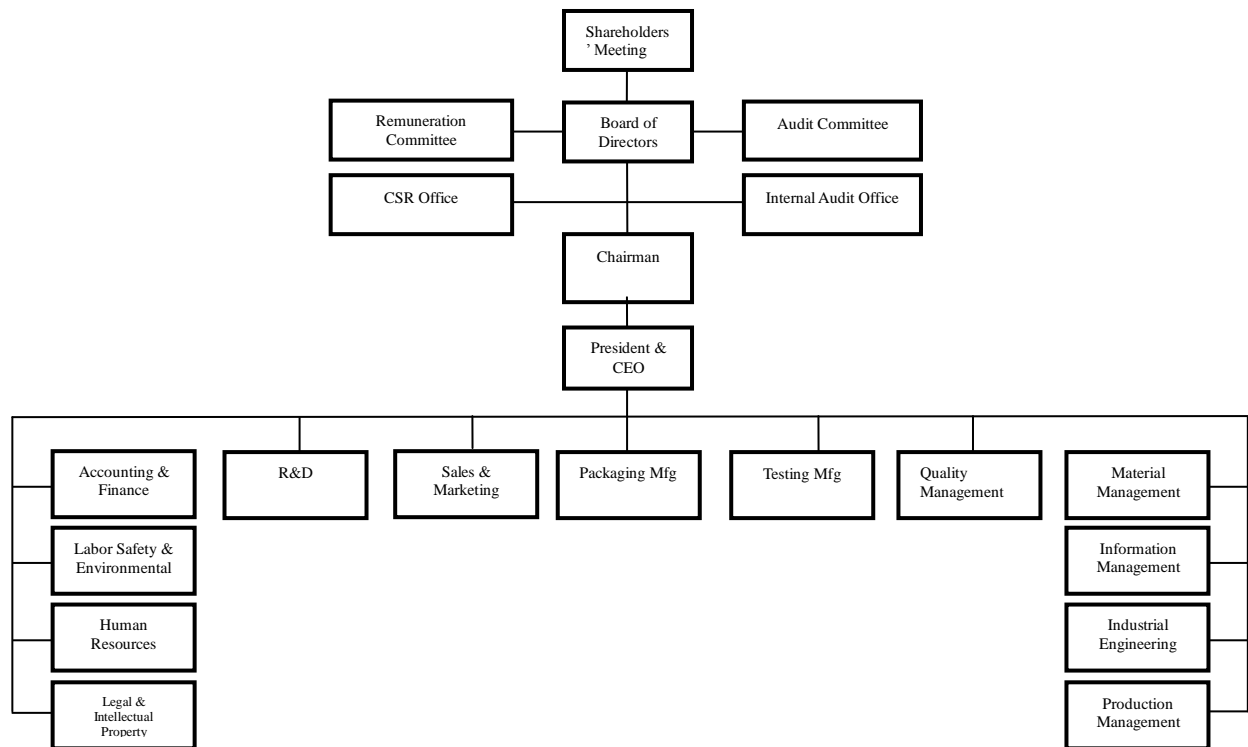


### III. Corporate Governance

#### 1. Company Organization



#### Responsibilities of Major Sections:

Major Section	Responsibilities
Chairman	Leading corporate strategies and objectives. Execute and monitor for continuing improvement.
President	Management of corporate strategies, objectives, execution of overall business and operations.
CSR Office	Responsible for corporate social responsibility regulation and execution. Risk management and emergency handling.
Internal Audit Office	Responsible for reviewing and assessing the effectiveness of the implementation of the Company's internal control system.
Accounting & Finance	Responsible for finance, accounting and shareholder services.
Labor Safety & Environmental Protection	Responsible for factory safety and labor's occupational health and hazard.
Human Resources	Responsible for Human Resources regulation creation and execution. Employee welfares and relationships.
Legal & Intellectual Property	Responsible for contract review, legal matters, and intellectual property management.
Research & Development	Responsible for development of new products.
Sales & Marketing	Responsible for market survey, development, and customer contact and coordination.
Packaging Manufacturing	Responsible for product packaging production and related process analysis, equipment maintenance.
Testing Manufacturing	Responsible for the production and related product testing process analysis, equipment maintenance.
Quality Management	Responsible for quality management policies, the design and implementation of quality indicators, customer complaints, reliability testing and equipment calibration.
Materials Management	Responsible for production scheduling, raw material procurement, warehousing and transportation management.
Information Management	Responsible for setting up and maintaining the information system.
Industrial Engineering	Responsible for facility layout planning and efficiency enhancement.
Production Management	Responsible for production capacity planning and scheduling.

## 2. Board of Directors, Independent Directors, CEO, Vice Presidents, Assistant Vice Presidents, Head of Each Department and Subsidiaries

### (1) Information Regarding Board of Directors and Independent Directors

#### Information Regarding Directors and Independent Directors (I)

Apr 2, 2019

Title	Name	Nationality	Date On-Board	Gender	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Children		PTI Shareholding by Nominee Arrangement		Education & Selected Past Positions	Selected Current Positions at PTI & Other Companies	Directors or Independent Directors Whose Spouses or within Second-degree Relative of Consanguinity to Each Other or other Managers		
							Shareholding	%	Shareholding	%	Shareholding	%	Shareholding	%			Title	Name	Relation
Chairman	D.K. Tsai	Republic of China	5/26/2017	Male	3 years	6/23/1999	4,010,000	0.51%	4,010,000	0.51%	-	0.00%	-	0.00%	Industrial Engineering, Taipei Institute of Technology General Manager, Kingston Technology Far East Corp. Chairman, Kingston Technology Far East Corp.	CSO of Powertech Technology Inc. Chairman of Greatek Electronics Inc. Director of Powertech Holding (B.V.I.) Inc. Director of PTI Technology (Singapore) Pte. Ltd. Director of Powertech Technology (Singapore) Pte. Ltd. Legal Representative Director of Powertech Technology (Suzhou) Ltd. Executive Director of Powertech Technology Japan Ltd. Director of Tera Probe, Inc. Director of Powertech Technology Akita Inc. Independent Director of Compal Electronics, Inc. Independent Director of Chicony Power Technology Co., Ltd. Chairman of PTI Education Foundation	-	-	-

Title	Name	Nationality	Date On-Board	Gender	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Children		PTI Shareholding by Nominee Arrangement		Education & Selected Past Positions	Selected Current Positions at PTI & Other Companies	Directors or Independent Directors Whose Spouses or within Second-degree Relative of Consanguinity to Each Other or other Managers		
							Shareholding	%	Shareholding	%	Shareholding	%	Shareholding	%			Title	Name	Relation
Director	J.Y. Hung	Republic of China	5/26/2017	Male	3 years	5/26/2017	221,000	0.03%	205,000	0.03%	-	0.00%	-	0.00%	Master, Industrial and Information Management, National Cheng Kung University, Sr. VP, Siliconware Precision Industries Co. Ltd., President, Powertech Technology Inc.	President & CEO of Powertech Technology Inc. Chairman of Tera Probe, Inc. Director of PTI Technology (Singapore) Pte. Ltd. Director of Powertech Technology (Singapore) Pte. Ltd. Legal Representative Director of Powertech Technology (Suzhou) Ltd. Legal Representative Director of Powertech Semiconductor (Xi'an) Co., Ltd. Director of PTI Education Foundation			
Director	Kingston Technology Corp. Investment Account Rep: Shigeo Koguchi	U.S.A.	5/26/2017	Male	3 years	5/26/2017	29,875,000	3.83%	29,875,000	3.83%	-	0.00%	-	0.00%	Master, Engineering, University of Florida Master, Engineering, Hokkaido University, Japan Sr. Executive VP. Of Toshiba Corp. Director and Senior Advisor of Toshiba Corp.	None	-	-	-
Director	Kingston Technology Corp. Investment Account Rep: Daphne Wu	U.S.A.	5/26/2017	Female	3 years	5/26/2017	29,875,000	3.83%	29,875,000	3.83%	-	0.00%	-	0.00%	Bachelor, Accountancy, National Chengchi University Director of Asia Pac Finance of Kingston Technology Far East Corp.	Director of Asia Pac Finance of Kingston Technology Far East Corp. Supervisor of Kingston Solution Inc. Supervisor of Panram Co., Ltd. Supervisor of Orient Semiconductor Electronics Ltd.	-	-	-

Title	Name	Nationality	Date On-Board	Gender	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Children		PTI Shareholding by Nominee Arrangement		Education & Selected Past Positions	Selected Current Positions at PTI & Other Companies	Directors or Independent Directors Whose Spouses or within Second-degree Relative of Consanguinity to Each Other or other Managers		
							Shareholding	%	Shareholding	%	Shareholding	%	Shareholding	%			Title	Name	Relation
Director	Kingston Technology Corp. Investment Account Rep: J.S. Leu	Republic of China	5/26/2017	Male	3 years	5/26/2017	29,875,000 146,356	3.83% 0.02%	29,875,000 137,356	3.83% 0.02%	- 0	- 0.00%	- 0	- 0.00%	Bachelor, Mechanical Engineering, Feng Chia University Deputy Director, Packaging Manufacturing, Powerchip Technology Corp.	Chairman of Powertech Technology (Suzhou) Ltd. Chairman of Powertech Semiconductor (Xian) Co., Ltd Sr. VP of Powertech Technology Inc. Packaging Operations Legal Representative Director of Greatek Electronics Inc.	-	-	-
Director	Kingston Technology Corp Investment Account Rep: Evan Tseng	U.S.A	5/26/2017	Male	3 years	5/26/2017	29,875,000 12,000	3.83% 0.00%	29,875,000 12,000	3.83% 0.00%	- 0	- 0.00%	- 0	- 0.00%	Master, Accountancy, Soochow University Sr. AVP, Systex Corp.	Sr. VP & CFO of Powertech Technology Inc. Director of Powertech Technology (Singapore) Pte. Ltd. Legal Rep Supervisor of Powertech Technology (Suzhou) Pte. Ltd. Legal Rep Director of Powertech Semiconductor (Xi'an) Co., Ltd. Director of Tera Probe, Inc. Legal Rep Director of TeraPower Technology Inc. Director of Powertech Technology Akita Inc. Legal Rep Director of Greatek Electronic Inc. Director of Tsai Lin Pu Social Welfare Foundation	-	-	-

Title	Name	Nationality	Date On-Board	Gender	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Children		PTI Shareholding by Nominee Arrangement		Education & Selected Past Positions	Selected Current Positions at PTI & Other Companies	Directors or Independent Directors Whose Spouses or within Second-degree Relative of Consanguinity to Each Other or other Managers		
							Shareholding	%	Shareholding	%	Shareholding	%	Shareholding	%			Title	Name	Relation
Director	Toshiba Memory Semiconductor Taiwan Corp. Rep: Kenjiro Hara	Republic of China	5/26/2017	Male	3 years	6/14/2005	3,655,309 0	0.47 % 0.00 %	3,655,309 0	0.47 % 0.00 %	- 0	- 0.00%	- 0	- 0.00%	Master, Mechanical Engineering, Tokyo University of Science Director of Procurement, Toshiba Memory Corporation	Chairman of Toshiba Memory Semiconductor Taiwan Corp.			

Title	Name	Nationality	Date On-Board	Gender	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Children		PTI Shareholding by Nominee Arrangement		Education & Selected Past Positions	Selected Current Positions at PTI & Other Companies	Directors or Independent Directors Whose Spouses or within Second-degree Relative of Consanguinity to Each Other or other Managers		
							Shareholding	%	Shareholding	%	Shareholding	%	Shareholding	%			Title	Name	Relation
Independent Director	Jim W.L. Cheng	Republic of China	5/26/2017	Male	3 years	6/13/2008	331,614	0.04%	331,614	0.04%	0	0.00%	0	0.00%	Bachelor, Business Administration, Fu-Jen Catholic University Vice President of Finance, Yungtay Engineering Co., Ltd. President, Taiwan Calsonic Co. Ltd.	Chairman of Taiwan Calsonic Co. Ltd. Chairman of Yong Lien Corp. Chairman of Glory Biotech Co. Ltd. Director of Browave Corp. Director of Center Laboratories Inc. Legal Representative Director of Lumosa Therapeutics Co. Ltd. Legal Representative Director of Yu-Cheng Consulting Co. Ltd. Legal Representative Director of Yu-Cheng Biotech Co. Ltd. Legal Representative Director of Uni-Calsonic Co., Ltd.. Institutional Director Rep. of Chuang-Yi Biotech Co., Ltd.. Legal Representative Director of Galc Biotech Co., Ltd.. Supervisor, Yungtay Engineering Co., Ltd. Director of Polstar Technologies Inc. Institutional Supervisor Rep. of TPG biologics Inc. Legal Representative Director of Yu Sheng Venture Capital Company Institutional Supervisor Rep. of Mycenax Biotech Inc.	-	-	-

Title	Name	Nationality	Date On-Board	Gender	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Children		PTI Shareholding by Nominee Arrangement		Education & Selected Past Positions	Selected Current Positions at PTI & Other Companies	Directors or Independent Directors Whose Spouses or within Second-degree Relative of Consanguinity to Each Other or other Managers		
							Shareholding	%	Shareholding	%	Shareholding	%	Shareholding	%			Title	Name	Relation
Independent Director	Quincy Lin	Republic of China	5/26/2017	Male	3 years	6/20/2002	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph.D., Business Administration, University of Kentucky MBA, National Chiao Tung University Sr. VP., Taiwan Semiconductor Manufacturing Company Chairman of Neo Solar Power Corp.	Chairman of General Energy Solutions Inc. Chairman of V5 Technologies Inc. Chairman of Rafael Micron Inc. Director of Neo Solar Power Corp. Independent Director of Chroma ATE Inc.	-	-	-
Independent Director	Philips Wei	Republic of China	5/26/2017	Male	3 years	5/26/2017	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master, Finance, National Cheng Chi University Bachelor, Transportation Study, National Cheng Kung University Chairman, China Airline Inc.	Chairman of Fortune Information System Corp. Director of CyberSoft Digital Service Corp. Legal Representative Director of China Electronics Corp. Supervisor, Tai Hsin Insurance Agency Non-Profit Organization	-	-	-
Independent Director	Pei-Ing Lee	Republic of China	5/26/2017	Male	3 years	5/26/2017	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ph. D, Syracuse University Chairman of Inotera Memories, Inc.	Director & President of Nanya Technology Corp.	-	-	-

