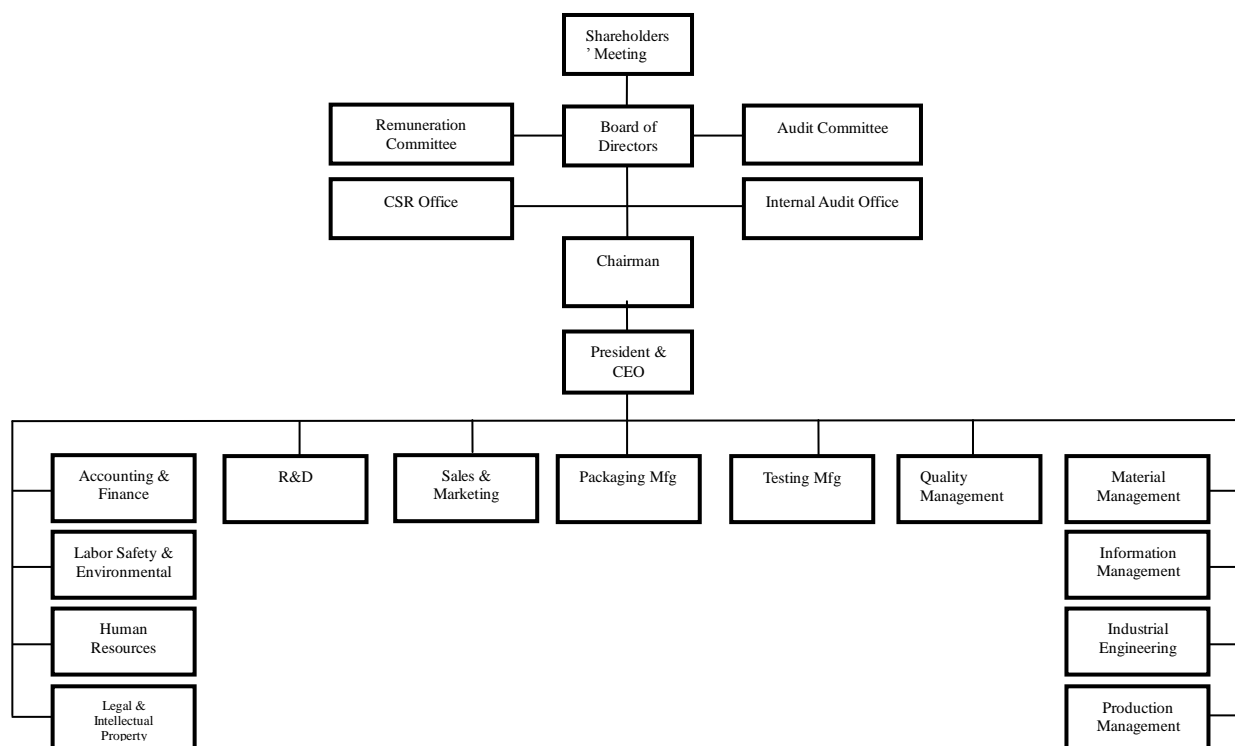


### III. Corporate Governance

#### 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)

Mar 30, 2020

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 Gretek 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 %	200,000	0.03 %	0	0.00 %	0	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 % 0.00 %	29,875,000	3.83 % 0.00 %	0	0.00 %	0	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	-	-	-

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: Daphne Wu	U.S.A	5/26/2017	Female	3 years	5/26/2017	29,875,000	3.83% 0.00%	29,875,000 9,000	3.83% 0.00%	0	- 0.00%	0	- 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.	-	-	-
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 62,356	3.83% 0.01%	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.	-	-	-

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: 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	-	-	-
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 Koxia 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 %	231,614	0.03 %	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 30, 2020

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

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

March 30, 2020

<b>Name of Institution</b>	<b>Main Shareholders of the Institution</b>
Kioxia Corporation	Kioxia Holdings Corporation (100%)

# Information Regarding Board of Directors (II)

Mar 30, 2020

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			✓				✓	✓	✓	✓	✓	✓	✓	
Kioxia 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

Mar 30 2020 / 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	4,130,000	0.530%	-	-	-	-	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	200,000	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 Simaiko 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	62,356	0.008%	-	-	-	-	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	86,056	0.011%	-	-	-	-	MBA, National Chia Tung University Assistant VP, R&D, Kingpak Technology Inc.	Board Director of PTI Education Foundation	-	-	-
Information and Materials Management Sr. VP.	John Chang	Republic of China	Male	07/10/2012	35,000	0.004%					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			

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
Singapore Operation Sr. VP	Tonwey Cheng	Republic of China	Male	8/82017	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.			
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			

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 Mfg VP	Y. C. Chen	Republic of China	Male	3/9/2010	0	0.000%					Bachelor, Industrial Engineering, Chung Yuan Christian University Manager, PowerChip Technology Corp.	Board Director of PTI Education Foundation			
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	15,786	0.002%					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	0	0.000%					EMBA, National Central University Manager, PowerChip Technology Corp.	None			
Memory Packaging R&D VP	David Fang	Republic of China	Male	5/1/2015	0	0.000%					Bachelor, Electronics Engineering, Chung Yuan Christian University Manager, Texas Instrument Inc. Deputy Manager, PowerChip Technology 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
Plant Affairs VP	Perry Lin	Republic of China	Male	5/10/2012	92,715	0.012%					Associate, Mechanical Engineering, Minghsin Institute of Science & Technology Manager, Kingston Technology Far East Corp.	None			
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 (Note 1)	Republic of China	Male	8/1/2014	0	0.000%					Bachelor, Industrial Engineering, Feng Chia University Deputy Manager, PowerChip Technology 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
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: Job position change for packaging mfg AVP Gary Chang on Mar 16, 2019. The disclosure data was as of Feb 29 2020.

### (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 2017Net 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)		Compensa tion Paid to Directors from Nonconsoli dated Affiliates
		Base Compensatio n (A)(Note 2)		Severanc e Pay and Pensions (B)		Compensatio n 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 Consolida ted Entities		From PTI(%)	From All Consolidated Entities(%)	
																Cash	(Fair Market Value)	Cash	(Fair Market Value)			
Chairman	D.K. Tsai (Note 12)	0	0	0	0	78,822	90,507	840	1,200	1.36	1.57	43,848	43,848	0	0	13,893	0	13,893	0	2.35	2.56	NA
Director	J.Y. Hung																					
Director	Kingston Technology Corporation Rep: Shigeo Koguchi																					
Director	Rep: Daphne Wu																					
Director	Rep: JS Leu																					
Director	Rep: Evan Tseng																					
Director	Kioxia Memory Semiconductors Taiwan Corp. Rep: Kenjiro Hara	7,200	7,200	0	0	0	0	480	480	0.13	0.13	0	0	0	0	0	0	0	0.13	0.13	NA	
Independent Director	Jim W.L Cheng																					
Independent Director	Quincy Lin																					
Independent Director	Philips Wei																					
Independent Director	Pei-Ing Lee																					
1.Independent director's compensation policy, procedure, standard and structure are dependent on liability, risk, and time involved: Base on the Article of Incorporation, independent director compensation will be distributed monthly exclude from annual board compensation. Independent director compensation will be dependent on contribution and involvement of operations and approved by board. The approved compensation should also be reasonable with domestic and international peers. 2.Additional compensation for services for company disclosed in the annual report(such as outside consultant): NA																						

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	Kingston Technology Corporation Investment Account (Rep: Shigeo Koguchi, Daphne Wu, JS Leu, Evan Tseng) —	Kingston Technology Corporation Investment Account (Rep: Shigeo Koguchi, Daphne Wu, JS Leu, Evan Tseng —	Kingston Technology Corporation Investment Account (Rep: Shigeo Koguchi, Daphne Wu)	Kingston Technology Corporation Investment Account (Rep: Shigeo Koguchi, Daphne Wu)
NT\$ 10,000,000 ~ NT\$ 14,999,999	Kioxia Memory Semiconductor Taiwan Corp.	Kioxia Memory Semiconductor Taiwan Corp.	Kingston Technology Corporation Investment Account (Rep: Evan Tseng) Kioxia Memory Semiconductor Taiwan Corp.	Kingston Technology Corporation Investment Account (Rep: Evan Tseng) Kioxia Memory Semiconductor Taiwan Corp.
NT\$ 15,000,000 ~ NT\$ 29,999,999	JY Hung	JY Hung	Kingston Technology Corporation Investment Account Rep: JS Leu	Kingston Technology Corporation Investment Account Rep: JS Leu
NT\$ 30,000,000 ~ NT\$ 49,999,999	D.K. Tsai	D.K. Tsai	J.Y. Hung, D.K. Tsai	J.Y. Hung
NT\$ 50,000,000 ~ NT\$ 99,999,999	D.K. Tsai	—	—	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 2019. 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 2019 profit sharing plan before the amendment of Board remuneration plan.

Note 4: Compensation for traveling.

Note 5: Includes 2019 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 2018 actual amount multiple by year of 2019 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 2019.

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

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 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)							
CSO	D.K. Tsai	44,800	48,160	0	0	64,292	64,546	25,837	0	25,837	0	2.31%	2.37%	NA				
President & CEO	J.Y. Hung																	
Operations Sr. VP.	J.S. Leu																	
Quality Assurance Sr. VP.	John Wang																	
Information and Materials Management Sr. VP.	John Chang																	
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																	
Testing Operations VP.	Wilber Wu																	
Module Operations VP.	Y.C. Chi																	
Research & Development VP	David Fan																	
Plant Affairs VP	Perry Lin																	
Human Resources & Legal Affairs VP.	Yohan Lin																	

# 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	—
NT\$ 5,000,000 ~ NT\$ 9,999,999	John Wang, John Chang, Wilber Wu, YC Chi, Phu Le, Paul Wu, Evan Tseng, David Fan, YC Chen, Perry Lin, Yohan Lin	John Wang, John Chang, YC Chen, Wilber Wu, YC Chi, Phu Le, Paul Wu, Evan Tseng, David Fan, Perry Lin, Yohan Lin, Tonwey Cheng
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 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 2019 profit sharing ratio and approved by 2018 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 2019.

### 3. Bonuses Paid to Management

Date: Dec 31 2019

	Title	Name	Stock (Fair Market Value)	Cash(NTD K)	Total(NTD K)	Total as % of 2019 Net Income
Management	CSO	D.K. Tsai	0	29,058	29,058	0.50%
	President & CEO	J.Y. Hung				
	Operations Sr. VP.	J.S. Leu				
	Quality Assurance Sr. VP.	John Wang				
	Information and Materials Management Sr. VP.	John Chang				
	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				
	Testing Operations VP.	Wilber Wu				
	Module Operations VP.	Y.C. Chi				
	Memory Packaging R&D VP.	David Fang				
	Plant Affairs Engineering VP.	Perry Lin				
	Human Resources & Legal Affairs VP.	Yohan Lin				
	Logic Testing Assistant VP.	Vic Chen				
	Packaging Manufacturing Assistant VP.	Gary Chang (Note)				
	Wafer Level Packaging Assistant VP.	Vic Dong				

Note: Packaging Manufacturing Assistant VP Gary Chang position change on Mar 16 2020.

