yes | V | |
| | No | | |
| 30. Did the Company establish and implemented diversity policy of members of the Board based on its business operations? | Yes | V | |
| | No | | |
| 31. Are there no more than two directors have neither a | Yes | | |

| | | | |
|--|-----|---|--|
| spousal relationship nor a relationship within the second degree of kinship with any other director? | No | V | |
| D. Election and continuing education of the directors | | | |
| 32. Is the procedure for electing directors careful and transparent? | Yes | V | |
| | No | | |
| 33. Is election of directors proceeding with standard of members' diversity policy? | Yes | V | |
| | No | | |
| 34. For current board members, are their skills, knowledge and experiences appropriate for the Company's needs? | Yes | V | |
| | No | | |
| 35. Do the Board of Directors well introduce to the new directors who assume the office to understand their duties and be familiar with the Company's operation and environment? | Yes | V | |
| | No | | |
| 36. Do directors complete required continuing education hours every year? | Yes | V | All directors completed at least 6 hours courses |
| | No | | |
| 37. Do directors continue participating in corporate governance relevant course? | Yes | V | |
| | No | | |
| 38. Does the Company have a formal record of training courses for directors and continuous professional development plan to enhance directors' knowledge and skill? | Yes | V | |
| | No | | |
| E. Internal control | | | |
| 39. Did the Board of Directors consider the risk assessment on managements when making decision? | Yes | V | |
| | No | | |
| 40. Did the Board of Directors efficiently evaluate and monitor each internal control items and efficiency of risk managements? | Yes | V | |
| | No | | |
| 41. Did the internal control systems approved by the Board of Directors include five factors/principles and cover operating activities and transaction cycles? | Yes | V | |
| | No | | |
| 42. Does the Company audit the design of the internal control systems and the efficiency of the implementation annually, and the Board of Directors have never issued a declaration for material weakness? | Yes | V | |
| | No | | |
| 43. Did the chief internal auditor attend the Board of Directors | Yes | V | |

| | | | |
|---|---|---|---|
| meetings and deliver internal audit reports including action arising to supervisors (or Audit Committee) and Independent Directors? | No | | |
| 44. Do the members of Audit Committee make up appropriately? | Yes | V | |
| | No | | |
| 45. Does at least one of the members of Audit Committee have experience in finance? | Yes | V | One of the committee members has CPA license. |
| | No | | |
| 46. Is the scope of duty for Audit Committee clear and appropriate? | Yes | V | |
| | No | | |
| 47. When CPA provide non-audit service, have the CPA's objectivity and independence been reviewed? | Yes | V | |
| | No | | |
| 48. Have accounting policies, financial performance, financial report, internal audit report and action arising been understood and reviewed by the Board of Directors? | Yes | V | |
| | No | | |
| F. Others | | | |
| | | | |
| Any other matters that need to be specified | | | |
| Conclusion | (Evaluated by the Chairman of the Board of Directors) | | |

Note:

1. Please leave supplement note when the rating is not sufficient to be expressed
2. The evaluation period is from January 1 to December 31.
3. Questionnaire of the evaluations shall be completed before the first board meeting held in the following year.