For Directors or Committee Members that are representatives of Institutional Shareholders, the main shareholders of the Institutional Shareholders (the Top Ten Shareholders)

March 31, 2019

Name of Institutional Shareholder	Main Shareholders of the Institutional Shareholders
Kingston Technology Corporation Investment Account	John Tu (50%), David Sun (50%)
Toshiba Memory Semiconductor Taiwan Corp.	Toshiba Memory Corporation (100%)

The main shareholders of the Institutional Shareholders in Table above whose main shareholders are Institutional Shareholders:

March 31, 2019

Name of Institution	Main Shareholders of the Institution
Toshiba Memory Corporation	Toshiba Corporation (100%)



## Information Regarding Board of Directors (II)

Apr 30, 2019

Criteria  Name	Meet One of the Following Professional Qualification Requirements, together with at least five years of work experiences			Conform to Independent Status (Note 1)										Number of Other Taiwan Public Companies Concurrently Serving as an Independence Status	
	An instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Dept related to the Business Needs of the Company in a public or private Junior College, College, or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialists Who has passed a National Examination and been Awarded a certificate in a Profession necessary for the Business of the Company	Have work Experience in the area of Commerce, Law, Finance, Accounting, or Otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10		
D.K. Tsai			✓				✓	✓	✓	✓	✓	✓	✓	✓	Independent Directors of Compal Electronics, Inc., and Chicony Electronics CO., Ltd
J.Y. Hung			✓			✓	✓	✓	✓	✓	✓	✓	✓		
Kingston Technology Corporation Rep. : Shigeo Koguchi			✓	✓			✓	✓	✓	✓	✓	✓	✓		
Kingston Technology Corporation Rep.:Daphne Wu			✓	✓			✓		✓	✓	✓	✓	✓		
Kingston Technology Corporation Rep. : J.S. Leu			✓				✓	✓	✓	✓	✓	✓	✓		
Kingston Technology Corporation Rep.: Evan Tseng			✓				✓	✓	✓	✓	✓	✓	✓		
Toshiba Semiconductors Taiwan Corp. Rep.: Kenjiro Hara			✓	✓		✓	✓	✓	✓	✓	✓	✓	✓		
Jim W.L. Cheng			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Quincy Lin			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Independent Director of Chroma ATE Inc.	
Philip Wei			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Pei-Ing Le			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		

Note 1: Board of Directors and Independent Directors during the two years before being elected or during the term of office, meet any of the following

conditions, please tick the appropriate corresponding boxes:

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or independent director of the Company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
- (4) Not a spouse, relative within the second degree of kinship or lineal relative within the third degree kinship, of any of the persons in the preceding three subparagraphs.
- (5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds 5% or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings.
- (6) Not a director, supervisor, officer, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the Company.
- (7) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof. However, this does not include member of the remuneration committee acting of behalf of Article 7 based on the shares being publicly listed and trading at a commercial brokerage.
- (8) Not having a marital relationship, or a relative within the second degree of kinship of any other director of the Company.
- (9) Not been a person of any conditions defined by Article 30 of the Company Law.
- (10) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

(2) Information Regarding President, Vice Presidents, Assistant Vice Presidents, and Department Managers

Apr 2, 2019 / Unit: share

Title	Name	Nationality	Gender	Date On-Board	Shareholding		Shareholding Under Spouse and Minor Children		Shareholding Under 3 <sup>rd</sup> Party Name		Education & Selected Past Positions	Selected Current Positions at PTI & Other Companies	Managers Whose Spouses or within Second-degree Relative of Consanguinity to Each Other or other Managers		
					Shareholding	%	Shareholding	%	Shareholding	%			Title	Name	Relation
Chairman	D.K. Tsai	Republic of China	Male	6/23/1999	4,010,000	0.515%	-	-	-	-	Industrial Engineering, Taipei Institute of Technology General Manager, Kingston Technology Far East Corp. Chairman, Kingston Technology Far East Corp.	Chairman of Powertech Technology Inc. Chairman of Greatek Electronics Inc. Director of Powertech Holding (B.V.I.) Inc. Director of PTI Technology (Singapore) Pte. Ltd. Director of Powertech Technology (Singapore) Pte. Ltd. Legal Representative Director of Powertech Technology (Suzhou) Ltd. Executive Director of Powertech Technology Japan Ltd. Board Director of Tera Probe, Inc. Board Director of Powertech Technology Akita Inc. Chairman of PTI Education Foundation Independent Director of Compal Electronics, Inc. Independent Director of Chicony Power Technology Co. Ltd.	-	-	-
President & CEO	J. Y. Hung	Republic of China	Male	11/8/2013	205,000	0.026%	-	-	-	-	Master, Industrial and Information Management, National Cheng Kung University, Sr. VP, Siliconware Precision Industries Co. Ltd., President, Powertech Technology Inc. Chairman & CEO of Simaike Co. Ltd.	Board Director of Powertech Technology Inc. Chairman of TeraPower Technology Inc. Legal Rep Director of Powertech Technology (Singapore) Pte. Ltd. Legal Rep Director of Powertech Technology (Suzhou) Ltd. Legal Rep Director of Powertech Semiconductor (Xian) Co., Ltd. Board Director of PTI Education Foundation	-	-	-

Title	Name	Nationality	Gender	Date On-Board	Shareholding		Shareholding Under Spouse and Minor Children		Shareholding Under 3 <sup>rd</sup> Party Name		Education & Selected Past Positions	Selected Current Positions at PTI & Other Companies	Managers Whose Spouses or within Second-degree Relative of Consanguinity to Each Other or other Managers		
					Shareholding	%	Shareholding	%	Shareholding	%			Title	Name	Relation
Operations Sr. VP	J.S. Leu	Republic of China	Male	10/01/2000	137,356	0.018%	-	-	-	-	Bachelor, Mechanical Engineering, Feng Chia University Deputy Director, Packaging Manufacturing, Powerchip Technology Corp.	Legal Rep Director of Powertech Technology Inc. Chairman of Powertech Technology (Suzhou) Ltd Chairman of Powertech Semiconductor (Xian) Co., Ltd. Legal Rep Director of Greatek Electronics Inc.	-	-	-
Quality Assurance Sr VP.	John Wang	Republic of China	Male	12/12/2002	66,056	0.008%	-	-	-	-	MBA, National Chia Tung University Assistant VP, R&D, Kingpak Technology Inc.	Board Director of PTI Education Foundation	-	-	-
Testing Operations Sr. VP	K.J. Chan (Note1)	Republic of China	Male	08/01/2003	435	0.000%	-	-	-	-	Master, National Chiao Tung University VP., ChipMOS Technologies Ltd.	None	-	-	-
Sales of Strategic Account & Marketing Sr. VP	Steven Shen (Note 1)	Republic of China	Male	09/01/2014	20,000	0.005%	-	-	-	-	MBA, Tulane University Managing Director, AMKOR Taiwan VP., Powertech Technology Inc. President, Unictron Technologies Corp.	None	-	-	-

Title	Name	Nationality	Gender	Date On-Board	Shareholding		Shareholding Under Spouse and Minor Children		Shareholding Under 3 <sup>rd</sup> Party Name		Education & Selected Past Positions	Selected Current Positions at PTI & Other Companies	Managers Whose Spouses or within Second-degree Relative of Consanguinity to Each Other or other Managers		
					Shareholding	%	Shareholding	%	Shareholding	%			Title	Name	Relation
Information and Materials Management Sr. VP.	John Chang	Republic of China	Male	07/10/2012	21,000	0.003%					Master, Mechanical Engineering, University of Texas at Arlington Master, Management Sciences, National Chiao Tung University VP. of Purchasing, Chien Kuo Construction Corp. Deputy Director of Purchasing, ProMOS Technologies Ltd.	None			
Sales Sr. VP.	Peter Lai (Note 2)	Republic of China	Male	1/2/2013	35,000	0.004%			-	-	Industrial Engineering, National United College VP., Siliconware Precision Industries Co. Ltd.	None.	-	-	-
Singapore Operation Sr. VP	Tonwey Cheng	Republic of China	Male	8/8/2017	429	0.000%					Bachelor, Electronic Engineering, National Sun Yat-sen University VP of King Yuan Electronic Co., Ltd. VP of Powertech Technology Inc.	President of Powertech Technology (Singapore) Pte. Ltd. Sales VP of Greatek Electronic Inc.			

Title	Name	Nationality	Gender	Date On-Board	Shareholding		Shareholding Under Spouse and Minor Children		Shareholding Under 3 <sup>rd</sup> Party Name		Education & Selected Past Positions	Selected Current Positions at PTI & Other Companies	Managers Whose Spouses or within Second-degree Relative of Consanguinity to Each Other or other Managers		
					Shareholding	%	Shareholding	%	Shareholding	%			Title	Name	Relation
Sales Strategy Sr.VP	Phu Le	U.S.A.	Male	4/1/2011	0	0.000%					Bachelor, Mechanical Engineering, Shibaura Institute of Technology, Tokyo, Japan Assembly Package Engineering Manager, Toshiba Microelectronics America Corp. Director of Assembly Package Operations, Payton Technology Corp. Sales Director, Kingston Technology Corp.	None			
Sr. VP & CFO	Evan Tseng	Republic of China	Male	5/1/2015	12,000	0.002%					Master, Accountancy, Soochow University Sr. AVP, Systex Corp.	Legal Rep Director of Powertech Technology Inc. Board Director of Powertech Technology (Singapore) Pte. Ltd. Legal Rep Supervisor of Powertech Technology (Suzhou) Ltd. Legal Rep Director of Powertech Semiconductor (Xian) Co., Ltd. Board Director of Tera Probe, Inc. Legal Rep Director of TeraPower Technology Inc. Board Director of Powertech Technology Akita Inc. Board Director of Tsai Lin Pu Social Welfare Foundation			
Packaging Mfg VP	Y. C. Chen	Republic of China	Male	3/9/2010	0	0.000%					Bachelor, Industrial Engineering, Chung Yuan Christian University Manger, PowerChip Technology Corp.	Board Director of PTI Education Foundation			

Title	Name	Nationality	Gender	Date On-Board	Shareholding		Shareholding Under Spouse and Minor Children		Shareholding Under 3 <sup>rd</sup> Party Name		Education & Selected Past Positions	Selected Current Positions at PTI & Other Companies	Managers Whose Spouses or within Second-degree Relative of Consanguinity to Each Other or other Managers		
					Shareholding	%	Shareholding	%	Shareholding	%			Title	Name	Relation
Packaging Global Operations Planning VP	Paul Wu	Republic of China	Male	3/9/2010	0	0.000%					Bachelor, Mechanical Engineering, Tamkang University Director, Amkor Taiwan	Board Director of PTI Education Foundation			
Testing Mfg VP	Wilber Wu	Republic of China	Male	3/9/2010	27,786	0.005%					Master, Industrial Engineering, Chung Yuan Christian University Manager, PowerChip Technology Corp.	Board Director of PTI Education Foundation			
Memory Testing Operations VP	Y.C. Chi	Republic of China	Male	5/10/2012	25,000	0.005%					EMBA, National Central University Manager, PowerChip Technology Corp.	None			
Memory Packaging R&D VP	David Fang	Republic of China	Male	5/1/2015	3,000	0.000%					Bachelor, Electronics Engineering, Chung Yuan Christian University Manager, Texas Instrument Inc. Deputy Manager, PowerChip Technology Corp.	None			
Plant Affairs VP	Perry Lin	Republic of China	Male	5/10/2012	166,715	0.021%					Associate, Mechanical Engineering, Minghsin Institute of Science & Technology Manager, Kingston Technology Far East Corp.	None			

Title	Name	Nationality	Gender	Date On-Board	Shareholding		Shareholding Under Spouse and Minor Children		Shareholding Under 3 <sup>rd</sup> Party Name		Education & Selected Past Positions	Selected Current Positions at PTI & Other Companies	Managers Whose Spouses or within Second-degree Relative of Consanguinity to Each Other or other Managers		
					Shareholding	%	Shareholding	%	Shareholding	%			Title	Name	Relation
Human Resources & Legal Affairs VP.	Yohan Lin	Republic of China	Male	1/11/2019	180,000	0.023%					J.D, Law School, Golden Gate University Senior Manager, PricewaterhouseCoopers Legal Taiwan	Board Director of PTI Education Foundation			
Logic Testing AVP	Vic Chen	Republic of China	Male	5/10/2012	87,000	0.011%					Master, Electrical Engineering, National Taiwan Science & Technology University AVP, Verigy Ltd. AVP, Agilent Technology Taiwan Ltd.	None			
Packaging Mfg AVP	Gary Chang	Republic of China	Male	8/1/2014	0	0.000%					Bachelor, Industrial Engineering, Feng Chia University Deputy Manager, PowerChip Technology Corp.	None			
WLP AVP	Victor Tung	Republic of China	Male	3/1/2016	0	0.00%	3,000	0.00%			Master, Industrial Engineering, Yuan Ze University Sr. Director, Amkor Taiwan	None			

Note 1: K.J. Chan and Steven Shen both resigned on Feb 28 2019. The disclosure data were as of Jan 31 2019.

Note 2: Peter Lai resigned on Jan 11 2019. The disclosure data was as of Dec 31 2018.