Note 1: The 2019 profit sharing amount was approved by Board of Directors but pending for Shareholders' Meeting approval. The estimation was based on 2019 actual amount multiple by proposed ratio for 2018. Net income after tax for 2019 was referred to 2019 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	2019 Compensation Percentage of Net Income after Tax		2018 Compensation Percentage of Net Income after Tax	
	PTI Alone	Consolidated	PTI Alone	Consolidated
Board of Director (Including Independent Director)	1.49%	1.70%	1.49%	1.69%
President and Vice President	2.31%	2.37%	2.14%	2.29%

- (1) Compensation for Board of Directors were based on the percentage defined in Article of Incorporation. 2019 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 2019 Board compensation over net income were similar with 2018 due to including salary compensation of one employee who served as additional Legal Representative Director. Weight of 2019 management compensation over net income were lower than 2018 due to 2019 employee headcount increased.

#### 4. Corporate Governance Status

##### (I) Board of Directors Meeting Status:

##### Board of Directors Meeting Status

6 Board Meetings took place in 2019. The attendance status as follows:

Title	Name	Attend In Person	Attend By Proxy	Attendance Rate	Note
Chairman	D.K. Tsai	6	0	100%	
Director	JY Hung	6	0	100%	
Director	Kingston Technology Corp. Rep: Shigeo Koguchi	6	0	100%	
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	Kioxia Memory Semiconductors Taiwan Corp Rep : Kenjiro Hara	5	0	83.3%	
Independent Director	Jim W.L. Cheng	6	0	100%	
Independent Director	Quincy Lin	6	0	100%	
Independent Director	Philips Wei	6	0	100%	
Independent Director	Pei-Ing Lee	4	2	66.7%	
Accumulated Average Attendance		61	4	92.42%	

##### Other Remark:

- 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:

- 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 Jan 11, 2019
- Item 1: Management promotion and compensation raise
- Senior VP Evan Tseng was excused from the meeting due to conflict of interests. All participated directors approved the proposal.
- (2) Board Meeting on Mar 14, 2019
- Item 4: Proposal for management compensation raise
- 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.
- Item 12: Proposal for removal of non-compete clause for board of director
- JY Hung and Kenjiro Kara were excused from the meeting due to conflict of interests. All participated directors approved the proposal.
- Item 13: Proposal for removal of non-compete clause for management
- JY Hung was excused from the meeting due to conflict of interests. All participated directors approved the proposal
- (3) Board Meeting on Aug 2, 2019
- Item 1: Proposal for 2018 management compensation plan
- 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.
3. Self-professional targets set up for the Board (ex, set up of Audit Committee, improve corporation transparency) and keep track of progress:

Review Frequency	Once a year
Review Schedule	2020 review should be completed by first quarter of 2021.
Scope	Individual performance evaluation for director of board, audit and remuneration committee.
Evaluation Method	Each director will be reviewed by internal and self-evaluations. Or any other proper performance evaluation method.
Review Key Items	1.Board Operation Efficiency: Evaluation should include board's dedication, quality of decision making, quality of elected member, commitment of continuing education, and quality of internal control.
	2.Individual Director Performance : Realization of director responsibility, Awareness of corporate goals and progresses, involvement of operations, establishment of corporate communication, and improvement on professional learning and internal control.
	3.Functional Director Performance : Involvement of corporate operation, realization of director responsibility, quality of decision-making and elected members, and quality of internal control.

4. Recent or current year goals for reinforce Board performance (ex, set up of Audit Committee, improve corporation transparency) and progress of execution:

Six board meetings were held in 2019 and major resolutions were disclosed on MOPS in both Chinese and English on the event date for improving corporate transparency. Press release and conference will be available for public if any major event defined by regulation took place.

Performance indicators were established for board efficiency improvement to meet corporate governance guidance. Board performance evaluation procedure was approved on Mar 10 2020 board meeting. Annual evaluation should be completed by first quarter of the following year.

5. Successor plan for Chairman (or Board of directors) and executives, including successor task training and scheduling:

1. Organization restructure and tasks rotation

- (1) New position added for Chief Strategy Officer and new appointed Chief Execution Officer :

Mr. DK Tsai was named CSO and Mr. JY Huang was named as CEO in 2018. Newly appointed leaders were realizing the successor plan and pass on the leadership philosophy for smooth transformation.

- (2) Job rotation for top management :

Top management were assigned as Chairman or executives for overseas subsidiaries to gain foreign experiences and corporate strategy planning.

- (3) Establish Plant Manager Position:

Plant manager position was created for manufacturing operation. The management position is to provide opportunity for gaining firsthand experiences in executive level planning and managing. The position is a good way of preparation to develop qualified successor candidates.

2. Carry out of corporate culture and experience

- (1) Standardized management culture and experience:

Standardized procedure and document for existing corporate culture and management experiences to build core management structure.

- (2) Establish and participate routine meetings:

Top and mid-level management can comprehend corporate core value and growth strategy through participating routine semi annual sales meeting, weekly sales meeting, weekly capacity meeting, periodically R&D updates, and etc.

### 3. Successor plan for all levels and training plans

#### (1) Successor plan for all levels

All level management identify successor candidates throughout the annual performance reviewing process

#### (2) Training plan for successor candidates

All candidates are encouraged to take internal and external educational courses to enhance technical and management skills. All candidates participate for internal meetings and discussion to understand corporate value and management style.

### (II) Audit Committee Meeting Status:

4 meetings were hold during 2019 and the attendance status as follow:

Title Name	Attendance	In Person	By Proxy	Attendance Rate	Note
Independent Director	Jim W.L. Cheng	4	0	100%	
Independent Director	Quincy Lin	3	1	75%	
Independent Director	Philips Wei	4	0	100%	
Independent Director	Pei-Ing Lee	4	0	100%	

### Other Remark:

#### 1. Audit Committee annual key performance indicators:

Audit Committee composed of four independent directors who are authorized to supervise the flow and control quality and reliability of accounting, auditing, financial reporting. 2019 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 2019 business operation plan, audited financial reports, and earnings distribution plan for review. 2019 audited financial reports were completed and issued unqualified opinion by Deloitte Taiwan. Audit Committee approved 2019 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 11 <sup>th</sup> Meeting (Mar 14, 2019)	1. Review 2018 Operations Report and Financial Reports.	√	
	2. Authorized 2018 Internal Audit Report Declaration.	√	
	3. Revised Internal Control Procedures and Internal Audit Procedures.	√	
	4. Revised Procedures for Acquired and Dispose Assets.	√	
	5. Revised Procedure for Financial Divertive Transaction	√	
	6. In order to reduce currency exchange risks, proposed to extend trade long term forward exchange term with existing US\$100 m credit limit.	√	
	7. Remove Non-Competing Clause for Board of director	√	
	8. Approved to issue no more than 87 million common shares or GDR for private placement or CDB to fund long term expansion.	√	
	9. Review the independence and competence of hired CPA firm	√	
	All members of audit committee approved the proposals in the meeting on Mar 14, 2019.		
	All members of attended board members agreed with the conclusion reached by Audit Committee.		
8th Term 12 <sup>th</sup> Meeting (May 3, 2019)	1. Reviewed 1Q19 Financial Reports.	√	
	2. Review 2018 earnings distribution proposal.	√	
	3. 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 3.0%.	√	
	All members of audit committee approved the proposals in the meeting on May 3, 2019.		
	All members of attended board members agreed with the conclusion reached by audit committee.		
8th Term 14 <sup>th</sup> Meeting (Aug 2, 2019)	1. Reviewed 2Q19 Financial Reports.	√	
	2. 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.	√	
	All members of audit committee approved the proposals in the meeting on Aug 2, 2019.		
	All members of attended board members agreed with the conclusion reached by audit committee.		
8th Term 15 <sup>th</sup> Meeting (Nov 5, 2019)	1. Reviewed 3Q19 Financial Reports.	√	
	2. Approved 2020 Internal Audit Plan.	√	
	3. In order to reduce currency exchange risks, proposed to renew trade long term forward exchange term with existing US\$50 m credit limit.	√	
	All members of audit committee approved the proposals in the meeting on Nov 5, 2019.		
	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 standalone 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 14 2019	<p>Matters communicated at the 8th session of the 2nd Audit Committee were as follow:</p> <ol style="list-style-type: none"> <li>1. Report on the results of the internal audit for 2018 Q4.</li> <li>2. Discussion of the results from the 2018 internal control review and self-assessment. A statement on the effective design and execution of internal controls was also issued.</li> <li>3. Revision of the PTI “Internal Control System” and “Internal Audit System.”</li> <li>4. Approval for the issue of ordinary shares for cash to sponsor the issuance of depositary receipts (DRs), and/or issue of ordinary shares for cash, and/or private placement of ordinary shares for cash, and/or private placement of overseas or domestic convertible bonds.</li> <li>5. Accountant’s report on the</li> </ol>	<p>There were no other recommendations than the items communicated on the left.</p> <p>The results from the internal audit for 2018 Q4 were reported to the Board of Directors; Statement on the effective design and execution of internal controls for 2018, as well as the 2018 separate and consolidated financial statements were submitted to the Board of Directors for approval. Once approved, they were published and filed with the competent authorities on time.</p>

Date	Meeting Summary	Conclusion
	<p>content and outcomes from their audit of the 2018 separate and consolidated financial statements. (including explanation of key audit matters in the audit report). Discussion and communication of major accounting estimate issues as well as recent amendments to tax and securities management regulations. In addition, review/audit planning for 2019 were also presented by the accountant. There was also discussion and communication over major audit risk items already identified by PTI.</p> <p>Communication with independent directors and recommendations:</p> <ol style="list-style-type: none"> <li>1. A customer failed to make full payment and this was treated as bad debt. An independent director questioned this and asked what control measures were in place. The CFO and chief internal auditor explained the reason and measures subsequently taken to reduce risk.</li> <li>2. A number of independent directors raised concerns over the risk of insider trading from item 4 in the preceding section. They recommended that PTI pay particular attention to maintaining confidentiality; the strategic investors should also be chosen with care. The protection of employees' interests should also be considered.</li> </ol>	
May 3 2019	<p>Matters communicated at the 9th session of the 2nd Audit Committee were as follow:</p> <ol style="list-style-type: none"> <li>1. Report on the results of the internal audit for 2019 Q1.</li> <li>2. Report on settlement of civil lawsuit with a former employee of the company suspected of unethical behavior.</li> <li>3. Accountant's report on the content and outcomes from their audit of the 2019 Q1 consolidated</li> </ol>	<p>There were no other recommendations than the items communicated on the left. The results of the 2019 Q1 internal audit and the 2019 Q1 consolidated financial statement were presented to the Board of Directors. The financial statements were then published and filed with the competent authorities on time.</p>

Date	Meeting Summary	Conclusion
	financial statements. Discussion and communication of major accounting estimate issues.	
Aug 2 2019	<p>Matters communicated at the 10th session of the 2nd Audit Committee were as follow:</p> <ol style="list-style-type: none"> <li>1. Report on the results of the internal audit for 2019 Q2.</li> <li>2. Accountant's report on the content and outcomes from their audit of the 2019 Q2 consolidated financial statements. Discussion and communication of major accounting estimate issues.</li> </ol> <p>Communication with independent directors and recommendations: Where there are reservations in the review report for subsidiaries according to the equity method, an independent director required an explanation of how critical it is to the company and its importance to revenues to be included from the next quarter onwards.</p>	<p>There were no other recommendations than the items communicated on the left.</p> <p>The results of the 2019 Q2 internal audit and the 2019 Q2 consolidated financial statement were presented to the Board of Directors. The financial statements were then published and filed with the competent authorities on time.</p>
Nov 5 2019	<p>Matters communicated at the 11th session of the 2nd Audit Committee were as follow:</p> <ol style="list-style-type: none"> <li>1. Report on the results of the internal audit for 2019 Q3.</li> <li>2. Formulation of the 2020 internal audit plan.</li> <li>3. Accountant's report on the content and outcomes from their audit of the 2019 Q3 consolidated financial statements. Discussion and communication of major accounting estimate issues as well as recent amendments to tax and securities management regulations. The accountant also outlined and discussed the key audit matters for PTI.</li> </ol> <p>Communication with independent directors and recommendations: The chief internal auditor reported that the purchasing department should continue strengthening its management of delivery times to</p>	<p>There were no other recommendations than the items communicated on the left.</p> <p>The results of the 2019 Q3 internal audit and the 2019 Q3 consolidated financial statement were presented to the Board of Directors. The financial statements were then published and filed with the competent authorities on time.</p> <p>The 2020 internal audit plan was submitted to the Board of Directors for approval and published on schedule.</p>

Date	Meeting Summary	Conclusion
	<p>prevent the risk of material shortages or production delays. An independent director asked a number of questions and made several suggestions. The chief internal auditor was then asked to discuss the matter further with the relevant units and drawn up proposals for improvement before submitting the matter to the Audit Committee again.</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.	

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)						
	Yes	No	Explanation							
(3)Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis?	√		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.							
(4)Does the Company regularly evaluate its external auditors’ independence?	√		4. Starting from 2015, annual independence review of CAP will be performed and major items are: a. Review CAP qualification and experiences. 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. c. Search on internet for records of employed CPA breach of independence. d. Evaluate employed CAP independency using check list defined by No. 10 Article 23 of Certified Public Accountant Act.. e. Reviewed on Feb 22, 2017 Audit Committee meeting. f. Present the evaluation for Board of Directors on Feb 22, 2017.							
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)?	√		The Stock Affairs Department is in charge of corporate governance related issues and major tasks were: Plan annual shareholder and board meetings agenda and schedule. 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. Meeting minutes recording. Copy directors and file the meeting minute document within 20 days of meeting. 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. Public announcement of board and shareholder meeting conclusions comply with regulation and investor interests. Assist Directors for continue education programs.							
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?	√		<table><tr><td colspan="2">Stakeholders communication methods as below:</td></tr><tr><td>Related Party</td><td>Communication Method</td></tr><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></table>	Stakeholders communication methods as below:		Related Party	Communication Method	Shareholders/Investors	Shareholders’ Meeting Financial Reports Host Quarterly Institutional Investor Conference Established spokesman and Investor Relations Department Company Website	Complied with Regulation.
Stakeholders communication methods as below:										
Related Party	Communication Method									
Shareholders/Investors	Shareholders’ Meeting Financial Reports Host Quarterly Institutional Investor Conference Established spokesman and Investor Relations Department Company Website									

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
			<div>Employees</div> <div>Employees Benefits Committee Electronic Platform &amp; Announcement Procedures for Improvement Proposal Reviewing Employee and Employer Meeting Suggestion Box Psychological Consultant and Aids</div> <div>Customers</div> <div>Sales Department Customer Satisfaction Survey Customer Service</div> <div>Suppliers</div> <div>Electronic Procurement Platform Procurement Contract Management Supplier Management Meeting Supplier Audit Procedure Supplier Evaluation</div> <div>Government</div> <div>Emails and Official Notice in Mail Seminars and Public Hearings Host by Officials Supplement Documents from Officials</div> <div>Community</div> <div>Company Website General Affairs Contact Window</div> <div>Media</div> <div>Press Release Interview</div> <div>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.</div>	
6.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.	Complied with Regulation.
(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,	√		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.	

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
webcasting investors' conference etc.)?				
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, 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>1. The Company has set up Corporate Social Responsibility Practice Guidelines and Corporate Social Responsibility Office to review and monitor CSR progress every 6 months.</p> <p>2. Employees Rights and Employees Care: Please refer to CSR Status Item 3 A-E on Page 3.</p> <p>3. The Company has set up multiples communication channels with investors or shareholders, such as 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, 2019 to Aug 26, 2020. Insurance coverage and details was reviewed on Nov 5, 2019 board meeting.</p> <p>8. PTI has been working actively to build to a secure and reliable information security management system to effectively protect the intellectual property and assets of our company and customers. ISO 27001 information security management system certification was obtained in October 2016. Please refer to Item 4 of the table below for the operation of our company's information security management.</p>	Complied with Regulation.
<p>9. Please describe improvements made in response to the results of the Corporate Governance Evaluation System in recent years, and propose what areas and measures will be prioritized for future improvements.</p> <p>PTI did not receive points for certain items in 5th Corporate Governance Evaluation (for 2018). Improvements made for the 6th Corporate Governance Evaluation (for 2019) are outlined below:</p>				

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	

Type of Indicator	Indicator Description	Improvement	Explanation for non-improvement or improvement
Protecting Shareholder Rights and Interests, and Treating Shareholders Equitably	1.6 Did the company hold the general shareholders' meeting (AGM) before the end of May?	Yes	
Enhancing Board Composition and Operation	2.5 Is it true that the number of the directors on the company's board of directors who are employees of the company or of its parent, subsidiary, or sister company is less than or equal to one-third of the total number of directors?	No	Under the Articles of Incorporation, there must be at least 4 independent directors and they must account for no less than 1/3 of all Board sets. PTI therefore exceeds the statutory requirements.
	2.13 Did the Remuneration Committee convene at least twice a year and did each of its members attend at least two times?	Yes	
	2.14 Did the company have any functional committees other than statutorily required committees, and did such functional committees have not less than three members, with at least half of the members being independent directors, and did the company disclose the organization, functions, and operations of such committees?	No	Shall be established in the future if they are required by the company.
	2.2 Has the company appointed dedicated corporate governance personnel to oversee corporate governance matters? Is the function and operation of the unit explained in the annual report and corporate website?	No	Expected to be completed in 2020.
Enhancing Board Composition and Operation	2.22 Have the rules adopted by the company for assessing the performance of the board of directors been passed by the board, and has it furthermore carried out self-assessment at least once a year, and disclosed the assessment results on its website or in its annual report?	No	Rules for assessing the performance of the Board of Directors should be completed in 2020 and used as the basis for assessments.

Assessment Item		Implementation Status			Non-implementation and Its Reason(s)
		Yes	No	Explanation	
	2.23	Have the rules adopted by the company for assessing the performance of the board of directors been passed by the board, with the express requirement that an external assessment be carried out at least once every three years, and has it furthermore carried out the assessment within the time limit under its rules, and disclosed the implementation status and assessment results on its website or in its annual report?		No	Rules for assessing the performance of the Board of Directors should be completed in 2020 and used as the basis for assessments.
	2.24	Did all of the company's directors and supervisors complete the number of hours of continuing education required by the <i>Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies</i> ?		No	Some of the directors were unable to meet their continuing education obligations due to work commitments or were foreign nationals. They have already been reminded to cooperate as much as possible on the completion of their continuing education.
	2.25	Did all of the company's independent directors complete the number of hours of continuing education required by the <i>Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies</i> ?		No	One of the independent directors was unable to meet the continuing education obligations due to work commitments. The independent director has been reminded to cooperate as much as possible.
	2.30	Did at least one of the company's internal auditors possess a certificate of qualification as a Certified Internal Auditor, Certified Information Systems Auditor, or Certified Public Accountant?		No	Internal auditors will be asked to do their best to obtain certification.
Increasing Information Transparency	3.4	Did the company file its annual financial reports within 2 months from the end of the fiscal year?		No	Our CPA was unable to assist with this due to their scheduling.
	3.13	Did the company voluntarily disclose the individual remuneration details of each director and supervisor in its annual report?		No	Privacy concerns for directors meant that no disclosure will be provided until we can obtain the consent of all directors.

Assessment Item		Implementation Status			Non-implementation and Its Reason(s)
		Yes	No	Explanation	
	3.14			Did the company disclose the connection between director performance assessment and remuneration in its annual report?	No No rules and methods for assessing the performance of the Board of Directors have been formulated yet. Assessments will be carried out in the future if necessary.
Putting Corporate Social Responsibility into Practice	4.7			Did the company sign a collective agreement with the labor union in accordance with the <i>Collective Agreement Act</i> ?	No A comprehensive employee benefits scheme has been developed by PTI already. There is no need for the establishment of a labor union and the signing of collective agreements at present.

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 Cheng-chih Lin:

Events Influence 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?		√
3. Do the CPAs lend or endorsement guarantee to the Company?		√
4. Do the CPAs have frequent business relationship with the Company?		√
5. 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?		√
10. Do the CPAs employed by the Company for consecutive 7 years?		√

3. Status of 2019 Continue Education for Board of Directors and Management:

Title	Name	Date	Host By	Course	Duration (Hours)
Chairman	DK Tsai	2019/11/13	Taiwan Corporate Governance Association	Anti-Money Laundering and Countering the Financing of Terrorism: Introduction and Case Studies	3
				Next Generation Corporate Threat Management and Prevention: Big Data Analysis and Detection of Corporate Fraud	3
Independent Director	Jim W.L. Cheng	2019/05/02	Taiwan Corporate Governance Association	Insider Trading Case Studies	3
				The Reforms and Prospects for Corporations under the Amendments of the Company Act.	3
Independent Director	Philips Wei	2019/06/25	Securities & Futures Institute	Deciphering Financial Information for Directors and Supervisors	3
		2019/10/29		How Directors and Supervisors Can Carry Out Their Duties	3
Independent Director	Pei-Ing Lee	2019/11/15	Dharma Drum Mountain Humanities and Social Improvement Foundation	Innovations in Corporate Values	3
			Securities & Futures Institute	Avoiding Securities and Exchange Act Missteps -- On Financial Fraud and Insider Trading	3
Independent Director	Quicy Lin	2019/10/15	Securities & Futures Institute	Remuneration Committee and Growth Strategy Committee in Practice	3
CFO & Sr. VP	Evan Tseng	2019/08/15 2019/08/16	Accounting Research and Development Foundation	Continuing Education Class for Principal Accounting Officers of Issuers, Securities Firms and Securities Exchanges	12
Internal Audit	Teressa Tseng	2019/08/23	Accounting Research and Development Foundation	Business Impact of the New "Labor Incident Act" and Compliance	6

Title	Name	Date	Host By	Course	Duration (Hours)
				Audits in Practice	
		2019/09/06		Audit Trends in a Digital Technology Environment	6

4 : The operation of our company's information security management is shown below:

#### 1. Purpose of information security:

This information security policy was established to comply with the relevant laws and regulations, and to protect the information assets (including data, software and hardware equipment) related to the business and information systems of Powertech Technology Inc. (PTI). The policy is intended to protect against the risk of tampering, disclosure, damage or loss due to external threats, or their improper management and use by internal personnel.