(3) Remuneration Paid to Directors, CEO, and Vice Presidents

1. Remuneration Paid to Directors

Unit : NT\$ Thousands

Title	Name (Note 1)	Director's Remuneration								Total Remuneration (A+B+C+D) as % of 2017 Net Income (Note 10)		Compensation Earned by Director Who is also an Employee of PTI or PTI's Consolidated Entities						Total Compensation (A+B+C+D+E+ F+G) as % of 2017 Net Income (Note 10)		Compensation Paid to Directors from Nonconsolidated Affiliates		
		Base Compensation (A)(Note 2)		Severance Pay and Pensions (B)		Compensation to Directors (C) (Note 3)		Allowances (D) (Note 4)		Base Compensation, Bonuses, and Allowances (E) (Note 5)		Severance Pay and Pensions (F)		Employee Profit Sharing (G) (Note 6)								
		From PTI	From All Consolidated Entities	From PTI	From All Consolidated Entities	From PTI	From All Consolidated Entities	From PTI	From All Consolidated Entities	From PTI	From All Consolidated Entities	From PTI	From All Consolidated Entities	From PTI		From All Consolidated Entities		From PTI(%)	From All Consolidated Entities(%)			
														Cash	Stock (Fair Market Value)	Cash	Stock (Fair Market Value)					
Chairman	D.K. Tsai (Note 12)																					
Director	J.Y. Hung																					
Director	Kingston Technology Corporation Rep: Shigeo Koguchi																					
Director	Rep: Daphne Wu																					
Director	Rep: JS Leu																					
Director	Rep: Evan Tseng																					
Director	Toshiba Memory Semiconductors Taiwan Corp. Rep: Kenjiro Hara	7,200	7,200	0	0	84,163	94,476	1,320	1,590	1.49	1.69	42,357	42,357	0	0	16,580	0	16,580	0	2.43	2.63	None
Independent Director	Jim W.L Cheng																					
Independent Director	Quincy Lin																					
Independent Director	Philips Wei																					
Independent Director	Pei-Ing Lee																					

### Remuneration Paid to Directors Grade Table

Grade Scale of Remuneration paid to each director of PTI	Name of Director			
	Total Remuneration (A+B+C+D)		Total Remuneration (A+B+C+D+E+F+G)	
	From PTI (Note 8)	From All Consolidated Entities (Note 9)	From PTI (Note 8)	From All Consolidated Entities (Note 9)
Under NT\$ 2,000,000	Jim WL Cheng, Quincy Lin, Philips Wei, Pei-Ing Lee	Jim WL Cheng, Quincy Lin, Philips Wei, Pei-Ing Lee	Jim WL Cheng, Quincy Lin, Philips Wei, Pei-Ing Lee	Jim WL Cheng, Quincy Lin, Philips Wei, Pei-Ing Lee
NT\$ 2,000,000 ~ NT\$ 4,999,999	-	-	-	-
NT\$ 5,000,000 ~ NT\$ 9,999,999	-	-	-	-
NT\$ 10,000,000 ~ NT\$ 14,999,999	JY Hung Kingston Technology Corporation Investment Account (Rep: Shigeo Koguchi, Daphne Wu, JS Leu, Evan Tseng) Toshiba Memory Semiconductor Taiwan Corp.	JY Hung Kingston Technology Corporation Investment Account (Rep: Shigeo Koguchi, Daphne Wu, JS Leu, Evan Tseng) Toshiba Memory Semiconductor Taiwan Corp.	Kingston Technology Corporation Investment Account (Rep: Shigeo Koguchi, Daphne Wu) Toshiba Memory Semiconductor Taiwan Corp.	Kingston Technology Corporation Investment Account (Rep: Shigeo Koguchi, Daphne Wu) Toshiba Memory Semiconductor Taiwan Corp.
NT\$ 15,000,000 ~ NT\$ 29,999,999	D.K. Tsai		Kingston Technology Corporation Investment Account Rep: JS Leu and Evan Tseng	Kingston Technology Corporation Investment Account Rep: JS Leu and Evan Tseng
NT\$ 30,000,000 ~ NT\$ 49,999,999	-	D.K. Tsai	J. Y. Hung, D.K. Tsai	J. Y. Hung
NT\$ 50,000,000 ~ NT\$ 99,999,999	-	-	-	D.K. Tsai
Over NT\$ 100,000,000	-	-	-	-
Total	11	11	11	11

Note 1: The names of all directors are listed individually (institutional shareholders by the name of institutional shareholders and its representatives).

The remuneration is disclosed by summary for each item. Because two directors or representatives serve as CEO and president, they are excluded from this table and will be listed in Table 3 below.

Note 2: Remuneration paid for 2018. According to the latest Article of Incorporation, independent directors' compensation will be paid monthly and no longer in title to annual profits sharing plan.

Note 3: Remuneration paid for 2018 profit sharing plan before the amendment of Board remuneration plan.

Note 4: Compensation for traveling.

Note 5: Includes 2018 salaries, wages, allowances, pensions, severance pay, bonuses, incentives, traveling expenses, special expenses, allowances, dormitories, vehicles and other offers received as both employees and directors.

Note 6: The amount was employees served as Board members and received employee's profit sharing. The amount was estimated by ratio of year of 2017 actual amount multiple by year of 2018 distribution rate because the actual amount was pending for shareholders meeting approval.

Note 7: Discloses the total remuneration by item paid to company's directors from all consolidated entities (including PTI).

Note 8: The total remuneration paid to each director by item from PTI, including the grade and disclosure of director's name.

Note 9: The total remuneration paid to each director by item from all consolidated entities (including PTI), including the grade and disclosure of director's name.

Note 10: After-tax net income refers to the after-tax net income of the PTI financial statements for 2018.

Note 11: One dedicated fulltime employee served as Chairman driver who was eligible for wages, bonuses, and benefits.

2. Remuneration Paid to President and Vice President

Unit : NT\$ Thousands

Title	Name (Note1)	Salary (A) (Note 2)		Severance Pay and Pensions (B)		Bonuses and Allowances(C) (Note 3)		Employee Profit Sharing (D) (Note 4)				Total Remuneration (A+B+C+D) as % of 2017 Net Income (%)		Compensation Received from Non-consolidated Affiliates
		From PTI	From All Consolida ted Entities	From PTI	From All Consolida ted Entities	From PTI	From All Consolida ted Entities	From PTI		From All Consolidated Entities		From PTI	From All Consolidated Entities	
								Cash	Stock (Fair Market Value)	Cash	Stock (Fair Market Value)			
CSO	D.K. Tsai													
President & CEO	J.Y. Hung													
Operations Sr. VP.	J.S. Leu													
Quality Assurance Sr. VP.	John Wang													
Testing Operations Sr. VP.	K.J. Chan(Note)													
Sales & Marketing Sr. VP.	Steven Shen(Note)													
Information and Materials Management Sr. VP.	John Chang													
Sales Sr. VP.	Peter Lai(Note)	48,314	55,240	0	0	57,137	59,621	28,039	0	28,039	0	2.14%	2.29%	None
Singapore Operation Sr. VP.	Tonwey Cheng													
Sales Management Sr. VP.	Phu Le													
Sr. VP. & CFO	Evan Tseng													
Packaging Manufacturing VP.	Y.C. Chen													
Packaging Manufacturing VP.	Paul Wu													
Memory Testing Operations VP.	Wilber Wu													
Memory Testing Operations VP.	Y.C. Chi													
VP & CTO	David Fan													

## Remuneration Paid to President and Vice President Grade Table

Grade Scale of Remuneration paid to each of PTI's CEO, President, and Vice Presidents	Name	
	From PTI (Note 6)	From All Consolidated Entities (Note 7)
Under NT\$ 2,000,000	—	—
NT\$ 2,000,000 ~ NT\$ 4,999,999	Tonwey Cheng, YC Chen	Tonwey Cheng
NT\$ 5,000,000 ~ NT\$ 9,999,999	,K.J. Chan, John Wang, Steven Shen, Peter Lai, John Chang, Wilber Wu, YC Chi, Phu Le, Paul Wu, Evan Tseng, David Fan	,K.J. Chan, John Wang, Steven Shen, Peter Lai, John Chang, YC Chen, Wilber Wu, YC Chi, Phu Le, Paul Wu, Evan Tseng, David Fan
NT\$ 10,000,000 ~NT\$ 14,999,999	J.S. Leu	J.S. Leu
NT\$ 15,000,000 ~NT\$ 29,999,999	D.K. Tsai, J.Y. Hung	D.K. Tsai, J.Y. Hung
NT\$ 30,000,000 ~NT\$ 49,999,999	—	—
NT\$ 50,000,000 ~NT\$ 99,999,999	—	—
Over NT\$ 100,000,000	—	—
Total	16	16

Note: KJ Chan and Steven Shen were resigned on Feb 28 20119. Peter Lai resigned on Jan 11 2019.

Note 1: The names of CEO, President, and Vice Presidents are separately listed, and total remuneration disclosed for each item paid. Director serving as CEO and President are listed in this table and Table 1.

Note 2: Remuneration included President and Vice President Payrolls and incentives.

Note 3: Remuneration included President and Vice President Bonuses, transportation incentives, special allowances, and other incentives. .

Note 4: The amount was estimated using 2018 profit sharing ratio and approved by 2017 Board Meeting. Details listed in Table 3.

Note 5: The amount was the summary remuneration paid to company's CEO, President, and Vice Presidents from all consolidated entities.

Note 6: Each executive management compensation was disclosed in range.

Note 7: All compensation from consolidated statements was disclosed by range for each executive management.

Note 8: After tax net income refers to the after tax net income of the PTI financial statements for 2018.

### 3. Bonuses Paid to Management

Date: Dec 31 2018

	Title	Name	Stock (Fair Market Value)	Cash(NTD K)	Total(NTD K)	Total as % of 2018 Net Income
Management	CSO	D.K. Tsai	0	31,826	31,826	0.51%
	President & CEO	J.Y. Hung				
	Operations Sr. VP.	J.S. Leu				
	Quality Assurance Sr. VP.	John Wang				
	Testing Operations Sr. VP.	K.J. Chan (Note)				
	Marketing & Sales Sr. VP.	Steven Shen (Note)				
	Information and Materials Management Sr. VP.	John Chang				
	Sales Sr. VP.	Peter Lai (Note)				
	Singapore Operations Sr. VP.	Tonwey Cheng				
	Packaging Global Operations Marketing Assistant Sr. VP.	Paul Wu				
	Finance & Investment Management Sr. VP. & CFO	Evan Tseng				
	Packaging Manufacturing VP.	Y.C. Chen				
	Sales Management VP.	Phu Le				
	Memory Testing Operations VP.	Wilber Wu				
	Memory Testing Operations VP.	Y.C. Chi				
	Memory Packaging R&D VP.	David Fang				
	Plant Affairs Engineering VP.	Perry Lin				
	Logic Testing Assistant VP.	Vic Chen				
Packaging Manufacturing Assistant VP.	Gary Chang					
Wafer Level Packaging Assistant VP.	Vic Dong					

Note: KJ Chan and Steven Shan were resigned on Feb 28 2019. Peter Lai was resigned on Jan 11 2019.

Note 1: The 2018 profit sharing amount was approved by Board of Directors but pending for Shareholders' Meeting approval. The estimation was base on 2017 actual amount multiple by proposed ratio for 2017. Net income after tax for 2018 was referred to 2018 PTI financial statement net income after tax.

Note 2: Applicable grades for management are based on ruling of FSC Letter No. 0920001301 MOF March 27, 2003. The grades are listed below:

- 1) President or equivalent grade
- 2) Vice Presidents or equivalent grade
- 3) Assistant Vice President or equivalent grades
- 4) Head of Finance Department
- 5) Head of Accounting Department
- 6) Other Corporate management affairs or have signing authority

Note 3: For Directors, President, and Vice President who received employee profit sharing, in addition to filling related tables, information is contained in this table.

### 4. The percentage of compensation to Board, Supervisor, President, Vice President:

Title	2018 Compensation Percentage of Net Income after Tax		2017 Compensation Percentage of Net Income after Tax	
	PTI Alone	Consolidated	PTI Alone	Consolidated
Board and Supervisor	2.43%	2.63%	2.40%	2.61%
President and Vice President	2.14%	2.29%	2.20%	2.32%

(1) Compensation for Board of Directors were based on the percentage defined in Article of

Incorporation. 2018 compensation was based on revised Article of Incorporation which was less than 1.5% of before tax income deducted annual board and employee compensation.

Independent Directors were paid monthly and not entitled to board compensation.

(2) Compensation for President and vice President were based on corporate payroll policy and employee profit sharing policy considering individual seniority, experiences, performance, and contribution. Compensation proposal will be reviewed by Remunerations Committee and approved by Board.

(3) Weight of 2018 Board compensation over net income were similar with 2017 due to including salary compensation of one employee who served as additional Legal Representative Director. Weight of 2018 management compensation over net income were lower than 2017 due to 2018 employee headcount increased.

#### 4. Corporate Governance Status

(I) Board of Directors Meeting Status:

##### Board of Directors Meeting Status

6 Board Meetings took place in 2018. The attendance status as follows:

Before Annual General Meeting on May 26, 2017

Title Name	Attendance	Attend In Person	Attend By Proxy	Attendance Rate	Note
Chairman	D.K. Tsai	5	1	83.3%	
Director	JY Hung	6	0	100%	
Director	Kingston Technology Corp. Rep: Shigeo Koguchi	5	1	83.3%	
Director	Kingston Technology Corp. Rep: Daphne Wu	4	2	66.7%	
Director	Kingston Technology Corp. Rep : JS Leu	6	0	100%	
Director	Kingston Technology Corp. Rep : Evan Tseng	6	0	100%	
Director	Toshiba Memory Semiconductors Taiwan Corp Rep : Kenjiro Hara	5	0	83.3%	
Independent Director	Jim W.L. Cheng	5	1	83.3%	
Independent Director	Quincy Lin	5	1	83.3%	
Independent Director	Philips Wei	6	0	100%	
Independent Director	Pei-Ing Lee	5	1	83.3%	
Accumulated Average Attendance		58	6	87.9%	

Other Remark:

1. Any of the following situation should be clearly stated board meeting date, term,

proposal details, all opinions from independent directors, and responses from the Company reading Independent Director opinion:

(1) Items listed by Article 14-3 of Securities and Exchange Act :

Audit Committee has been set up complied with Article 14-3 of Securities and Exchange Act and approved by Board. Details operations of Audit Committee can be found in Audit Committee Meeting Status in next section.

(2) Other written opinion or objection from Independent Directors regarding Board approval items:

None.

2. Independent Directors should leave during discussion for matters with conflict of interest. Name of directors, proposal details, reason of conflicts and voting results:

(1) Board Meeting on Aug 3, 2018

Item 1: Independent Director Compensation Principal

Director DK Tsai, JY Hung, JS Leu, and Evan Tseng were excused from the meeting due to conflict of interests. All participated directors approved the proposal.

(2) Board Meeting on Nov 2, 2018

Item 2: Proposal for appointment of CSO and CEO

Director DK Tsai (appointed Director JY Hung) and JY Hung were excused from the meeting due to conflict of interests. All participated directors approved the proposal.

3. Current and recent years professional targets set for the Board (ex, set up of Audit Committee, improve corporation transparency) and keep track of progress:

Approved to appoint Mr. JY Hung as CEO and Mr. DK Tsai as CSO in order to strength succession plan and board structure on Nov 2 2018, 8<sup>th</sup> annual 9<sup>th</sup> board meeting.

In order to maintain and improve the transparency of the corporate governance, PTI will post summary conclusions from Board Meeting on MOPS at the same date of the meeting. If required by regulation, PTI will host press release to answer media and investors questions.

(II) Audit Committee Meeting Status:

4 meetings were hold during 2018 and the attendance status as follow:

4 meetings were hold for 2<sup>nd</sup> Term Audit Committee in 2018:

Title Name	Attendance	In Person	By Proxy	Attendance Rate	Note
Independent Director	Jim W.L. Cheng	2	1	66.7%	
Independent Director	Quincy Lin	3	0	100%	
Independent Director	Philips Wei	3	0	100%	
Independent Director	Pei-Ing Lee	3	0	100%	

Other Remark:



## 1. Audit Committee annual key performance indicators:

Audit Committee composed of 4 independent directors who are authorized to supervise the flow and control quality and reliability of accounting, auditing, financial reporting. 2018 major review items including:

- (1) Policy and Procedure of financial reporting and accounting policies.
- (2) Execution efficiency on internal audit plans and internal control procedures.
- (3) Domestic share trade
- (4) Lending to subsidiaries and execution of guarantee endorsement for subsidiaries
- (5) Earnings distribution proposal
- (6) Financial derivatives execution
- (7) Amendment of Code of Business Conduct and Ethics
- (8) Subsidiaries operation improvement plans
- (9) Legal verdict of violation of Code of Business Conduct
- (10) Execution of risk management
- (11) Evaluation of CAP independence and competence
- (12) Insider trading

### ▲ Audit Financial Reports

Board proposed 2018 business operation plan, audited financial reports, and earnings distribution plan for review. 2018 audited financial reports were completed and issued unqualified opinion by Deloitte Taiwan. Audit Committee approved 2018 business operation plan, audited financial reports, and earnings distribution plan after evaluation.

### ▲ Evaluation of Internal Audit Efficiency

Audit Committee reviewed the regular reporting from audit department, certified public accountant, and management to understand the efficiency of internal control policy and procedures. Audit Committee believed internal audit and risk management were necessary and effective to prevent and correct legal misconduct.

### ▲ Evaluation of CAP independence and competence

Audit Committee was authorized to supervise the independency of audited CPA firm to ensure the fair representation of the financial reporting. Audit CPA firm can only provide tax related and approval-based services. Special approval service items need to be authorized by Audit Committee. Audit Committee will evaluate audit CPA for independence, specialty, and

competence base on the Article 47 of The Norm of Professional Ethics for CPA of ROC. CPA Yu-Feng Huang and CPA Su-Li Fang both qualified and approved by Audit Committee and Board Directors on Mar 16 2018.

2. Any of the following situation should be clearly stated board meeting date, term, proposal details, all opinions from independent directors, and responses from the Company reading Independent Director opinion:

(1) Items Subject to Article 14-5:

Board Meeting	Proposal Details & Follow Ups	Subject to Article 14-5	Proposal Approved by more than 2/3 of Board Members without Audit Committee Approval	
8th Term 5 <sup>th</sup> Meeting (Mar 16, 2018)	1. Review 2016 Operations Report and Financial Reports.	√		
	2. Authorized 2017 Internal Audit Report Declaration.	√		
	3. In order to reduce currency exchange risks, proposed to extend trade long term forward exchange term with existing US\$110 m credit limit.	√		
	4. Proposed to lend Powertech Technology (Suzhou) Ltd. no more than US\$24 b and Powertech Technology (Singapore) Pte. Ltd. no more than US\$30 b. Lending period less than one year and annual interest at 2.2%.	√		
	5. Proposed to endorse guarantee for Powertech Technology (Singapore) Pte. Ltd. for US\$20 m at China Trust Bank. Powertech Technology (Singapore) Pte. Ltd. withdrawal US\$1.8 m loan on Dec 28 2017 and accumulated endorse guarantee of US\$14.8 b from China Trust Bank. Powertech Technology (Singapore) Pte. Ltd. withdrawal US\$10 m loan and accumulated endorse guarantee of US\$3.125 m from Mega Commercial Bank. Proposed to endorse guarantee for Powertech Technology (Suzhou) Ltd. for US\$18 m at Mega Commercial Bank. Powertech Technology (Suzhou) Ltd. withdrawal US\$281.2 k loan on Dec 18 2017 and accumulated endorse guarantee US\$281.2 k from Mega Commercial Bank.	√		
	6. Participated TeraPower Technology Inc., a 49% holding subsidiary, private placement for new common shares of 7,946 k shares for NT\$294,014 k.	√		
	7. Review the independence and competence of hired CPA firm.	√		
	All members of audit committee approved the proposals in the meeting on Mar 16, 2018.			
	All members of attended board members agreed with the conclusion reached by Audit Committee.			
	8th Term 6 <sup>h</sup> Meeting (May	1. Reviewed IQ18 Financial Reports.	√	
2. Review 2017 earnings distribution proposal.		√		

Board Meeting	Proposal Details & Follow Ups	Subject to Article 14-5	Proposal Approved by more than 2/3 of Board Members without Audit Committee Approval
4, 2018)	3. Proposed to endorse guarantee for Powertech Technology (Suzhou) Ltd. for US\$18 m at Mega Commercial Bank Suzhou Branch. Powertech Technology (Suzhou) Ltd. withdrawal US\$7 m loan on Apr 18 2018 and accumulated endorse guarantee of US\$7281.2 k from Mega Commercial Bank Suzhou Branch.	√	
All members of audit committee approved the proposals in the meeting on May 4, 2018.			
All members of attended board members agreed with the conclusion reached by audit committee.			
8th Term 8th Meeting (Aug 3, 2018)	1. Reviewed 2Q18 Financial Reports.	√	
	2. In order to reduce currency exchange risks, proposed to renew trade long term forward exchange term with existing US\$175 m credit limit.	√	
	3. Proposed to renew endorse guarantee for Powertech Technology (Singapore) Pte. Ltd. for US\$20 m at China Trust Bank. Proposed to renew endorse guarantee for Powertech Technology (Suzhou) Ltd. US\$15 m at Mega Commercial Bank Suzhou Branch. Powertech Technology (Suzhou) Ltd. withdraw US\$4 b on Apr 18 2018.	√	
All members of audit committee approved the proposals in the meeting on Aug 3, 2018.			
All members of attended board members agreed with the conclusion reached by audit committee.			
8th Term 9th Meeting (Nov 2, 2018)	1. Reviewed 3Q18 Financial Reports.	√	
	2. Approved 2019 Internal Audit Plan.	√	
	3. In order to reduce currency exchange risks, proposed to renew trade long term forward exchange term with existing US\$60 m credit limit.	√	
All members of audit committee approved the proposals in the meeting on Nov 2, 2018.			
All members of attended board members agreed with the conclusion reached by audit committee.			
All members of audit committee approved the proposals in the meeting on Aug 8, 2017.			
All members of attended board members agreed with the conclusion reached by audit committee.			

**(2) Proposal Approved by more than 2/3 of Board Members without Audit Committee Approval: None.**

2. Independent Directors should leave during discussion for matters with conflict of interest. Name of directors, proposal details, reason of conflicts and voting results:

None

3. Communication between Independent Directors and CPA (ex. Issues regarding corporate financial, business operations, methods, results, and etc.):

- (1) Internal audit department email audit reports to independent directors in a monthly basis. The head of internal audit should specified major findings during Audit Committee meetings.

(2) Summarized quarterly consolidated and stand alone financial statements information should be delivered and communicated with independent directors during Audit Committee meetings in order to comply with regulations defined in No 39 Statements of Auditing Standards and No.0930105373 of Securities and Futures Bureau.

(3) No less than 1 Audit Committee meeting per quarter. Summarized communication among independent directors, head of internal audit, and CPA:

Date	Meeting Summary	Conclusion
Mar 16, 2017	<p>1. Presented the status of 4Q17 internal audit execution.</p> <p>2. Authorized 2017 Internal Audit Report Declaration after reviewed the internal audit procedures and results of self-evaluation.</p> <p>3. CPA presented 2017 financial reports. Communicated for major financial estimation, accounting and tax regulation updates. CAP also presented 2017 audit schedule and identified major risks items.</p> <p>No suggestion from independent directors.</p>	<p>No special commands other than items on the left. After Board approval 2017 consolidate and stand alone financial statements, information were filed and published to meet with regulations.</p>
May 4, 2017	<p>1. Presented the status of 1Q18 internal audit execution.</p> <p>2. CPA presented 1Q18 financial reports. Communicated for major financial estimation, accounting and tax regulation updates.</p> <p>Other</p> <p>(1) Sr. Legal Director summarized the status of employee fraud</p> <p>Independent Director Pei-Ing Lee: Suggested to voluntary disclose the incident and state no impact on company finance to ease investors concerns.</p> <p>CFO: Will further evaluate the situation and actions.</p> <p>Independent Director Philip Wei: Any financial impact on PTI due to the employee fraud case?</p> <p>Sr. Legal Director: PTI could get cheaper probing equipment from China supplier without the fraud.</p> <p>CPA: There is no impact on financial statements because there is no actual money lost or asset damages due to the fraud.</p> <p>Internal Audit: Modification on procurement was taken, such as equipment buy directly from equipment maker, or public auction for major asset acquisition.</p> <p>Independent Director Jim W.L. Cheng: Is it necessary to modify the procurement procedure?</p> <p>Internal Audit: We are currently reviewing all the related procedures now. Revised procedures will be submitted for Board approval.</p> <p>No other suggestion from independent directors.</p>	<p>The Company voluntary disclose the board conclusion and amended related guidance on the same day of board meeting.</p> <p>After Board approval 1Q18 consolidated financial statements, information were filed and published to meet with regulations.</p>
Aug 3, 2018	<p>1. Presented the status of 2Q18 internal audit execution.</p> <p>2. CPA presented 2Q18 financial reports. Communicated for major financial estimation, accounting and tax regulation updates.</p>	<p>After Board approval 2Q18 consolidated financial statements, information were filed and published to meet with regulations.</p>
Nov 2, 2018	<p>1. Presented the status of 3Q18 internal audit execution.</p> <p>2. Presented 2019 Internal Audit Plan Proposal.</p> <p>3. CPA presented 3Q18 financial reports. Communicated for major financial estimation, accounting and tax regulation updates.</p> <p>4. Updated progress of unethical conduct law suit status.</p> <p>Independent Director Suggested to have Legal VP to update the progress and answer questions from independent directors and concerns.</p>	<p>After Board approval 3Q18 consolidated financial statements, information were filed and published to meet with regulations.</p> <p>2019 Internal Audit Plan approved by board and published met with regulation requirements.</p>

(III) Variances and Reasons between PTI Corporate Governance Practices and Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies:

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
1. Does Company follow “Taiwan Corporate Governance Implementation” to establish and disclose its corporate governance practices?	√		PTI Corporate Governance Best Practice Principles has followed “Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies” and approved by Board of Directors on Nov 5 2014 and amended on Feb 9, 2015 board meeting. The document was disclosed in PTI company website and MOPS.	Complied with Regulation.
2. Shareholding Structure & Shareholders’ Rights				
(1)Does Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters? If yes, has these procedures been implemented accordingly?	√		1. PTI has dedicated spokesman and shareholders affairs department to handle inquiries for shareholders. Contact information is available on company website. Legal inquiries will be handling by legal department.	Complied with Regulation.
(2)Does Company possess a list of major shareholders and beneficial owners of these major shareholders?	√		2. Regular reports and shareholder lists will be provided by stock transfer agent. PTI has disclosed information required by authority and kept good communication with major shareholders.	
(3)Has the Company built and executed a risk management system and “firewall” between the Company and its affiliates?	√		3. Procedures for activities with related parties has been established and followed.	
(4)Has the Company established internal rules prohibiting insider trading on undisclosed information?	√		4.”Prohibition against Insider Trading” policy has been established to educate and prevent insiders trading for who has access to significant internal information.	
3. Composition and Responsibilities of the Board of Directors:				
(1)Has the Company established a diversification policy for the composition of its Board of Directors and has it been implemented accordingly?	√		1. Each director qualifies for requirements defined by Corporate Governance Best Practice Principles. 11 Board Directors met professional requirements, including no less than 4 and no less than 1/3 as independent directors. One of director is female.	Complied with Regulation.
(2)Other than the Remuneration Committee and the Audit Committee which are required by law, does the Company plan to set up other Board committees?		√	2. The company has set up the Remuneration Committee and Audit Committee as directed by law. Other committees will be set up as needed.	
(3)Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual		√	3 .Board of Directors have been performed at highest standards. There is no evaluation of performance in place now. Evaluation will be established as needed.	