#### 2. Information security guidelines:

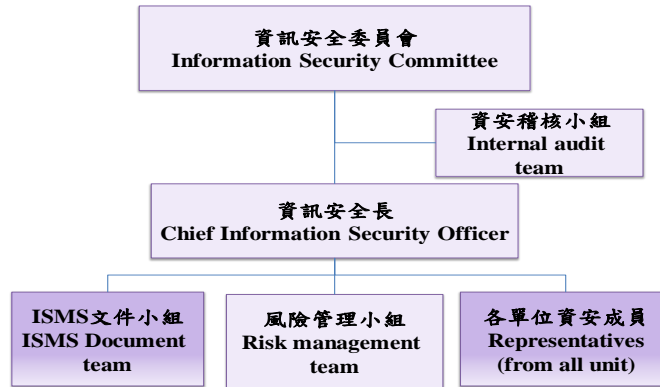
PTI followed the "Plan-Do-Check-Act" (PDCA) model set out in the ISO/IEC 27001:2013 specifications for the development, maintenance, continuous improvement and documentation of an information security management system. This included laying down of principles for the functions of the management organization, document record management, and various information security control measures. The focus of the information security management system is on protecting the information assets of key company businesses. All activities must be documented or logged in an appropriate manner to ensure effective cooperation. The relevant steps are set out in each chapter.



#### 3. Information security governance system:

The "Information Security Management Committee" ("Infosec Committee") was established in February 2016 to ensure the information security of PTI. The Infosec

Committee is responsible for promoting and managing the deployment, operation and maintenance of the information security management system. Effective communication is to be conducted in accordance with the “ISMS Communication Checklist” with the state of information security governance reported to the management regularly.



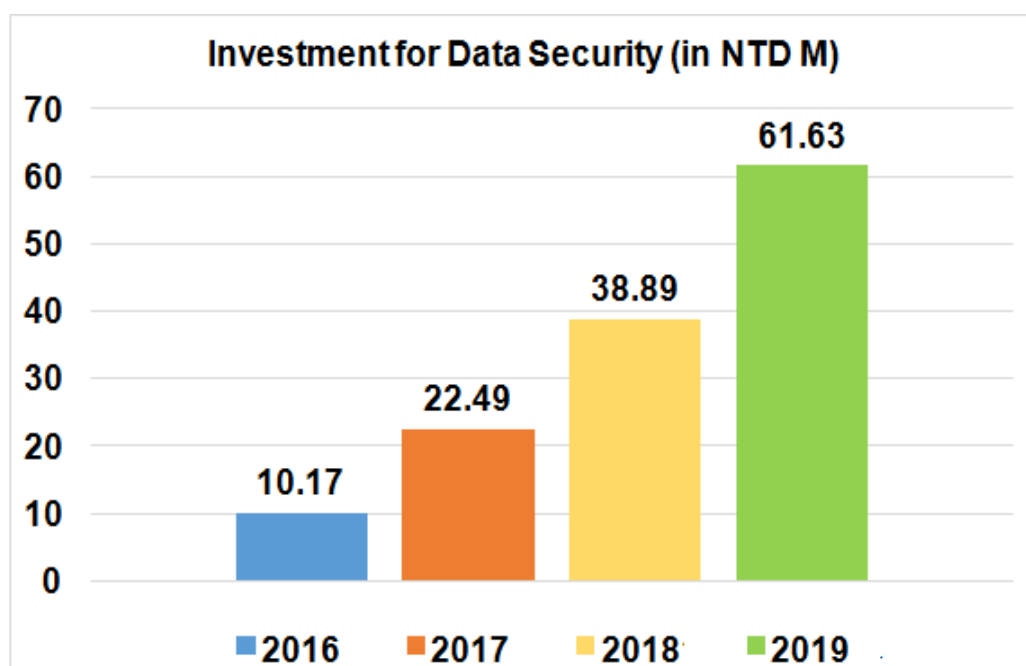
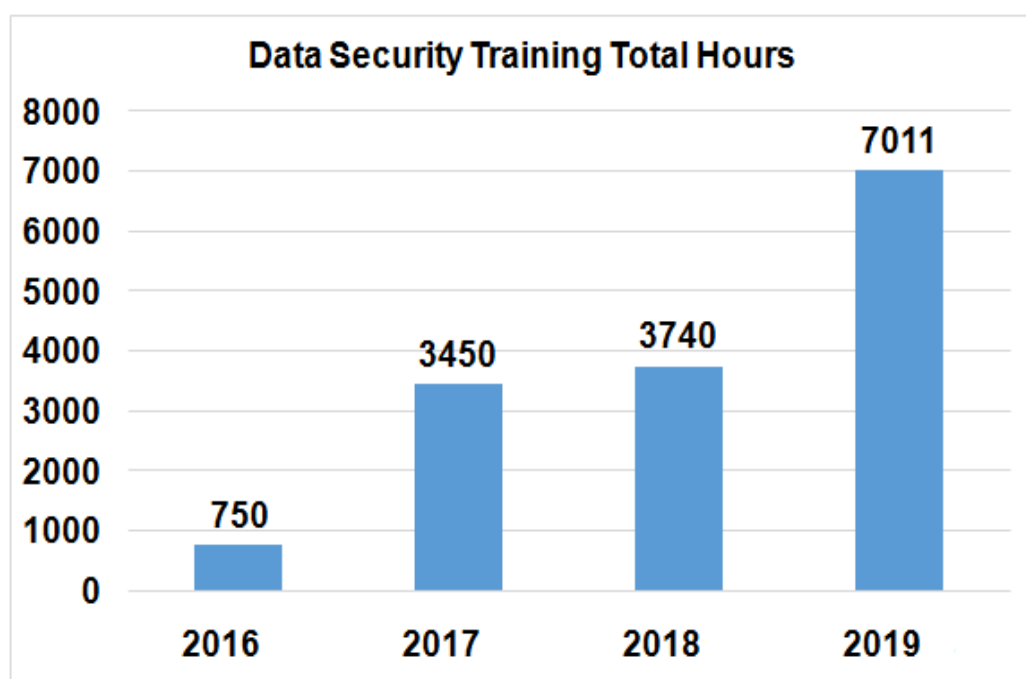
Scope of Information Security Committee:

- (1) Composition of Infosec Committee: The unit reports directly to the President according to the PTI organization chart. The top managerial officers in the unit make up the Infosec Committee.
- (2) The top managerial officer of the information department is also the Chief Information Security Officer (CISO) of the Infosec Committee.
- (3) The audit team is composed of personnel from the audit unit and information management department. A representative assigned by the Audit Office serves as the team leader. The team is responsible for internal audits related to ISMS< PIMS and trade secrets.
- (4) The document team is composed of personnel from legal affairs and information management department. A representative is assigned as the team leader. The team is responsible for preparing documentation related to ISMS< PIMS and trade secrets, as well as matters related to security awareness, education and training.
- (5) The risk management team is composed of personnel from legal affairs, information management department, and packaging & testing RD department. A representative is assigned as the team leader. The team is responsible for matters related to asset registries, risk management, and emergency response.
- (6) The information security personnel of each unit are designated by the head of each unit. They assist with the promotion of tasks related to ISMS< PIMIS and trade secrets.
- (7) A list of all members is maintained by the CISO in the “Infosec Committee Membership List” and kept up to date when there is a change in membership.

#### 4. Information security management mechanism:

ISO 27001 certification in October 2016 was obtained by PTI and internal controls based on the standard put into place. A variety of methods including management review, internal audit, risk assessment, corrective and preventive measures for example were used to establish an information security management mechanism, strengthen information security protections, and enhance the standard of information security.

#### 5. Investment on Data security Trend:



#### 6. Information security risk management:

PTI has devised rules and procedures for information security risk management.

- (1) Different assets may have different risks. Methods for assessing or calculating asset value were adjusted to make them more appropriate to the nature of the unit.
- (2) The basic information security requirements are data confidentiality, integrity and usability.
- (3) Information security insurance is an emerging risk type that involves information security rating organizations, claim assessment organizations, and no-compensation clauses. We will therefore evaluate the practicality of purchasing information security insurance in the future.

### (III) Remuneration Committee Members and Attendance

## 1. Information Regarding Remuneration Committee Members

[illegible]

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.

3 meetings took place during 2019, and attendance status as below:

Title Name	Attendance	In Person	By Proxy	Attendance Rate	Note
Chair	Jim W.L. Cheng	3	0	100%	
Member	Quincy Lin	2	1	67%	
Member	Philip Wei	3	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	Meeting Summary	Conclusion	Follow Up Action
3 <sup>rd</sup> Annual 4 <sup>th</sup> Meeting Jan 11 2019	1. Review of promotion and salary adjustment proposals for managerial officers.	Passed unanimously by all members of the Committee in attendance	Submitted to the Board and passed unanimously by all directors in attendance
3 <sup>rd</sup> Annual 5 <sup>th</sup> Meeting Mar 14 2019	1. Review of PTI's 2018 remuneration distribution proposal for Board directors and employees. 2. Review of adjustments to Company managerial officers' salaries for 2019.	Passed unanimously by all members of the Committee in attendance	Submitted to the Board and passed unanimously by all directors in attendance
3 <sup>rd</sup> Annual 6 <sup>th</sup> Meeting Aug 2 2019	1. PTI's remuneration distribution proposal for managerial officers and employees for 2018.	Passed unanimously by all members of the Committee in attendance	Submitted to the Board and passed unanimously by all directors in attendance

Regular review of directors'/managerial officers' performance evaluation and other information such as salary policy, system, standard and structure.