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)						
	Yes	No	Explanation							
basis?										
(4) Does the Company regularly evaluate its external auditors' independence?	√		<p>4. Starting from 2015, annual independence review of CAP will be performed and major items are:</p> <p>a. Review CAP qualification and experiences.</p> <p>b. Declaration of Independence from CPA including audit team members and their spouses and dependents don't have conflict of interests to influence their independency.</p> <p>c. Search on internet for records of employed CPA breach of independence.</p> <p>d. Evaluate employed CAP independency using check list defined by No. 10 Article 23 of Certified Public Accountant Act..</p> <p>e. Reviewed on Feb 22, 2017 Audit Committee meeting.</p> <p>f. Present the evaluation for Board of Directors on Feb 22, 2017.</p>							
4. Has the Company established dedicated person(s) or department to handle corporate governance issues (including but not limited to provide evaluation data for board of directors and supervisors hold board meeting and shareholder meeting, apply incorporation registration and modification, and record meeting minutes for board meetings and shareholder meetings)?			<p>The Stock Affairs Department is in charge of corporate governance related issues and major tasks were:</p> <p>Plan annual shareholder and board meetings agenda and schedule.</p> <p>Planning for board meetings details and notify attendance directors board meeting agenda 7 days before the meeting. Remind conflict of interests attendance to leave when necessary.</p> <p>Meeting minutes recording. Copy directors and file the meeting minute document within 20 days of meeting.</p> <p>Register for annual shareholder meeting with authorization with completed meeting notice, meeting agenda, annual report and meeting minutes within required period. File for amendment within 15 days after annual shareholder meeting.</p> <p>Public announcement of board and shareholder meeting conclusions comply with regulation and investor interests.</p> <p>Assist Directors for continue education programs.</p>							
5. Has the Company established a means of communicating with its Stakeholders or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders' questions on corporate responsibilities?	√		<p>Stakeholders communication methods as below:</p> <table border="1"> <thead> <tr> <th>Related Party</th> <th>Communication Method</th> </tr> </thead> <tbody> <tr> <td>Shareholders/Investors</td> <td>Shareholders' Meeting Financial Reports Host Quarterly Institutional Investor Conference Established spokesman and Investor Relations Department Company Website</td> </tr> <tr> <td>Employees</td> <td>Employees Benefits Committee Electronic Platform &amp; Announcement Procedures for Improvement Proposal Reviewing Employee and Employer Meeting Suggestion Box Psychological Consultant and</td> </tr> </tbody> </table>	Related Party	Communication Method	Shareholders/Investors	Shareholders' Meeting Financial Reports Host Quarterly Institutional Investor Conference Established spokesman and Investor Relations Department Company Website	Employees	Employees Benefits Committee Electronic Platform & Announcement Procedures for Improvement Proposal Reviewing Employee and Employer Meeting Suggestion Box Psychological Consultant and	Complied with Regulation.
Related Party	Communication Method									
Shareholders/Investors	Shareholders' Meeting Financial Reports Host Quarterly Institutional Investor Conference Established spokesman and Investor Relations Department Company Website									
Employees	Employees Benefits Committee Electronic Platform & Announcement Procedures for Improvement Proposal Reviewing Employee and Employer Meeting Suggestion Box Psychological Consultant and									

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)														
	Yes	No	Explanation															
			<table border="1"> <thead> <tr> <th colspan="2">Aids</th> </tr> </thead> <tbody> <tr> <td>Customers</td> <td>Sales Department Customer Satisfaction Survey Customer Service</td> </tr> <tr> <td>Suppliers</td> <td>Electronic Procurement Platform Procurement Contract Management Supplier Management Meeting Supplier Audit Procedure Supplier Evaluation</td> </tr> <tr> <td>Government</td> <td>Emails and Official Notice in Mail Seminars and Public Hearings Host by Officials Supplement Documents from Officials</td> </tr> <tr> <td>Community</td> <td>Company Website General Affairs Contact Window</td> </tr> <tr> <td>Media</td> <td>Press Release Interview</td> </tr> <tr> <td colspan="2">PTI has set up a section for stakeholders on the company website to disclose corporate social responsibilities, and CSR hotline and email account. Dedicated staff will take care of reported problems.</td> </tr> </tbody> </table>	Aids		Customers	Sales Department Customer Satisfaction Survey Customer Service	Suppliers	Electronic Procurement Platform Procurement Contract Management Supplier Management Meeting Supplier Audit Procedure Supplier Evaluation	Government	Emails and Official Notice in Mail Seminars and Public Hearings Host by Officials Supplement Documents from Officials	Community	Company Website General Affairs Contact Window	Media	Press Release Interview	PTI has set up a section for stakeholders on the company website to disclose corporate social responsibilities, and CSR hotline and email account. Dedicated staff will take care of reported problems.		
Aids																		
Customers	Sales Department Customer Satisfaction Survey Customer Service																	
Suppliers	Electronic Procurement Platform Procurement Contract Management Supplier Management Meeting Supplier Audit Procedure Supplier Evaluation																	
Government	Emails and Official Notice in Mail Seminars and Public Hearings Host by Officials Supplement Documents from Officials																	
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PTI has set up a section for stakeholders on the company website to disclose corporate social responsibilities, and CSR hotline and email account. Dedicated staff will take care of reported problems.																		
Has the Company outsource professional stock affair organization for assistance?	√		Concord Securities Co. Ltd assisted PTI for shareholder affairs.	Complied with Regulation.														
7. Information Disclosure																		
(1)Has the Company established a corporate website to disclose information regarding its financial and corporate governance status?	√		Company website has been set up and well maintained. Financial and Corporate Governance information will be disclose on the website upon occurrence.															
(2)Does the Company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors' conference etc.)?	√		The Company has dedicated personnel in charge of disclosure on MOPS following authority regulations. Investor Relations section under company website discloses information in both Chinese and English. Spokesman and deputy spokesman are in place. The Company has been hosting physical quarterly Institutional Investor Conference. Live webcasting and replay of conference available on company website for investors.	Complied with Regulation.														
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights,	√		<ol style="list-style-type: none"> <li>The Company has set up Corporate Social Responsibility Practice Guidelines and Corporate Social Responsibility Office to review and monitor CSR progress every 6 months.</li> <li>Employees Rights and Employees Care: Please refer to CSR Status Item 3 A-E on Page 3.</li> <li>The Company has set up multiples communication channels with investors or shareholders, such as</li> </ol>	Complied with Regulation.														

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)	
	Yes	No	Explanation		
employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?			<p>spokesman, Investor Relations Department, quarterly institutional investor conference, investor seminars upon request by security firms.</p> <p>4. The Company has established "Operations Sustainability Policy" and "Promotion Committee". Annual Risk Assessment Meeting will evaluate and manage the impacts from emergency events.</p> <p>5. Supplier Management: Please refer to CSR Status Item 3 H-I on page 3.</p> <p>6. Schedule Board of Directors and managements attending training sections. Please refer to table below for training details.</p> <p>7. The Company has enrolled Board of Directors (including independent directors) and management for liability insurance. The previous coverage expired on Aug 26, 2018 and policy was renewed with Chubb Insurance Taiwan Ltd. with US\$30 m premium at annual costs of US\$40,000. Period from Aug 26, 2018 to Aug 26, 2019. Insurance coverage and details was reviewed on Nov 2, 2018 board meeting.</p>		
9. Corporate Governance evaluation improve items and progress:		Item	Detail	Progress	Explanation
		Enhance Board Structure and Efficiency	3.4 Same person or spouses for Chairman and CEO	Improved	
			3.14 Completed Director of Board or Supervisor Continue Learning Programs required by Public Company Director and Supervisor Continue Learning Guidance	In Progress	Directors who missed the requirement had been reminded the importance to complete the continue training program.
			3.23 Independent Directors complete the Continue Learning Programs required by Public Company Director and Supervisor Continue Learning Guidance	In Progress	One of the independent directors could not complete the requirement due to conflicts in schedule.
			3.31 Has the company evaluate(no less than once a year) the performance of directors of board and published the results of evaluation on company website or annual report?	In Progress	Currently no evaluation guidance available.
		Information Transparency	4.14 Has the annual report disclose each director and supervisor compensation?	In Progress	No disclosure until reach each directors' consent.
		CSR in practice	5.7 Has the company set up guidance for carbon reduction, reduce water usage or other waste material control policy?	Improved	

1. Policy to encourage board of directors to enroll in well-rounded programs:

Article of Incorporation 20-3 stated: board members should not be discriminated against gender; all members should be capable in knowledge, skills, and mind set. All board of directors should be capable in:

- 1.Operational judgments;
- 2.Financial analysis;
- 3.Management skills;
- 4.Crisis management;
- 5.Industry knowledge;
- 6.International perspectives;
- 7.Leadership skills;



## 8. Decision Making.

Execution Status:

Name	Nationality	Gender	Employee of PTI	Age Range			Independence Director Seniority (Years)			Operational Judgment	Financial Analysis	Management Skills	Crisis Management	Industry Knowledge	International Perspectives	Decision Making
				51 - 60	61 - 70	71 - 80	< 3	3 - 9	> 9							
DK Tsai	ROC	Male	√		√					√		√	√	√	√	√
J.Y. Hung	ROC	Male	√		√					√		√	√	√	√	√
Shigeo Koguchi	Japan	Male				√				√		√	√	√	√	√
Daphne Wu	ROC	Female		√						√	√	√	√			
J. S. Leu	ROC	Male	√		√					√		√	√	√	√	√
Evan Tseng	ROC	Male	√	√						√	√	√	√	√		
Kenjiro Hara	Japan	Male		√						√		√	√	√	√	√
Jim W.L. Cheng	ROC	Male			√				√	√	√	√	√			√
Quincy Lin	ROC	Male			√				√	√		√	√			√
Philips Wei	ROC	Male				√		√		√	√	√	√			√
Pei-Ing Lee	ROC	Male			√		√			√		√	√	√	√	√

### 2. Evaluation of independency of CPA Yu-Feng Huang and Su-Li Fang:

Events Influence on CPA Independency	Yes	No
1. Do the CPAs have direct and major financial relationship with the Company?		√
2. Do the Company or any board member lend or endorsement guarantee to CPAs?		√
Do the CPAs lend or endorsement guarantee to the Company?		√
4. Do the CPAs have frequent business relationship with the Company?		√
Do the CPAs have frequent business relationship with any board or management members?		√
6. Do the CPAs employee by the Company as board of director, management, or any position could significantly impact on audit now or last 2 years?		√
7. Are the CPAs going to be employed by the Company as board of director, management, or any position could significantly impact on audit in the future?		√
8. Do the CPAs as family members of board of director, management, or any position could significantly impact on audit?		√
9. Do the CPAs receive any significant valuables or gifts from board of director or management?		√
9. Do the CPAs employed by the Company for consecutive 7 years?		√

### 3. Status of 2018 Continue Education for Board of Directors and Management:

Title	Name	Date	Host By	Course	Duration (Hours)
Chairman	DK Tsai	2018/10/30	Taiwan Corporate Governance Association	US Taxation: How Taiwan Business Manage US-China Trade War?	6
Independent Director	Jim W.L. Cheng	2018/5/30	Taiwan Corporate Governance Association	Guidance and case studying for corporate mergers and acquisitions from legal point of views.	3
				Must know for startup investors	3
Independent Director	Philips Wei	2018/5/9	Securities & Futures Institute	Corporate Governance and Independent Director in practice.	3
		2018/9/13		The impacts on corporate governance, internal control, and directors responsibility after the amendment of corporate law	3
Independent Director	Pei-Ing Lee	2018/10/15	Securities & Futures Institute	12 <sup>th</sup> Annual Corporate Governance Forum in Taipei	6
CFO & Sr. VP	Evan Tseng	2018/9/13	Accounting Research and Development Foundation	Continue Education for Head of Finance for Public Listed Companies.	12
		2018/9/14			
Internal Audit	Teressa Tseng	2018/8/28	Accounting Research and Development Foundation	Case Study for Information Security and Individual Privacy Protection.	6
		2018/9/30		IFRS 16 Leasing Accounting Practice impacts on Internal Audit.	6

### (III) Remuneration Committee Members and Attendance

#### 1. Information Regarding Remuneration Committee Members

Criteria	Meet One of the Following Professional Qualification Requirements, together with at least five years of work experiences			Conform to Independent Status (Note 1)								Number of Other Taiwan Public Companies Concurrently Serving as an Independence Status	
	An instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Dept related to the Business Needs of the Company in a public or private Junior College, College, or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialists Who has passed a National Examination and been Awarded a certificate in a Profession necessary for the Business of the Company	Have work Experience in the area of Commerce, Law, Finance, Accounting, or Otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8		
Independent Director	Quincy Lin		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Independent Director	Jim W.L. Cheng		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Independent Director	PhilipS Wei		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	

Note 1: Remuneration Committee members during the two years before being elected or during the term of office. Meet any of the following conditions; please mark the appropriate corresponding boxes:

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
- (4) Not a spouse, relative within the second degree of kinship or lineal relative within the third degree kinship, of any of the persons in the preceding three subparagraphs.
- (5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds 5% or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings.
- (6) Not a director, supervisor, officer, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the Company.
- (7) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof. However, this does not include member of the remuneration committee acting on behalf of Article 7 based on the shares being publicly listed and trading at a commercial brokerage.

(8) Not been a person of any conditions defined by Article 30 of the Company Law.

## 2. Operations of Remuneration Committee

(1) Total 3 members of Remuneration Committee.

(2) Service Term: Jun 8, 2017 to May 25, 2018.

2 meetings took place during 2018, and attendance status as below:

Title Name	Attendance	In Person	By Proxy	Attendance Rate	Note
Chair	Jim W.L. Cheng	1	1	50%	
Member	Quincy Lin	1	1	50%	
Member	Philip Wei	2	0	100%	

### Annotations:

I. The meeting minutes should clearly indicated Board meeting date, proposal details, decision, and opinions from Remuneration Committee when Board Meeting rejected or amended proposals from Remuneration Committee: No such incident.

II. The meeting minutes should clearly indicated Remuneration Committee decision, date of the meeting, proposal details, and all members' opinions when any of the members rejected or disagree with the decision: No such incident.

Date of Meeting	Meeting Summary	Conclusion	Follow Up Action
Mar 16 2018	1. Review 2017 Director of Board Compensation and employee compensation. 2. Review 2018 management payroll adjustment. 3. Propose to set up Employee Stock Ownership Trust.	Approved by all attendance committee members.	Propose in Board meeting seeking for all Board members approval.
Aug 3 2018	1. Review 2017 management compensation plan. 2. Amended parts of Article of Employee Stock Ownership Trust and procedure.	Approved by all attendance committee members.	Propose in Board meeting seeking for all Board members approval.

## V. CSR Status

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
1. Implementation of Corporate Governance				Complied with Regulation
(1) Does the Company have a corporate social responsibility policy and evaluate its implementation?	V		The Company has established "Corporate Social Responsibility Practice Guideline" and approved by board on Nov 8 2013 and amended on Nov 4 2016.	
(2) Does the Company hold regular CSR training?	V		Please refer to Note 1 in below.	
(3) Does the Company have a dedicated (or ad-hoc) CSR organization with Board of Directors authorization for senior management, which reports to the Board of Directors?	V		The Company has established CSR office on Aug 1, 2014 as dedicated department to promote and handle CSR related issues and approved by board on Feb 9, 2015. CSR office reports to board on a regular basis.	
(4) Does the Company set a reasonable compensation policy, integrate employee appraisal with CSR policy, and set clear and effective incentive and disciplinary policies?	V		The Company will factor in employee performance, market average wages, and price index during annual wages review. Employees also subject to quarterly bonuses which was defined by Article of Incorporation. 5% - 7.5% of annual income before tax will be reserved as employee bonuses to share operation profits with employees to meet company CSR policy. 2018 Compensation Details as below: (1) One month salary award on Jun and Dec. (2) Quarter award when company reached target profitability. (3) Employee compensation NT\$394.8 m which was 5.39% of annual income before tax met with Article of Incorporation. (4) Reward twice incentive awards base on individual performance. (5) Annual raise between 3% -5%. Additional awards were granted from direct supervisors for special recognition.	
2. Environmentally Sustainable Development				Complied with Regulation
(1) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	V		Please refer to Note 2 in below.	
(2) Has the Company set an Environmental management system designed to industry characteristics?	V		The Company has been certified with ISO14001 Environmental Management System in 2003, OHSAS18001 Occupational Health and Safety Management Systems in 2004, and IECQ QC080000 Hazardous Substance Process Management System in 2008.	
(3) Does the Company track the impact of climate change on operations, carry out greenhouse gas inventories, and set energy conservation and greenhouse gas reduction strategy	V		Please refer to Note 3 in below.	

3. Promotion of Social Welfare				
(1)Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?	V		PTI is a member of Responsible Business Alliance (RBA) since Apr. 20 2015 and the company has comply with RBA Code of Conduct started 2009. Certified SA8000 in 2016.	
(2)Has the Company established appropriately managed employee appeal procedures?	V		Please refer to Note 4 in below.	Complied with Regulation
(3)Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	V		Please refer to Note 5 in below.	Complied with Regulation
(4)Has the Company established a mechanism for regular communication with employees and use reasonable measures to notify employees of operational changes which may cause significant impact to employees?	V		Employees can addressed their major concerns through Employee-Employer meeting and Employee welfare representatives. Meeting minutes were available on internal posting, website, and internal magazines.	Complied with Regulation
(5)Has the Company established effective career development training plans?	V		The Company has set up standardized on-job training programs for all levels of position to provide necessary knowledge and skills to improve work quality and personal growth for better position.	
(6)Has the Company set polices and consumer appeal procedures in its R&D, purchasing, production, operations, and service processes?	V		The Company has established “Code of Business Conduct and Ethics” to guide R&D, procumbent, manufacturing, operation, and support departments about related party conflict of interests, data security, copyright violation, unfair competition. Reporting illegal conduct channel has been set up and available on company website.	
(7)Does the Company follow regulations and international standards in the marketing and labeling of its products and services?	V		Not applicable to the Company since PTI was not assembly final end products.	Complied with Regulation
(8)Does the company evaluate environmental and social track records before engaging with potential suppliers?	V		Annual review suppliers’ quality, delivery schedule, cost, and skills. Review items included: 1. Quality Management System 2. Green product management system to eliminate environmental hazard raw materials. 3. Human rights of employees defined by EICC. 4. Occupational health and safety management systems.	Complied with Regulation
(9)Does the Company’s contract with major suppliers include termination clauses if they violate CSR policy and cause significant environmental and social impact?	V		CSR policies were included in supplier contracts. If there is any significant violation of CSR of suppliers, the Company can terminate the service contracts.	
4. Enhanced Information Disclosure	V		In additional to meet the regulation to post on MOPS, the Company has started to published CSR Report since 2013. CSR	

Does the Company disclose relevant and reliable CSR information on its website and the Taiwan Stock Exchange website?		Report is available through the company website: ( <a href="http://www.pti.com.tw/ptiweb/index.aspx">http://www.pti.com.tw/ptiweb/index.aspx</a> )	
5. If the company has established its corporate social responsibility code of practice according to “Listed Companies Corporate Social Responsibility Code of Practice,” please describe the operational status and differences. The Company has established “Corporate Social Responsibility Practice Guideline” and approved by board on Nov 8 2013 and amended on Nov 4 2016.			
6. Other important information to facilitate better understanding of the company’s implementation of corporate social responsibility: Please refer to Note 6 in below.			
7. Other information regarding “Corporate Responsibility Report” which is verified by certifying bodies: 2018 CSR Report was guided by Sustainability Reporting Guide version 4 published by Global Reporting Initiatives (GRI). 2018 CSR Report was certified by BSI, an independent agency, at the AA1000 AS Type II review standards. 2018 CSR Report was also certified by PWC at limited assurance guided by ISAE3000 standard.			

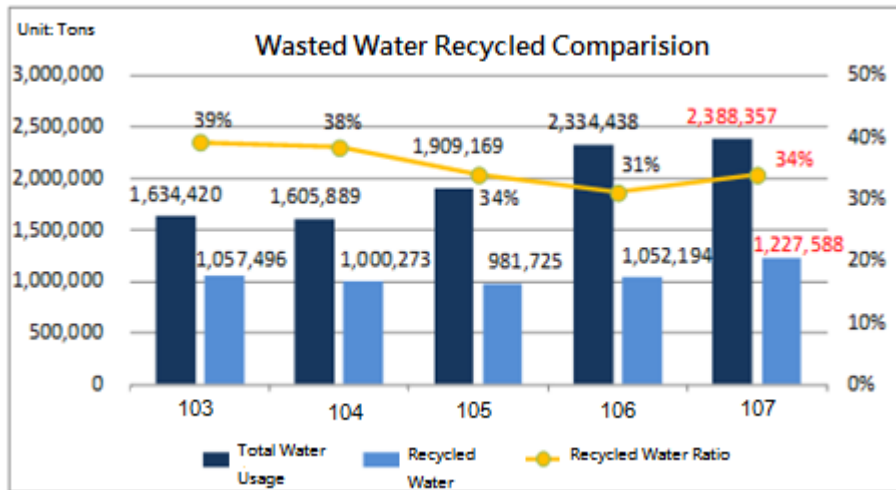
Note 1: 2018 continue education details as below:

Category	Course	Number of Trainee
Legal Matters for Corporate Operations	Individual Identity Security.	3,656
	Regulation of Trade Secret.	3,656
	Corporate Ethics Conduct.	3,656
	Training for new hire employees.	1,240
Human Rights	Introduction of RBA Regulation	606
	Introduction of SA8000	122
	Introduction of Human Resources Management Regulation	1,123
	Training for new hire employees. (including EICC behavior conduct, employee ethic conduct, SA8000)	1,240

2. Last 3 years energy usage details as below:

Item	2016	2017	2018
Waste Recycle (Tone)	708.6	612.1	749.79
Electronic Saving (kWh)	5,837,329	4,802,805	10,015,926
Waste Water Recycle(Tone)	981,725	1,052,194	1,227,588

2018 recycled 34% waste water during assembly process and 3% improvement than 2017.



To fulfill PTI's corporate social responsibility, through internal management systems and multiple pollution prevention facilities, the company promotes energy saving, greenhouse gas reduction, reduce water usage and implement waste disposal management in accordance with the preservation of the sustainable environment.

Detailed illustrations are as below:

#### 1. Environmental Protection Department

The company has Occupational Safety and Environmental Protection Section, specific in the management and promotion of occupational Safety and environmental protection, also, supervise pollution prevention facilities are function normally. Furthermore, The occupational safety and environmental protection committee consists of high ranking supervisors and selected departmental representative, which, in charge of drafting, responding to, and executing topics related to sustainable environment.

3. To fulfill PTI's corporate social responsibility, through internal management systems and multiple pollution prevention facilities, the company promotes energy saving, greenhouse gas reduction, reduce water usage and implement waste disposal management in accordance with the preservation of the sustainable environment.

Detailed illustrations are as below:

#### Environmental Protection Department

1. The company has Occupational Safety and Environmental Protection Section, specific in the management and promotion of occupational Safety and environmental protection, also, supervise pollution prevention facilities are function normally. Furthermore, The occupational safety and environmental protection committee consists of high ranking supervisors and selected departmental representative, which, in charge of drafting, responding to, and executing topics related to sustainable environment.



## 2. Environmental Safety and Health Policy

To implement environmental safety and health protection values into business operations and every employee, the company has established “Environmental, Health and Safety Policy” and put actions on our employees, customers and other interest groups. Detailed illustrations are as follow:

1. Convey our environmental, health and safety policy to our employee, customers and other interest groups.
  2. Comply with policies which demand for environmental protection, health and safety and the demand of the customers.
  3. Participation of damage, disease and accident prevention and damage control from all employees.
  4. Compliance with international environmental protection tendency, promote energy saving and reduce waste.
  5. Continue to review and improve, increase performance in health, safety and environmental management.
3. Promote energy saving, greenhouse gas reduction, water usage reduction, waste management and other measures in responds to climate change, PTI has annual goals and manage the results of our environmental protection outcome via data management. This includes:

### (1) Annual Goals

- General Waste Recycling Amount  $\geq$  50 ton/month
- Dicing & Grinding Wastewater Recovery Rate  $>87\%$
- Reduce CO<sub>2</sub>e Emission from 2015 in 2030 target for 15%

### (2) Environmental Management Plan

To fulfill company’s corporate social responsibility and through the correct use of pollution monitor system, PTI has a long-term plans and measures for environmental management:

- A. Air Emission: PTI Taiwan installed air pollution prevention equipment especially designed for reducing Volatile Organic Compound (VOCs) emissions. They are tested regularly to comply with the treatment efficiency tests.
- B. Wastewater Recycle: Recycle and reuse the wastewater from the dicing and grinding process in order to reduce the use and protection of water resource.
- C. Waste Removal: PTI complies with the law in regard to the treatment of generated waste. We implement a proper recycling program at the source of the waste to improve the recycling efficiency. By collecting, classifying, reducing, and recycling, our major strategy focuses on "recycling" instead of "dumping." Transforming waste

to resources will not only reduce impact on environment, but also increase the value generated by recycling.

D.Audition and Coaching the Contractor: PTI audit our supplier and outsourcer with environmental pollution risks regularly. We also coach our contractor to carry out environmental protection duties; altogether we fulfill our responsibility of environmental protection as enterprise, and the goal of sustainable supply chain.

E. Energy Saving and Carbon Reduction: An energy-saving cross-department task force to monitor energy saving project and the reduction of energy and greenhouse gas emission. PTI voluntarily provide carbon emission information in order to correspond with global trend.

F.Autonomous Environmental Monitoring: Consist of wastewater properties, noise, air quality and waste monitoring in order to control the effective and impact of enterprise activities.

G.Alteration of Environmental Permit: Update our environment permits to corporate with our enterprise activities and allow our activities and emissions in accordance to the law

### (3)Greenhouse Gas Inspection and Reduction

Since 2007, PTI has spontaneous inspection on greenhouse gases annually. The results are thus transformed into actions in reduce potential emission sources. In 2018, PTI has been awarded by Carbon Disclosure Project (CDP) as B. This is the highest ranking in all domestic manufacture; Emissions of greenhouse gases by PTI in the last three years are as follow:

Greenhouse Gas Emission (Unit: ton CO2e/ year)			
Item	2016	2017	2018
Category 1	34,466.84	31,794.57	33,502.80
Category 2	275,043.83	322,940.02	388,396.85
Total Emission	309,510.67	354,734.59	421,899.65

In 2018, PTI’s greenhouse gas emission consists of two categories. First, direct greenhouse gas emission (category 1) constitute approximately 7.94% of total emission. Indirect greenhouse gas emission (category 2) is primarily electric consumption, has about 92.06% of total emission. Therefore, our core strategies for reducing greenhouse gas emission are power management and decreasing power consumption.

To actively fulfill a sustainable development environment, PTI has “CSR Practice Guidelines” to manage the impact on economic, environment and society. Also, the acquisition of carbon right is also included in our carbon reduction strategy to minimize

company activities' impact to the environment.