- (1) Information from PTI's review and assessment of remuneration in 2019 is as shown in the above table.
- (2) The Remuneration Committee shall exercise the care of a prudent manager to fulfill the following duties, and submit recommendations to the board of directors for discussion.
  - A. PTI remuneration rules are regularly reviewed and amendments proposed.
    - a. Establish and regularly review the annual and long-term performance targets for directors and managerial officers, as well as the policies, systems, standards, and structure for their remuneration.
    - b. PTI directors and managerial officers are regularly assessed on their ability to meet performance targets. The content and amount of their individual remuneration are set accordingly.
- (3) The PTI Remuneration Committee shall carry out its duties in accordance with the following principles:
  - A. Ensure that the remuneration arrangements of the Company conform to the law and are sufficient to attract quality talent.
  - B. The performance evaluation and remuneration of directors, supervisors and executives should take prevailing industry standards into account and take into consideration the amount of personal time invested, responsibilities, personal target completion, performance in other roles and company compensation for other people in equivalent roles in recent years. The achievement of the company's short-term and long-term business objectives as well as the company's finances are used to evaluate the correlation between personal performance, company business performance and future risks.
  - C. The remuneration plan should not entice directors and managers into exceeding the Company's capacity for risk in pursuit of personal remuneration.
  - D. Short-term performance bonuses for directors and senior managerial officers, and the timing of variable salary payments/remunerations shall be set with reference to the particular industry characteristics and the nature of the Company's business.
  - E. Whether the content and amount of director and managerial officers' remuneration is reasonable should be taken into account. It is inadvisable for the remuneration decided for directors and managerial officers to diverge excessively from financial performance.
  - F. Members of the Committee may not participate in the discussion and voting on their personal remuneration.

## V. CSR Status

Evaluation Item	Implementation Status			Reason for Implementation Gap
	Y	N	Details	
I. Did the company have a designated unit in charge of promoting corporate social responsibility that, following the principle of materiality, conducted risk assessment on environmental, social, or corporate governance issues related to the company's operations, and adopted relevant risk management policies or strategies?	✓		<p>I. A “Corporate Responsibility Office” has been established by PTI under the Board of Directors and reports to the Board every year. As the designated unit for corporate social responsibility and risk management, the Office oversees the CSR Promotion Team, the Business Continuity Management Committee and other functional organizations.</p> <p>The CSR Promotion Team used experience from past engagements with different stakeholders and the four reporting principles (materiality, stakeholder inclusiveness, sustainability context and completeness) of GRI Standards as a reference. The process for identification of material issues is used to analyze sustainability issues and establish their materiality. These provide an important reference for determining the strategy and goals in CSR promotion.</p> <p>The Business Continuity Management (BCM) Committee convenes the risk identification meeting every year to examine potential emergencies or impacts on business continuity, Risk management policies or strategies that encompass management goals, organizational structure and accountability are then formulated. Risk management and response are then strengthened through effective identification, measurement and execution.</p> <p>The risk assessments encompassed environmental, social, and corporate governance issues related to the company operations. Potential risks were identified for seven issues in 2019, namely “regulatory change”, “IT information”, “environmental and climate change”, “business and production technology”, “supply chain management”, “capital market volatility” and “human resources.”</p> <p>Dedicated personnel were assigned to manage and respond to different categories of risk. Early warning, response, crisis management, business continuity plan and recovery operations were used to establish a safety net that ensures the continuity of operations. The content of relevant risks were also reported to the Board of Directors.</p>	Complied with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-listed Companies.”

Evaluation Item	Implementation Status			Reason for Implementation Gap
	Y	N	Details	
II. Did the company have a dedicated (ad-hoc) unit in charge of promoting corporate social responsibility that reports to the board of directors with its implementation delegated by the board of directors to the senior management?	✓		II. A dedicated “CSR Office” was established by PTI on August 1, 2014, to ensure proper CSR management, and was approved by the Board of Directors on February 9, 2015. The CSR Office reports to the Board of Directors and is responsible for the development and execution of CSR policy, system, related management policies and action plans. The “CSR Committee” is convened every quarter to brief senior managerial officers on current progress. An annual report is also made to the Board of Directors.	Complies with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-listed Companies.”
III. Environmental issues (I) Did the company establish a proper environmental management system based on the characteristics of the industry?	✓		(I) PTI has established an environmental management system based on the characteristics of our industry to fulfill our corporate responsibility on environmental protection as well as look after the safety and health of our employees. Certification for ISO 14001 environmental management system was obtained in 2003, followed by OHSAS 18001 (now ISO 45001) occupational safety and health management system in 2004. Environmental, safety and health management activities are now conducted in accordance with these standards. Environmental, safety and sustainability goals are now set and reviewed on a regular basis. The operation of the international standard management systems enable PTI to effectively control emissions, water pollution and waste from the production process.	Complied with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-listed Companies.”
(II) Was the company committed to improving the efficient use of each resource and the use of recycled materials with a low impact on the environment?	✓		In addition, IECQ QC08000 hazardous substance management system certification was obtained in 2008. The certification ensured that PTI products do not contain substances harmful to human health or the environment, and complied with international regulations and customer requirements, reducing the environmental impact of our products and increasing their competitiveness.  (2) Refer to Note 1	

Evaluation Item	Implementation Status			Reason for Implementation Gap
	Y	N	Details	
(III) Did the company evaluate the potential risks and opportunities to its business from climate change now and in the future, and take appropriate measures to counter climate change issues?	✓		(3) Refer to Note 2	
(IV) Did the company disclose the annual emissions of greenhouse gases (GHG), water consumption, and total weight of waste for the past 2 years, and set management policies for energy conservation, reduction of GHG emissions, water use and other wastes?	✓		(4) Refer to Note 3 °	
IV. Social issues (I) Did the Company formulate management policies and procedures based on the relevant laws, regulations and the International Bill of Human Rights?	✓		<p>(I) The “Responsible Business Alliance” (RBA) is committed to supporting the rights and well-being of workers and communities worldwide affected by the global supply chain. The “RBA of Conduct” is a set of standards on social, environmental and ethical issues in the global industry supply chain that references key international human rights standards including the “United Nations Guiding Principles on Business and Human Rights”, the “Declaration of Fundamental Principles and Rights at Work” of International Labor Organization (ILO), and “Universal Declaration of Human Rights.” The “RBA Code of Conduct” introduced by PTI in 2009 covers labor, health and safety, environment, ethics and management systems. PTI became a formal member of RBA on April 20, 2015.</p> <p>The Social Accountability 8000 International Standard (SA8000) was formulated with reference to ILO, UN Convention on the Rights of the Child, and Universal Declaration of Human Rights. It is a management standards system for the protection of labor rights, occupational environments and labor conditions. PTI has been working actively to introduce the SA8000 social responsibility management system and certification was achieved in 2016.</p> <p>PTI is committed to providing employees</p>	Complies with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-listed Companies.”

Evaluation Item	Implementation Status			Reason for Implementation Gap
	Y	N	Details	
			with safe and healthy working environment where employees can realize their true potential; to fulfill this commitment, we comply with local laws and regulations, and have also formulated the relevant management policies and procedures based on the RBA Code of Conduct and the international labor/human rights standards set out in SA8000.	
			.	
(II) Has the company formulated and implemented reasonable employee benefits (including salary, leave, and other benefits), and ensured that business performance or results are adequately reflected in employee remuneration?	✓		(2) Refer to Note 4	
(III) Did the company provide employees with a safe and healthy working environment, and administer safety and health training on a regular basis?	✓		(3) Refer to Note 5	
(IV) Has the company established an effective career development and training program for employees?	✓		(IV) PTI's planning of the education and training system ensures our training investment is aligned with business philosophy. The interaction between different training mechanisms provide employees with a complete blueprint for training and career development. Training tailored to each role and grade ensure that our talent cultivation and development will meet PTI's needs for business growth.	
(V) Did the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and were relevant consumer protection and grievance procedure policies implemented?	✓		(V) The PTI "Code of Business Conduct and Ethics" required relevant policies to be formulated for all company R&D, purchasing, production, operation and service processes, such as: Policies for preventing stakeholders from being harmed by products or services, prohibition against leaking of confidential information, prohibition against violation of intellectual property rights, or engaging in unfair competition. PTI management of intellectual property is explained in item 6 of the following table.	

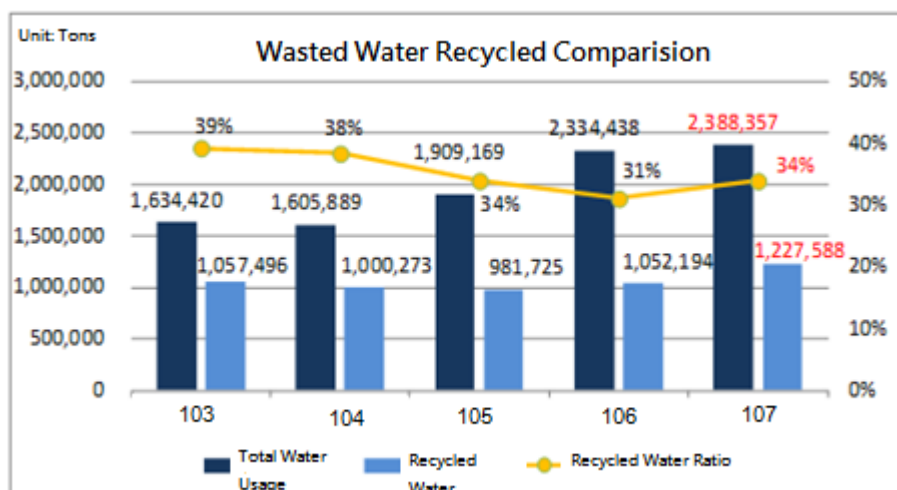
Evaluation Item	Implementation Status			Reason for Implementation Gap
	Y	N	Details	
			The relevant complaints procedure has been established by PTI. In addition to internal announcements, complaints channels are also disclosed on our corporate website to safeguard the interests and rights of both internal and external stakeholders.	
(VI) Did the company adopt supplier management policies requiring suppliers to comply with the relevant provisions regarding issues such as environmental protection, occupational safety and health, or labor rights, and specify the status of implementation?	✓		<p>(VI) PTI considers suppliers/contractors to be our partners. Our supply chain management strives for steady development and sustainability through mutual cooperation. Targets and assessments are continuously set for quality, delivery time, cost and technology. Planned visits and on-site audits of business systems are conducted every year as well. The audit systems include:</p> <p>(1) Quality management system</p> <p>(2) Green product management system for non-use of hazardous substances in raw materials</p> <p>(3) RBA Code of Conduct management system on labor and human rights, the environment and ethics</p> <p>(4) Environmental, safety and health risk management</p> <p>Our “Code of Business Conduct and Ethics” require potential suppliers to undergo an assessment of their past business associations. A suitable screening process is used to examine their business dealings and determine whether they have a past record on environmental and social impact.</p>	
V. Does the company refer to international reporting standards or guidelines for the preparation of corporate social responsibility reports and other reports that disclose non-financial information? Does the company obtain third-party verification or assurance for the reports above?	✓		V. Our 2019 CSR Report was prepared in accordance with the “Core” options of the GRI Guidelines published by the Global Reporting Initiative (GRI). Verification by an independent third-party was conducted by the British Standards Institution (BSI) in accordance with AA1000 AS Type II high-level assurance. Limited assurance assurance was also carried out by PwC Taiwan in accordance with the ISAE3000 standard. The information for “salary of permanent employees in non-management positions” was verified by Deloitte.	Complied with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-listed Companies.”
<p>VI. If the Company has established corporate social responsibility principles based on "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies", please describe any difference between the principles and their implementation:</p> <p>PTI referred to the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX</p>				

Evaluation Item	Implementation Status			Reason for Implementation Gap
	Y	N	Details	
Listed Companies” and other relevant laws and regulations in formulating our own “CSR Best Practice Principles.” The CSR Best Practice Principles were approved for implementation by the Board of Directors on November 8, 2013. Amendments were passed by the Board on November 4, 2016, to improve CSR performance, promote better corporate governance, develop a sustainable environment, protect social welfare and strengthen the disclosure of CSR information. There is no difference between the defined principles and their implementation. These principles apply to the overall business activities of PTI and all subsidiaries.				
VII. Other key information useful for explaining status of corporate social responsibility practices: Please refer to item 7 in the table below.				