#### (4)2018 Results

With active plans to combat global climate change, PTI has notable results in 2018 as follow:

- “Water Footprint Verification” issued by Industrial Development Bureau, MOEA(IDB)  
The PTI (Taiwan) plants have obtained management system from SGS Taiwan Ltd. Including Hukou Plant, Datong Plant and Headquarter have been certified with ISO 14046 and Water Footprint verification from the Industrial Development Bureau in Taiwan.
  
- Climate Change Program rated B  
PTI has rated B in the Climate Change Program launched by Carbon Disclosure Project (CDP) and has an index of management.
  
- Rated B in the CDP Water Disclosure Program  
PTI has participated in the CDP Water Disclosure for the first time and has a band of B-, rating of Management.

4. We have established comprehensive channels for diverse, two-way, and open communication. By helping employees communicate their opinions to the management, their concerns can be effectively taken care of. Our fair, confidential, and efficient handling procedure resolves employees' concerns while maintaining good labor management relationship. Anonymous or otherwise, we always exercise confidentiality and fairness in handling such information. All forms of retribution are protected against, so that employees can express their concerns without fear.

5. Given the consideration of the working environment and the importance of personal protective equipment, PTI is to provide a safe and healthy working environment. The protection of employee's safety measures are as follow:

##### 1. Implementation of "Environmental Safety and Health Policy"

To prevent occupational injuries and accidents and ensure the safety and health of our workplace, we implemented our “Environmental Safety and Health Policy.”

(1) Notify employees, customers and related parties with environmental, safety and health policy.

- (2) Comply with the legislation of environmental protection, safety, health and customer requests.
- (3) Participate in prevention of injury, illness, accident and lost control by the entire employees.
- (4) Accommodate international environmental trend to drive energy-saving and waste-minimizing activities actively.
- (5) Review and constantly improve the environment and OH&S management system to promote the whole performance.

## 2. Follows the Health and Safety Management System

Based on ISO 14001 and OHSAS 18001 systems to manage

## 3. Measurement of Operating Environments

PTI conducts measurements of operating environments every six month to understand the hazard exposure in workplace environments. If the measurements return abnormal readings, we perform monitoring and improvement on the affected areas.

## 4. Personal Protective Equipments

To ensure the safety and health of employees and minimize exposure to harmful factors, PTI has implemented its personal protective equipment management regulations and required that employees wear appropriate personal protective equipment when handling hazardous operations.

## 5. Health Care

We provide comprehensive employee care and health care system to ensure every employee's mental and physical health. Including comprehensive channels for open communication, psychological counseling system, manage and follow up on health conditions with regular and special health examinations and medical counseling service. We value the health of working mothers and manage the prevention of disease triggered by abnormal workload toward employees, thus, creating an excellent work environment and a healthy corporate culture.

## 6. Training & Development

To raise the awareness of environmental safety and health, beside from training for new employees, PTI organize various training courses annually. Such as, waste management, greenhouse gas inspection, hazardousness identify, risk and environmental assessment, personal protective equipment management, automatic check, emergency response and health seminars.

## 6. Status and Results of the Practice of CSR

### **Social Aspects:**

## 1. Talent Recruitment

PTI continues to provide job opportunities by employing over 1,801 employees in 2018. At the same time, we hire from the minority groups which helps resolve their economic pressure. In 2018, we have 42 employees from minority group.

## 2. Employment for Disabled People

To attend the needs of disable people and improve our work environment, we welcome physically or mentally disadvantaged persons to work at PTI. PTI continues to hire disabled people in accordance to the law, as of Dec. 2018, we have 109 employees from disadvantaged group and we have hired 35 person in 2018.

## 3. Establishment of “PTI Education Foundation”

- PTI establishes the "PTI Educational Foundation" in 2017, to promote technology education, culture, education, and talent training, as well as to be responsible corporate citizens.
- PTI Educational Foundation has granted scholarship to 215 students in 2018, along with fundraising for Chuhsin House, Green Seed Counseling, and St. Francis Xavier Home for Children and Juvenile, Zhudong Township Zhongshan Elementary School, Jianshi Township Jinping Elementary School and benefits over 300 children.

## 4. Volunteers Activity

We founded the volunteering club and with the resource from PTI Education Foundation. We were able to actively promote community service and care, also, be responsible corporate citizens. The company events invite charity groups to setup stalls to increase fundraising for the minority children, elderly living alone, and charity groups. PTI’s volunteering club also has adopt several children’s home including Green Seed Counseling, The Unique Atayal College, Hsinchu Taiwan Fund for Children and Families, White Children’s Home, Chuhsin Family, Yu An Children’s Home, etc.

## 5. Industrial-Academy Collaboration

PTI has dedicated to the cultivation of students, enthusiastically working with nearby schools to create more job opportunities. We promote industry-academy collaboration to ensure talents are properly developed and willing to stay with us, thereby creating a win-win situation for schools and our company.

### **Employee Aspects:**

#### 1. Policy for Positions Retained without Pay

Following government regulations, PTI (Taiwan) allows applications for positions retained

without pay from any gender to encourage childbirth. As for 2018, there are a total of 367 childbirths under this policy.

- Positions Retained without Pay: In 2018, 107 employees applied for maternity/ paternity leave without pay, and over 22% were male employees. Among those who applied for position retained without pay for maternity or paternity, 75% of employee returned to their positions. After returning to their positions for one year, retention rates were 96%.
- Breastfeeding Room: We encourage postnatal employees to feed and collect breast milk. All plants are equipped with breastfeeding rooms with refrigerators installed for breastfeeding mothers to use.
- Reserved Parking Spots for Pregnant Women: To allow pregnant women and postnatal mothers to have more convenient workplace, we have reserved parking spots for pregnant women for their priority parking.

## 2. Child-Care Service

PTI cares about the employees and their interaction with their families. We bring energy and happiness to their lives in addition to job opportunities in many regions. By having the employee welfare committee signing designated kindergartens and child-care facilities in the areas where employees reside, we offer options of pre-school care for the children of our employees so that the employees can excel in both their work and their family life without any worries.

## VI. Status of Business Conduct and Ethics

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures				Comply with regulations.
(1) Does the company have bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and the commitment regarding implementation of such policy from the Board of Directors and the management team?	√		The Company's Board of Director has approved "Corporate Conduct and Ethics Policy" base on the guidance of "Public Company Conduct and Ethics Practice Principles" on April 30 2013, and approved the 1st amendment on Feb 9 2015. 2 <sup>nd</sup> amendment approved on Nov 2 2018.	
(2) Does the company establish relevant policies which are duly enforced to prevent unethical conduct and provide	√		The Company has established the following guidance: Prohibition against Providing or Accepting Improper Benefits Prohibition against and Handling Procedure for Facilitating Payments	

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
implementation procedures, guidelines, consequence of violation and complaint procedures in such policies?			Avoidance of Conflict of Interest Procedures for Making Political Contributions, Charitable Donations or Sponsorships Procedures for Developing & Establishing Business Relationship Disclosure of Ethical Management Policy to the Public Prohibition against Insider Trading Prohibition against Disclosure of Confidential Information Prohibition against Infringement of Intellectual Property Rights Prohibition against Acts of Unfair Competition Preventing Products or Services from Damaging the Stakeholders	
(3)Does the company establish appropriate compliance measures for the business activities prescribed in paragraph 2, article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and any other such activities associated with high risk of unethical conduct?	√		Please refer to Note 1.	
2. Ethic Management Practice				
(1)Does the company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	√		Please refer to Note 2.	Comply with regulations.
(2)Does the company set up a unit which is dedicated to or tasked with promoting the company's ethical standards and reports directly to the Board of Directors with periodical updates on relevant matters?	√		The Company has set up a CSR Office on Aug 1, 2014 and dedicated to promote and enforce ethical practices and reported directly to the Board of Directors. Board has reviewed its 2018 operations on Jul 13 2018.	
(3)Does the company establish policies to prevent conflict of interests provide appropriate communication and complaint channels and implement such policies properly?	√		Employment contract stated all employees should avoid conflict of interests. Every employee every year signs "Agreement of Avoidance of Conflicts of Interest." starting from 2015. 2016 implement online training course for Code of Ethic and weighted in training scores with annual evaluation.	Comply with regulations.
(4)To implement relevant policies on ethical	√		The Company has established comprehensive accounting and internal control procedures and reporting system.	

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
conducts, does the company establish effective accounting and internal control systems that are audited by internal auditors or CPA periodically?				
(5) Does the company provide internal and external ethical conduct training programs on a regular basis?	√		Please refer to Note 3.	
3. Implementation of Complaint Procedures				Comply with regulations.
(1) Does the company establish specific complaint and reward procedures, setup conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	√		The Company has established communication channels and complaint reporting system. Dedicated personnel handle complaints and make sure whistleblower identity will remain anonymous.	
2) Does the company establish standard operation procedures for investigating the complaints received and ensuring such complaints are handled in a confidential manner?	√		Please refer to Note 4.	
(3) Does the company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?	√		The Company has established proper procedure to keep whistleblower identity anonymous and away from wrongful conducts.	
4. Information Disclosure Does the company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System (“MOPS”)?	√		The information and results of Code of Business Conducts and Ethics were available on MOPS and company website. <a href="http://www.pti.com.tw/ptiweb/policy/Code of Business Conducts and Ethics.pdf">http://www.pti.com.tw/ptiweb/policy/Code of Business Conducts and Ethics.pdf</a> <a href="http://www.pti.com.tw/ptiweb/G0053.aspx?p=G&amp;c=G5">http://www.pti.com.tw/ptiweb/G0053.aspx?p=G&amp;c=G5</a>	Comply with regulations.
5. If the company has established corporate governance policies based on TSE Corporate Conduct and Ethics Best Practice Principles, please describe any discrepancy between the policies and their implementation. PTI has established the Code to require that all employees, officers and board members comply with the Code and the other policies and procedures. There is no discrepancy between the Code, including its affiliate policies and procedures, and its implementation. For more details, please refer to “ <a href="#">Code of Business Conduct and Ethics</a> ” from the company website.				
6. Other important information to facilitate better understanding of the company’s corporate conduct and ethics compliance practices (e.g., review the company’s corporate conduct and ethics policy). (1) Board has approved the 2nd amendment on Nov 2, 2018 for Code of Business Conduct and Ethics. (2) 2 employees were reported for ethic misconduct during 2016 to 2017. After legal department confirmed the misconduct behaviors, 2 employees were terminated and filed legal complains with Taiwan HsinChu District Court. Verdict was reached on Apr 2018 to trial with criminal charges for violation of Criminal Code Article 342 and Security and Exchange Act Article 171. Trial is an ongoing case and has been reported the progress with Board on Nov 1 2017, May 4 2018, and Nov 2 2018.				



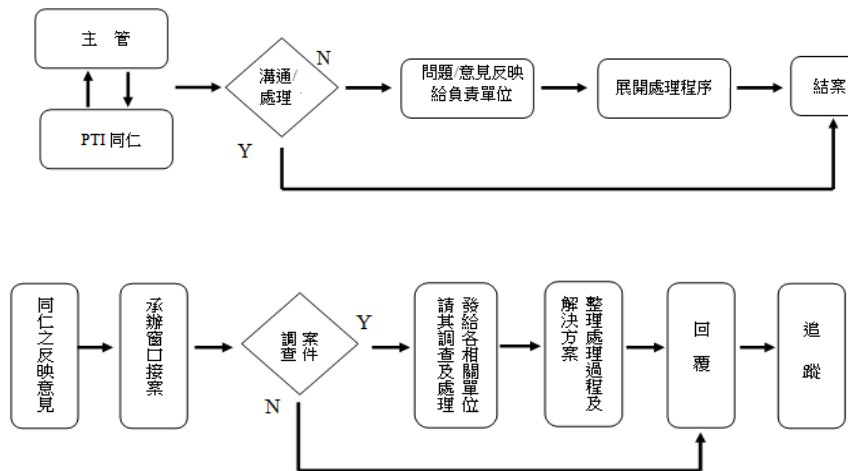
Note:

1. The Company has placed the following procedures in place for business activities with higher risk of ethical conducts defined by Article 7 Item 2 of Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies:
  - a. Standard procedures and guidance for behaviors to avoid violate code of ethics.
  - b. Set up internal balancing structure to eliminate risk of unethical conducts.
  - c. Promote the code of ethics and aware the consequences of violation.
  - d. Standard procedures for whistle blowing and investigation.
  - e. Evaluation of procedures and results.
  - f. Quantified management results and makes data available on company website, annual report, and MOPS.
2. Evaluation for risk of ethical conducts before engaged with suppliers. Evaluation items included:
  - a. Operation locations, organization structure, operation policy, and payment location.
  - b. Ethical conduct status and practice.
  - c. Located in high risk of countries.
  - d. Industry belongs to high risk category.
  - e. Long term profitability and reputation.
  - f. History of bribery or misconduct.

### 3.2018 Code of Business Conduct and Ethics Training Details:

Type of Employee	Course	Number of Employees
New Hired	Training for new hire employees.(Including data security, and code of ethics)	1,240
Existing	Individual identity Security.	3,656
	Law of Trade Secret.	3,656
	Corporate Ethics Conduct.	3,656

4. 處理程序：



### VII. Posting of Code of Business Conduct and Ethics:

Information for Code of Business Conduct and Ethics can be found on:

MOPS website: <http://mops.twse.com.tw>

Company website: <http://www.pti.com.tw>

### VIII. Other Significant Information Regarding Code of Business Conduct and Ethics:

None.

(IV) Internal Control System Execution Status

1. Statement of Internal Control System

Powertech Technology Inc.

Statement of Internal Control System

Mar 14, 2019

Based on the findings of a self-assessment, Powertech Technology Inc. (PTI) states the following with regard to its internal control system during the year 2018:

1. PTI's Board of Directors and Management are responsible for establishing, implementing, and maintaining an adequate internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance, and safeguarding of assets), reliability of our financial reporting, and compliance with applicable laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and PTI takes immediate remedial actions in response to any identified deficiencies.
3. PTI evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring.
4. PTI has evaluated the design and operating effectiveness of its internal control system according to the aforesaid regulations.
5. Based on the findings of such evaluation, PTI believes that, on December 31, 2018, we have maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability of financial reporting, and compliance with applicable laws and regulations.
6. This Statement will be an integral part of PTI's Annual Report for the year 2017 and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This Statement has been passed by the Board of Directors in their meeting held on Mar 14, 2019, with none of the ten attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Powertech Technology Inc.

Chairman: D.K. Tsai

President: J. Y. Hung

2. For entrusted to CPA for auditing and reviewing internal control, should disclose the CPA's audited report: None.

(X) In the most recent year and as of publication date of this annual report, incident of company or staff being penalized, staff violating internal audit system and being penalized, major defects and status for improvements: None.

(XI) Major conclusions of board and shareholders meeting:

1. Shareholder Meeting Major Conclusion and Execution

Date	Type of Meeting	Major Conclusion
Jun 8, 2018	Annual Shareholder Meeting	1. Reviewed 2017 Business Report and Financial Reports. 2. Approved and distributed 2017 profit sharing distribution. NT\$4.50 cash distribution on Sep 5, 2018 for shareholders holding position on Aug 6, 2018.

2. Board Meeting Major Conclusion and Execution

Date	Type of Meeting	Major Conclusion
Jan 30, 2018	Board Meeting (8th Term 4th meeting)	1. Approved 2018 Business operation proposal. 2. Approved amendment of Board Meeting Guidance and Audit Committee Guidance 3. Approved amendment of Remuneration Committee Guidance.
Mar 16, 2018	Board Meeting (8th Term 5th meeting)	1. Approved 2017 business operation report and financial reports. 2. Approved 2017 dividends proposal. 3. Approved 2017 Board of Director and employees annual compensation. 4. Approved assistance to set up Employee Stock Ownership Trust. 5. Approved management compensation proposal. 6. Approved 2017 Internal Control Declaration and reviewed the results of 2017 Internal Control execution. 7. Approved credit application with financial institutions. 8. Approved credit limit for foreign currency trades. 9. Approved financial endorsement for subsidiary loan application. 10. Approved endorsement and guarantee for subsidiary. 11. Authorized endorsement letter for subsidiaries lending from banks. 12. Approved increase domestic shares issue. 13. Reviewed independence of CPA. 14. Approved 2018 shareholder meeting proposal.
May 4, 2018	Board Meeting (8th Term 6th meeting)	1. Presented 1Q18 financial reports. 2. Approved financial endorsement for subsidiary loan application.
Jul 13, 2018	Board Meeting (8th Term 7th meeting)	1. Approved 2017 profit distribution date proposal.
Aug 4, 2018	Board Meeting (8th Term 8th meeting)	1. Approved 2017 management compensation proposal. 2. Approved amended Article of Employee Stock Ownership Trust and procedures. 3. Approved increase credit limit with banks. 4. Approved credit limit of foreign currency trade proposal. 5. Authorized endorsement letter for subsidiaries lending from banks. 6. Authorized endorsement letter for subsidiaries lending from banks.

Date	Type of Meeting	Major Conclusion
Nov 2, 2018	Board Meeting (8th Term 9th meeting)	<ol style="list-style-type: none"> <li>1. Approved 2019 Internal audit plan proposal.</li> <li>2. Approved assignment of Chief Strategy Officer and Chief Executive Officer.</li> <li>3. Approved amended Code of Ethic Conduct.</li> <li>4. Approved credit application with financial institutions.</li> <li>5. Approved credit limit for foreign currency trades.</li> </ol>
Jan 11, 2019	Board Meeting (8th Term 10th meeting)	<ol style="list-style-type: none"> <li>1. Approved 2019 Business Operation Report.</li> <li>2. Removed Board of Director non-compete clause.</li> <li>3. Approved management compensation raise proposal.</li> </ol>
Mar 14, 2019	Board Meeting (8th Term 11th meeting)	<ol style="list-style-type: none"> <li>1. Approved 2018 Business Operation Report and Financial Reports.</li> <li>2. Approved 2018 Profit Sharing Proposal.</li> <li>3. Approved 2018 compensation plan for Board and employees.</li> <li>4. Approved management compensation raise proposal</li> <li>5. Approved 2018 Statement of Internal Control Declaration.</li> <li>6. Approved amendment of Internal Control Procedures and Internal Audit Procedures.</li> <li>7. Approved amended Procedure of Assets Acquisition and Disposal.</li> <li>8. Approved amended Procedure of Trading Financial Derivatives.</li> <li>9. Approved increase credit limit with banks.</li> <li>10. Approved credit limit of foreign currency trade proposal.</li> <li>11. Authorized endorsement letter for subsidiaries lending from banks.</li> <li>12. Removed Board of Director non-compete clause.</li> <li>13. Removed management non-compete clause.</li> <li>14. Approved termination of management.</li> <li>15. Approved capital raise proposal by private placement, issue GDR, CDB, or new shares.</li> <li>16. Reviewed independence and competence of CPA.</li> <li>17. Approved 2018 shareholder meeting proposal.</li> </ol>

(XII) Different opinions from board or supervisor regarding major decision of board: None.

(XIII) Termination of chairman, president, head of accounting, head of finance, head of internal control, or head of R&D as the date of report printing: None.

## V. Professional Audit Services Information

CPA Firm	Name of CPA		Audit Period	Note
Deloitte & Touche LLP	Yu Feng Huang	Su-Li Fang	Jan 1, 2018 ~ Dec 31, 2018	

Unit: NTS

Items		Audit Fees	Non-Audit Fees	Total
<b>Range amount</b>				
1	Less than \$2,000,000			
2	\$2,000,000 to \$3,999,999		V	
3	\$4,000,000 to \$5,999,999			
4	\$6,000,000 to \$7,999,999			
5	\$8,000,000 to \$9,999,999	V		
6	\$10,000,000 or above			V

- (1) The amount paid to CPA accountant, accounting firm, and related industries for non-audited fees over 25%, should disclose the audited and non-audited amount and the content of non-audited service items.

Unit: NTS\$ Thousands

CPA Firm	Name of CPA	Audit Fee	Non-Audit Fee					Audit Period	Note
			System Design	Company Registration	Human Resource	Others	Subtotal		
Deloitte & Touche LLP	Su-Li Fang Yu-Feng Huang	9,040	0	0	0	2,364	2,364	Jan 1 - Dec 31, 2018	Other non-audit fees including: 1. Japan subsidiary audit and IFRS consolidation NT\$1,080K 2. Balancing Taxation and operation tax preparation and filing NT\$175 K 3. Transfer pricing report fees NT\$350K 4. Disbursements of accountants photocopying charges and audit personnel fares NT\$350K. 5. Customs and other fees NT\$409K.

- (2) If change CPA firm and the amount paid for audited fee currently is less than previous year's audited fees, should disclose the amount of audited fee reduction, proportion, and reason: None.
- (3) If the audited fee is reduced by over 15% of previous year, should disclose the amount of audited fee reduction, the proportion, and reason: None.

## 6. Change of Accountant

### (1) Former CPAs

Date of Change	Mar 14 2019		
Reason and Explanation for Change	In compliance with regulatory requirements on rotation.		
State whether the Appointment is Terminated or Rejected by the Consignor or CPAs	Status/Client	CPA	Consignor
	Terminate Assignment Voluntary		
	Assignment Rejected (Continue)		
The Opinions other than Unmodified Opinion Issued in the Last Two Years and the Reasons for the Said Opinion	None		
Is there any disagreement in opinion with the issuer	Yes		Accounting principle or practice
			Disclosure of financial statements
			Auditing scope or procedures
			Others
	No	√	
Note			
Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Standards)	None		

### (2) Successor CPAs

Accounting Firm	Deloitte & Touche
Name of CPA	Yu-Feng Huang, Jheng-Jih Lin
Engagement Date	Mar 14 2019
Prior to the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that Might be Rendered on the Financial Report	None
Written Opinions from the Successor CPAs that are Different from the Former CPAs Opinions	None

(3) Reply by predecessor CPA regarding Article 10, Subparagraph 10, Item 1 and Item 2-3 of this guideline: None.

7. Chairman, CEO, Head of Financial or Accounting Dept – Information Relating to Serving at Accounting Firm of CPAs or related companies: None.

**8.Changes in Shareholding and Changes in Pledge of Shares by Board of Directors, Independent Directors, Managers, and Shareholders owning more than 10% of company shares in most recent year and as of publication date of annual report**

(1) Changes in Shareholding and Changes in Pledge by Board of Directors, Independent Directors, Managers holding more than 10% of company shares

Unit: Shares

Title	Name	2018		As of Mar 31, 2019	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Chairman	D.K. Tsai	0	–	0	–
Director	Kingston Technology Corp. Investment Account Rep: Shigeo Koguchim, Daphne Wu, JS Leu, Evan Tseng	0	–	0	–
Director	Toshiba Semiconductors Taiwan Corp. Rep: Kenjiro Kara	0	–	0	–
Independent Director	Quincy Lin	0	–	0	–
Independent Director	Jim W.L. Cheng	0	–	0	–
Independent Director	Philips Wei	0	–	0	–
Independent Director	Pei-Ing Lee	0	–	0	–
Director & President	J.Y. Hung	0	–	0	–
Manager	J.S. Leu	0	–	0	–
Manager	John Wang	0	–	0	–
Manager	K.J. Chan (Note)	(5,000)	–	0	–
Manager	Steven Shen (Note)	(5,000)	–	0	–
Manager	John Chang	14,000	–	0	–
Manager	Peter Lai (Note 1)	(2,000)	–	–	–
Manager	Tonwey Cheng	0	–	0	–
Manager	Y.C. Chen	0	–	0	–
Manager	Wilber Wu	(15,000)	–	0	–
Manager	Phu Le	0	–	0	–
Manager	Y.C. Chi	0	–	(15,000)	–
Manager	Paul Wu	0	–	0	–
Manager	David Fang	(43,000)	–	0	–
Manager	Perry Lin	0	–	0	–
Manager	Yohan Lin (Note 2)	–	–	0	–
Manager	Vic Chen	0	–	0	–
Manager	Gary Chang	10,000	–	0	–
Manager	Victor Tung	3,000	–	0	–
Finance & Accounting Manager	Evan Tseng	0	–	0	–

Note :KJ Chan and Steven Shen resigned on Feb 28 2019. Disclose data were as of Jan 31 2019.

Note1: Peter Lai resigned on Jan 11 2019. Disclose data was as of Dec 31 2018.

Note 2: Yohan Lin was appointed on Jan 11 2019. Disclose data was as of Mar 31 2019.



(2) Stock Trade or Stock Pledge with Related Party: None.

**9. Information on Top 10 Shareholders of company shares who are spouses or within Second-degree Relative of Consanguinity to Each Other:**

Apr 2, 2019

Name	Shareholding		Spouse & Minor Children		PTI Shareholding by Nominee Arrangement		Name and Relationship Between PTI's Top 10 Shareholders as Defined in the Statement of Financial Accounting Standards No. 6		Note
	Shareholding	%	Shareholding	%	Shareholding	%	Title (or Name)	Relationship	
Investment Account of Kingston Technology Corporation	29,875,000	3.83%	—	—	—	—	KTC-TU Corp. and KTC-SUN Corp.	The reps. of the two companies and the CEO and VP. of the shareholder are the same person	
Hermes Investment Funds Public Limited Company	27,312,990	3.51%	—	—	—	—	None	—	—
KTC-TU Corp. Rep: John Tu	19,977,554 0	2.56% 0.00%	—	—	—	—	Investment Account of Kingston Technology Company	The CEO of that company and the rep. of that shareholder is the same person	—
Cathay Life Insurance Co. Ltd. Rep: Tiao-Kuei Huang	16,364,000 0	2.10% 0	—	—	—	—	None	—	—
KTC-SUN Corp. Rep: David Sun	15,665,362 0	2.01% 0.00%	—	—	—	—	Investment Account of Kingston Technology Company	The CEO of that company and the rep. of that shareholder is the same person	—
Fubon Life Insurance Co. Ltd. Rep: Richard M. Tsai	15,000,000 0	1.93% 0.00%	—	—	—	—	None	—	—
China Life Insurance Co. Ltd. Rep: Alan Wang	14,627,000 0	1.88% 0.00%	—	—	—	—	None	—	—
New Labor Pension Fund	13,923,700	1.79%	—	—	—	—	None	—	—
Government of Singapore--GOS-EFM	13,331,000	1.71%	—	—	—	—	None	—	—
Taiwan Life Insurance Co. Ltd. Rep: Shi Guo Huang	13,250,000 0	1.70% 0.00%	—	—	—	—	None	—	—

**10. Shareholding Information Regarding the Same Invested Company of Company, Company's Board of Directors, Committee Members, Managers, and Businesses That Are Directly or Indirectly Controlled By Company**

Units: Shares; %

Invested Company (note)	Investment by Powertech Technology Inc.		Investments directly or indirectly controlled by Directors, Committee members, managers, and company		Combined Investments	
	Shareholding	%	Shareholding	%	Shareholding	%
TeraPower Technology Inc.	73,385,830	49.00%	73,831,170	51%	149,767,000	100.00%
Powertech Holding (BVI) Inc.	50,000	100.00%	0	0%	50,000	100.00%
Greatek Electronics Inc.	244,064,379	42.91%	0	0%	244,064,379	42.91%
Powertech Technology (Singapore) Pte. Ltd.	85,000,000	100.00%	0	0%	85,000,000	100.00%
Powertech Technology Japan Ltd.	0	100.00%	0	0%	0	100.00%

Note: Investment using Equity Method Evaluation.