2. Last 3 years energy usage details as below:

Item	2017	2018	2019
Total waste recovered (tonnes)	612.1	749.79	890.15
Energy consumption savings (kWh)	4,802,805	10,015,926	25,249,932
Wastewater reclaimed (tonnes)	1,052,194	1,227,588	1,337,968

In 2019, water recovered from the packaging process accounted for 38% of tap water consumption and was up 4% on 2018.



Extreme climate as well as shortages of water and energy resources represent a risk to business operations. PTI is continuing to support initiatives on environmental protection and pollution control by minimizing the impact on the surrounding ecological environment from our routine operations. The risk and opportunity

identification model of Task Force on Climate-related Financial Disclosures (TCFD) was used by the Occupational Safety and Environment Committee for regular review of climate change adjustment management and assessment on a regular basis.

Environmental management policies and measures for adapting to or mitigating the challenges brought by climate change can be formulated by gaging the climate and physical risks/opportunities. Damage to the environment can then be reduced.

1. Risk factors: Natural disaster/extreme climate, disruption of utilities (electricity/water/gas).
2. Response: Established a Business Continuity Management (BCM) Plan that covers everything from disaster risk monitoring and detection to emergency response and rapid recovery. Business constitution and resilience is strengthened through continuous education and drills.
3. Opportunities: Improvement of BCM capability can strengthen the company's constitution. In addition to ensuring the safety of company assets and personnel, it can also increase trust and support for PTI from stakeholders such as customers and the general public.

3. Measures such as energy conservation, carbon reduction, greenhouse gas reduction, reduced water consumption and waste management were promoted by PTI through the internal management system and various pollution control facilities to fulfill our corporate social responsibility. Our goal is to promote sustainable environment. An explanation of the statistics from the past two years is provided below:

1. GHG emissions, water consumption and total amount of waste
- (1) Greenhouse gas emissions

A voluntary GHG inventory has been conducted by PTI every year since 2007. The inventory outcome serves as the basis for reduction efforts. The 2019 GHG emission statistics for PTI were based on data from actual inventories conducted at each production site that were verified by an independent third-party (BSI). Direct GHG emissions (Scope 1) accounted for 7.74% of total emissions. The main source of indirect GHG emissions (Scope 2) was electricity consumption and accounted for 92.26% of total emissions. The GHG reduction strategy implemented by PTI focused therefore on electricity management and reduction of electricity use. GHG emissions over the past two years are shown in the table below:

<b>Greenhouse Gas Emission (Unit: ton CO2e/ year)</b>		
<b>Item</b>	<b>2018</b>	<b>2019</b>
Category 1	33,502.80	32,477.99
Category 2	388,396.85	386,986.23
Total Emission	421,899.65	419,464.22

Note: The 2019 GHG inventory data came from our self-inventory.

Third-party verification should be completed by the end of May, 2020.

(2) Water use

There has been drastic changes to the water environment in recent years due to climate change. Drought and flooding are now alternating with increasing frequency. Stakeholders are also increasingly concerned with water resource issues. The three strategies of reduction, reuse and recovery have now been adopted by PTI for water resource management to increase water efficiency in response to increasingly complex water resource issues. We are also continuing to implement water conservation measures at each site. Water use over the past two years are shown in the table below

<b>Item</b>	<b>2018</b>	<b>2019</b>
Total water usage(tonnes)	2,552,705	2,293,108
Underground water usage(tonnes)	122,272	175,442

(3) Total weight of wastes

PTI Taiwan generated 1,877.74 tonnes of hazardous industrial waste in 2019, 38.50 tonnes less than 2018. All of the wastes were properly disposed of by licensed contractors. PTI will continue to promote recycling and reuse for waste reduction and the circular economy in order to reduce our impact on the environment. PTI Taiwan recycled 890.15 tonnes of waste in 2019, an increase of 140.36 tonnes over 2018. On average, 74.18 tonnes were recycled each month.

2. Management policies for energy conservation, reduction of GHG emissions, water use and other wastes

Energy conservation, carbon reduction and GHG emission reduction strategies were set out in the “CSR Best Practice Principles” by PTI to implement the development of a sustainable environment. The acquisition of carbon credits was also incorporated into our carbon reduction strategy planning. These strategies are then implemented to reduce the impact of our operations on the natural

environment. In response to the effects of climate change, annual targets have been set by PTI to manage our performance in environmental protection using tangible data. These included:

(1) Annual targets

- A. Total weight of recycled waste to reach 50 tonnes per month
- B. Recover 89% of wastewater from cutting and grinding
- C. Reduce GHG emissions by 15% between 2015 and 2030

(2) Environmental management plan

The following long-term environmental management plan and measures have been implemented to fulfill our corporate social responsibility by maintaining environmental sustainability through the proper operation of pollution control facilities:

- A. Emissions treatment: Air pollution control equipment have been installed for treating volatile organic compounds (VOCs) and undergo regular statutory inspections every year. We also cooperate with testing companies commissioned by the environmental protection bureau to sample the discharge conduits of the air pollution control equipment and check treatment efficiency. All of the test results complied with statutory requirements.
- B. Process water recovery: Wastewater recovery equipment is used to reduce the consumption of water resources. Tap water is substituted with reclaimed water from the production process to conserve water use and protect water resources.
- C. Waste disposal: All waste produced during production are disposed of in accordance with the law. Waste is also sorted and collected the source to make it more recyclable. Waste from the production process are disposed of through collection, sort, reduction and recovery. The management strategy focuses on “recycling” instead of “landfill” so that waste can be turned into usable resources and impact on the environment reduced. Effective management also increases the value of recycling.
- D. Contractor audit and counseling: Suppliers and contractors at risk of environmental pollution undergo regular audits. Contractors receive counseling on the implementation of environmental protection so that we can fulfill our corporate social responsibilities and achieve the goal of a sustainable supply chain together.

- E. Energy conservation and carbon reduction: A trans-department energy conservation organization was established to implement energy conservation projects that reduce energy consumption and GHG emissions; We also disclose our carbon emissions in line with international environmental trends to help prevent global warming and fulfill our corporate social responsibility.
- F. Voluntary environmental monitoring: PTI has developed a voluntary environmental monitoring program that encompasses wastewater quality, noise volume, air quality, and nature of waste. The program allows PTI to effectively track the effect and impact of our business activities on environmental quality.
- G. Change of environmental permits: Applications for change of environmental permits are filed in conjunction with changes in business activity to ensure that our business activities and polluting emissions comply with environmental laws and regulations.

(3) Establishment of designated environmental protection unit

The Occupational Safety and Environmental Protection Department of PTI is dedicated to the management and implementation of occupational safety and environmental protection matters. The department also oversees the normal operation of pollution control facilities. An “Occupational Safety and Environmental Protection Committee” made up of senior managers, plant directors and labor representatives is also convened on a regular basis to examine company proposals on safety, health and environmental protection. Environmental sustainability issues are incorporated in our business management in this manner.

(4) Formulation of environmental, safety and health policies

PTI aims to imbue the concepts of personal safety and environmental protection into our business operations and every employee. The “Environmental, Safety and Health Policy” was therefore formulated to implement environmental, safety and health policies for employees, customers and stakeholder groups. Concrete policies include:

- A. Communication of environmental, safety and health policies to employees, customers and relevant groups.
- B. Compliance with environmental protection, safety and health regulations as well as customer requirements.

C. Consult and engage with workers and their representatives on prevention of injuries, diseases and accidents as well as damage control.

D. Active promotion of energy conservation and waste reduction activities in line with international environmental trends and organizational circumstances.

E. Continuous review and improvement to raise the targets for safety, health and environmental management as well as overall performance.

(5) Concrete outcomes in 2019

The active promotion of action plans in response to global climate change by PTI produced significant outcomes in 2019 as outlined below:

A. Rating of B from the Carbon Disclosure Project (CDP)

The rating of B from CDP in 2019 placed us in the Management grade.

B. Rating of B- in the Water Questionnaire (WQ)

The rating of B- from Water Questionnaire in 2019 placed us in the Management grade.

4. To achieve a balance between the long-term development of the company and the quality of life for our employees, annual market salary surveys are conducted by PTI to compare our remuneration against the prevailing market rates. The overall economic indicators and consumer price indices are also used as a reference to make appropriate adjustments to employee compensation. Optimizing our remuneration to make PTI more attractive to quality talent represents a win for both parties. PTI adheres to the relevant labor regulations by providing our local and overseas employees with compensation that exceeds the local minimum wage. We have also designed a comprehensive benefits scheme that provides employees with more complete and superior rewards than required by law. PTI Taiwan compensation and benefits are as shown below. Total subsidies for company benefits in 2019 amounted to NT\$247,165,904.

Type	Description
Bonus	<ul style="list-style-type: none"> <li>• Holiday bonus: Disbursed at the middle and the end of the year</li> <li>• Quarterly bonus: Based on profitability and whether company targets were met</li> <li>• Employee remuneration/incentive bonus: Based on profitability with reference to individual role/contribution and performance evaluation</li> <li>• Salary adjustment scheme: Salary data is updated annually</li> </ul>
Benefits	<ul style="list-style-type: none"> <li>• Subsidies (marriage, childbirth, hospitalization, condolence payments)</li> <li>• Birthday gift</li> <li>• Lunar New Year, Dragonboat Festival and Mid-Autumn Festival gifts</li> <li>• Film appreciation</li> <li>• Travel subsidy</li> <li>• Meal allowance</li> <li>• Free company insurance (dependents are eligible for life insurance, accident insurance, medical insurance and cancer insurance)</li> <li>• Free regular health exams</li> <li>• Club activities</li> <li>• Company activities (End-of-year party, family day etc.)</li> <li>• Partner merchants (discounts at over 600 partner merchants)</li> <li>• Emergency financial assistance to help employees suffering serious hardship</li> <li>• Platform for group buys, auctions and lifestyle information</li> </ul>

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 months 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.

### 7. Health promotion and management

A number of health promoting activities were held in 2019, including: Flu vaccination, employee health exam, blood donation and bone density testing. Total attendance was 4,137. On-site physician services was provided 297 times in 2019.

6. The Intellectual Property Management Department is the designated company unit for intellectual property (IP) management. The relevant plans and management activities are as shown below. The status of planning and execution will be reported to the Board of Directors in 2020 Q4.

#### 1. Intellectual property strategy

PTI initially focused on boosting our “patent count” to protect our business freedom and strengthen our competitive advantage. Our patent strategy began shifting towards “patent

quality” in 2012. We have been integrating our patents with products and technologies over the past years to create value and revenue. We also developed an IP management plan based on the patent strategy of our R&D department, continued to make improvements of the IP management system, and engaged in the production, management and application of IP to maintain our technical leadership.

2. Intellectual property management system

The “Guidelines for Patent Application and Management” and “Patent Proposal/Application Management System” were formulated and introduced by PTI to encourage the conversion of R&D outcomes into patent proposals by research personnel. These streamlined the process for researchers to submit proposals and allow members of the review committee to determine the value of proposals from all aspects. Patent engineers can also track the progress of patent applications and ensure the quality of execution. PTI applied for Taiwan Intellectual Property Management System (TIPS) certification in 2020. We expect certification to be carried out by November 2020.

3. Potential IP risks and responses

(1)Implementation of regulatory compliance: In the future, business strategy must be connected to IP management and meet the requirements set by IP indicators newly added to the “Corporate Governance Education” in order to achieve regulatory compliance. IP management must therefore be linked to our business strategy to maximize the returns from IP created by PTI and continue improving our ranking in the Corporate Governance Evaluation. The IP management system will be expanded to all local and overseas subsidiaries of PTI Group as well to secure customer recognition of our IP management capability.

(2)Implementation of IP management: PTI is required by customers to engage in data loss prevention. We have strengthened our management of information security and trade secrets but more work needs to be done to prevent risks from inadequate control of intellectual property rights as a whole. IP audits, IP management documentation and standardized management must be implemented to ensure that PTI and customers’ interests are not harmed.

(3)Protection and application of R&D accomplishments: It is essential for PTI to establish a long-term technological advantage due to the trend towards diversification and high-technology in the packaging & testing industry. We our own in-house R&D capability and the ability to cultivate customers that provide a stable source of orders but there is a risk that competitors may develop similar products. To prevent this, advance planning is required for the protection and application of R&D accomplishments through a

comprehensive IP management system. A target of 106 patent proposals was set for 2019. Quarterly audits and annual inventories are also conducted for the protection of trade secrets.

#### 4. Future planning

PTI will build on the results of TIPS mentoring to ensure the proper implementation of the IP management system. All documentation and forms will be bilingual in Chinese and English making them suitable for use in all PTI Group companies in Taiwan, Mainland China, Japan and Singapore. The preparation of an IP report is being planned as well to highlight our IP capabilities and demonstrate our competitiveness.

#### 5. PTI has obtained the following IP accomplishments at the time this report was published:

<b>Overall IP statistics</b>	■Invention patents	Domestic	Pending: <b>83</b>	Approved: <b>291</b>	Overseas	Applied: <b>120</b>	Approved: <b>147</b>
	■Utility model patents	Domestic	Pending: 0	Approved: 8	Overseas	Applied: 0	Approved: <b>4</b>
	■Trademarks	Domestic	Applied: 0	Approved: <b>18</b>	Overseas	Pending: 0	Approved: <b>23</b>
<b>IP category</b>	Copyright	Overseas: <b>2</b>		Trade secrets	Listed separately in trade secrets inventory		

#### 7. Key information useful for explaining status of corporate social responsibility practices at PTI in 2019:

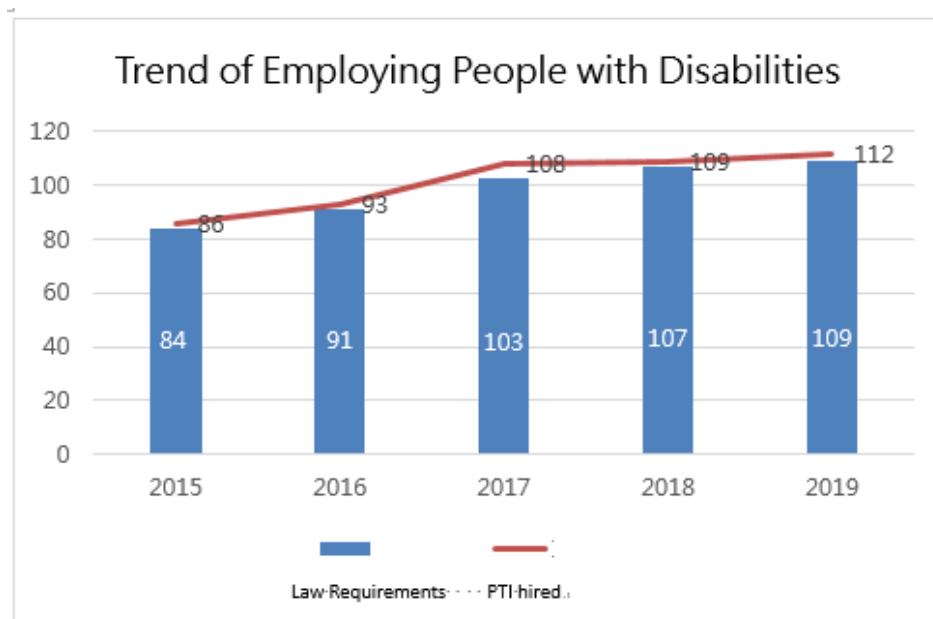
##### **Social Aspect:**

##### 1.Provision of employment opportunities

PTI continued to provide employment opportunities and 2,086 new employees were recruited in 2019. Even as we actively recruit for all types of talent, we also provide suitable job opportunities for disadvantaged groups. By helping them find suitable employment and alleviating their economic pressure, we give back to society and fulfill the spirit of social inclusion. A total of 91 disadvantaged people were employed in 2019.

##### 2.Employment of the handicapped

PTI is helping disadvantaged groups by continuing to improve our working environment that so that more disadvantaged people can join the PTI family. At the end of December 2019, we employed 112 handicapped people and exceeded the statutory quota. A total of 36 new handicapped employees were recruited in 2019.



### 3. Charity activities of “PTI Education Foundation”

The “PTI Education Foundation” was founded by PTI in 2017 with “technology education”, “humanities education” and “talent cultivation” as its missions. The Foundation is committed to promoting popular science, environmental education, and character education with a particular interest in the environment, ecology and protecting the planet. It engages in social welfare through concrete initiatives to grow and prosper together with society. Key activities in 2019 are summarized below:

#### ▲ Reducing inequality ~ Creating opportunities for rural children:

PTI Education Foundation sponsored the “Little Farmers Club” and “Little Readers Club” as well as the club activities and tutoring every Wednesday afternoon at Danan Elementary School in Miaoli County. In 2019 the Foundation also began sponsoring Wednesday club activities at Chingshui Elementary School in Sinpu, another remote, rural elementary school. Thanks to the Foundation’s sponsorship, children at Danan and Chingshui elementary schools can now enjoy the same learning resources as their urban peers. This will make them fall in love with learning and create boundless opportunities for the future!

#### ▲ Green Light summer tutoring and fund-raising in support of “Future Transformers: Round-the-Island Bike Ride”

PTI volunteers were recruited to develop fun-filled tutoring activities. Children in the Green Light program received companionship and tutoring to create even more learning fun and open up new vistas during summer class; PTI also

answered the call from the Green Light “Future Transformers: Round-the-Island Bike Ride” fund-raising campaign. Donations were raised to fund after-school tutoring for disadvantaged local children and encourage them to fall in love with learning.

▲ “Share the Love ~ Starry Christmas” gift-giving:

The Christmas season is filled with joy and gratitude. PTI once again brought love and care to all the children filled with expectation. The “Share the Love ~ Starry Christmas” end-of-year thanksgiving event invited employees to become Christmas elves for adopting and giving away gifts that warm every heart!

▲ Other activities:

PTI Education Foundation disbursed scholarships to 53 students in 2019: “PTI Summer Camp” played host to 57 students and used guided activities to help them plan their future direction; Children from rural elementary schools were also invited to take part in occupational safety and environmental education activities for an early start to environmental education. A series of activities gave the children a better understanding and a taste of environmental education.

#### 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 Aspect:**

#### 1. Work-Life Balance Program

PTI created diverse and varied environments for relaxation at work. We also

provide health exams that exceed statutory requirements, tracking and management of health anomalies, psychological counseling and employment assistance plans. These ensure the physical and mental well-being of PTI employees in work and life.

## 2.Unpaid parental leave policy

A comprehensive unpaid parental leave policy was put in place by PTI in line with national policy to encourage employees to have children. A total of 395 “PTI babies” were born in 2019.

- ▲ Unpaid parental leave: In 2019, a total of 120 employees applied for unpaid parental leave. These included 19 male employees, or 15.8% of all applicants. Up to 80% of employees chose to return to work with PTI after having children, and their retention rate one-year after reinstatement was 93%.
- ▲ Nursing room: Safe, comfortable and private breast-milk expressing environments were established at all sites to look after female employees. These can be used by nursing mothers safely and without worry when necessary.
- ▲ Pregnant parking spaces: Pregnant parking spaces are provided at all sites. Giving priority parking to pregnant women and new mothers provides a better a more convenient working environment.

## 3.Childcare service

PTI cares about our employees’ interactions with their families. We provide not only a variety of employment opportunities but also energy and happiness in their family life. We contract with quality kindergartens and childcare centers where employees live through the Employee Welfare Committee to provide employees’ children with more choices on preschool care and education. Employees can then focus on their work and family life.

## 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 implementation procedures, guidelines, consequence of violation and complaint procedures in such policies?	√		The Company has established the following guidance: Prohibition against Providing or Accepting Improper Benefits Prohibition against and Handling Procedure for Facilitating Payments 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	√		Please refer to Note 1.	

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
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?				
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 conducts, does the company establish effective accounting and internal control	√		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	
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	√		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.

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Explanation	
Post System (“MOPS”)?				
<p>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.</p> <p>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 “<u>Code of Business Conduct and Ethics</u>” from the company website.</p>				
<p>6. (I) We regularly review and update our policy on business ethics. To improve the implementation outcomes, the third amendment to the “PTI Code of Business Conduct and Ethics” was passed at the 16th session of the 8th Board of Directors on March 10, 2020. The “CSR Office” under the Board of Directors was designated as the responsible unit. Responsibilities included the development/amendment of the ethics policy and preventive measures, the supervision of its implementation, and the making of regular reports to the Board.</p> <p>(II) A whistle blower complaint was received between the end of 2016 and 2017 by PTI. Two employees were alleged of unethical behavior. Once the investigation criteria and procedure for the complaint was finalized, an investigation was carried out by Legal Affairs. The complaint was verified and the two employees terminated. The case was also referred to the Prosecutor’s Office of Hsinchu District Court for prosecution. Prosecutors completed their investigation in April 2018, and charges were filed for breach of trust under Article 342 of the <i>Criminal Code</i>, and for special breach of trust under Sub-paragraph 3, Paragraph 1, Article 171 of the <i>Securities and Exchange Act</i>. A report was made to the attending directors on the case as item 7 on the agenda at the 3rd session of the 8th Board of Directors on November 1, 2017. The outcome of the investigation by the Prosecutor’s Office of Hsinchu District Court was reported to the attending directors at the 5th session of the 2nd Audit Committee and the 6th session of the 8th Board of Directors on May 4, 2018; Progress on the case was reported to the attending directors at the 7th session of the 2nd Audit Committee and the 9th session of the 8th Board of Directors on November 2, 2018; The details of the settlement for the civil case was reported to the attending directors at the 9th session of the 2nd Audit Committee and the 12th session of the 8th Board of Directors on May 3, 2019; the criminal case against one of the people involved was still being examined in the criminal court.</p>				

Note:

1. PTI took the following preventive measures for all business activities at a higher risk of being involved in unethical conduct (offering and acceptance of bribes, illegal political donations, improper charitable donations or sponsorship, offering or acceptance of unreasonable presents, hospitality, or other improper benefits) as listed under Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies.
  - (1).Established prevention programs for unethical behavior. Standard operating procedures and guidelines for conduct for work-related business were also defined in each program.
  - (2).Internal organization, establishment and responsibilities were structured to implement checks and balances for business activities within the business scope at a higher risk of being involved in unethical conduct.
  - (3).Corporate education, training and awareness programs on the ethics policy were organized to ensure that employees understood PTI’s commitment to ethical corporate management, related policies and prevention programs, along with the consequences of unethical conduct.
  - (4).Set up a whistle blower mechanism, defined the different types of whistle blower complaints and their associated standard investigation procedure, and ensured their effective implementation.

(5).Assisted the Board of Directors and the management with auditing and assessing the effectiveness of preventive measures for ensuring ethical management. Related business processes were regularly assessed for compliance and reports prepared.

6.Established quantified data for the promotion of ethical management while continuing to analyze the results from the promotion of the ethics policy. Ethical management measures, implementation as well as the aforementioned quantified data and results were disclosed through the corporate website, annual report and public statements. The details of our ethical management principles were also disclosed on the Market Observation POST system.

2. Our “Code of Business Conduct and Ethics” require potential suppliers to undergo an assessment of their past business associations., ethical management policy, and whether they have a record of engaging in unethical behavior. Transactions with those involved in unethical behavior were avoided. An appropriate review procedure must be adopted by PTI for assessing the other party in business transactions. The following items are examined to determine the status of ethical management at the other party:

(1).The supplier’s nationality, business location, organizational structure, business policy, and payment location.

(2).Whether the supplier has defined an ethical management policy and its implementation status.

(3).Whether the supplier’s business location is in a country with higher risk of bribery and corruption.

(4).Whether the supplier’s business is in an industry with higher risk of bribery.

(5).The supplier’s long-term business condition and reputation.

(6).Ask the supplier’s partners for their opinion on the supplier.

(7).Whether the supplier has a past record of unethical behavior such as bribery or illegal political donations.

PTI personnel engaged in business activities must explain our corporate ethical management policy and related regulations to the other transaction party. They must also explicitly refuse to directly or indirectly provide, promise, request or accept any improper benefits, including rebates, commissions, facilitation payments, or offer or accept improper benefits in any other form through other channels.

A full understanding of the other party’s ethical management status must be obtained when a contract is to be signed with PTI. Compliance with ethical management must be incorporated into the contract and the contract must explicitly include the following items:

(1)If either party becomes aware of personnel violating the prohibitions against commissions, rebates or other benefits set out in the contract, they must immediately notify the other party of such personnel’s identity, the method, monetary amount or other benefits provided, promised, requested or accepted, provide the relevant evidence and cooperate with the other party’s investigation. If one party should suffer damages as a result then it is entitled to ask the other party for compensation.

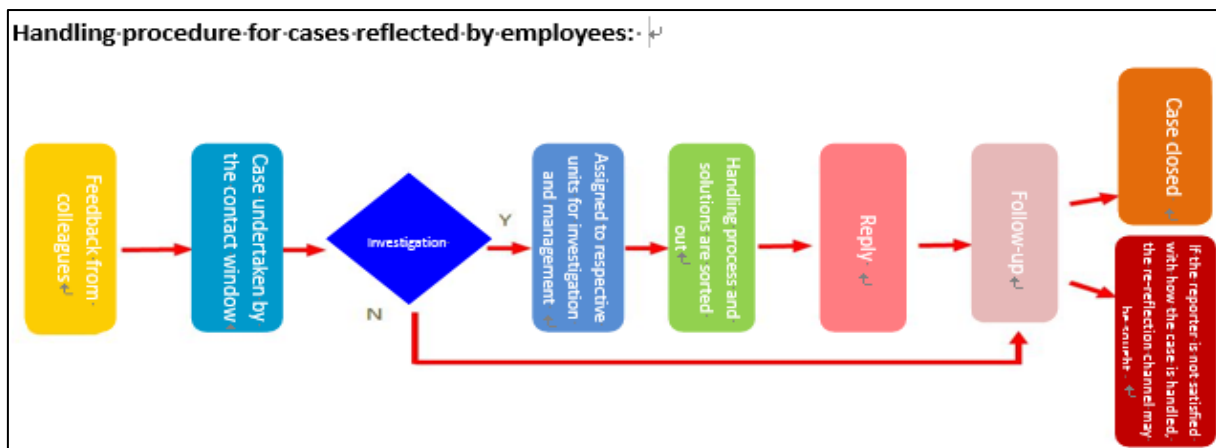
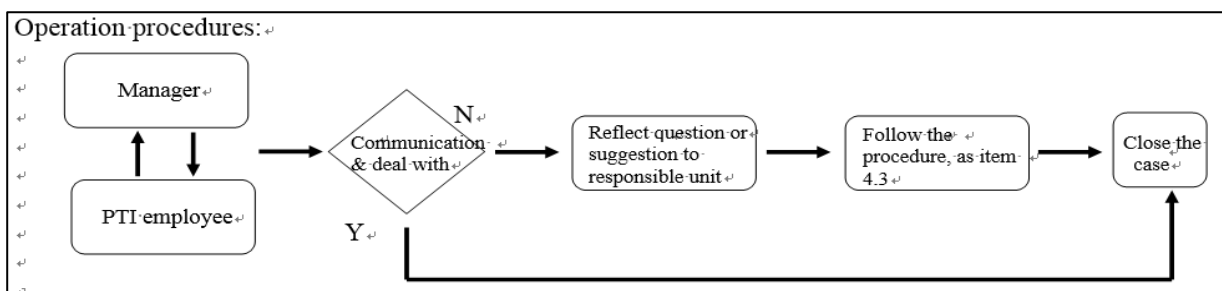
(2)If either party is involved in unethical behavior during the course of business activities then the other party may unconditionally suspend or terminate the contract at any time.

(3)The payment terms must be clearly defined and reasonable. These include the payment location, format, and the applicable tax regulations.

3. In addition to dispatching the relevant personnel to undertake external training on ethical management every year, PTI also organizes regular internal education and training courses on ethical management every year, including: Personal data protection, personal data inventory, Trade Secrets Act, trade secret inventory training, ethical management and business ethics, PTI information protection regulations, and the employee code of conduct. The outcomes of education and training on ethical management in 2019 were as follow:

Type of Employee	Course	Number of Employees
New Hired	General education and training for new employees (Corporate information protection rules, employee code of conduct)	1,696
Existing	Personal Data Protection Act	9,441
	Personal data inventory education & training	58
	Trade Secrets Act	9,441
	Trade secrets inventory education & training	41
	Business integrity and ethics	9,441

#### 4. Process Procedure



#### 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 10, 2020

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 2019:

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, 2019, 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 2018 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 10, 2020, 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 international 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
May 31, 2019	Annual Shareholder Meeting	<p>1. Passed the 2018 Annual Report and Financial Statement.</p> <p>2. Passed the 2018 dividend distribution proposal. Implementation status: August 8, 2019, was set as the baseline date for distribution and September 5, 2019, set as the distribution date (Cash dividend of NT\$4.8 per share). The dividend was distributed on schedule.</p> <p>3. Passed the issue of ordinary shares for cash to sponsor the issuance of depositary receipts (DRs), and/or issue of ordinary shares for cash, and/or private placement of ordinary shares for cash, and/or private placement of overseas or domestic convertible bonds. Implementation status: A suitable strategic investor for the private placement had still not be found after nearly one year. The decision was made at the 16th session of the 8th Board of Directors held on March 10, 2020, to discontinue the proposed private placement and report the matter at the 2020 AGM.</p> <p>4. Passed amendments to the PTI “Procedures for Acquisition and Disposal of Assets” Implementation status: Material information was announced after the AGM on the same day. The amended procedure was also published on our corporate website and POST website on June 13, 2019, and is now in effect.</p> <p>5. Passed the amended clauses of the PTI “Procedures for Engaging in Derivatives Transactions.” Implementation status: Material information was announced after the AGM on the same day. The amended procedure was also published on our corporate website and POST website on June 13, 2019, and is now in effect.</p> <p>6. Passed the proposal to release director from the non-competition clause. Implementation status: Material information was announced after the AGM on the same day</p>

## 2. Board Meeting Major Conclusion and Execution

Date	Type of Meeting	Major Conclusion
Jan 11, 2019	Board Meeting (8th Term 10th meeting)	<ol style="list-style-type: none"> <li>1. Passed the 2019 PTI business plan.</li> <li>2. Proposal for dismissal of managerial officer.</li> <li>3. Proposal for promotion and adjustment to salary of managerial officer.</li> </ol>
Mar 14, 2019	Board Meeting (8th Term 11th meeting)	<ol style="list-style-type: none"> <li>1. Passed the 2018 Annual Report and Financial Statement.</li> <li>2. Passed the 2018 dividend distribution proposal.</li> <li>3. Passed the proposed distribution for directors and employees' remuneration in 2018.</li> <li>4. Passed proposal for adjustment to salary of managerial officer.</li> <li>5. Passed the 2018 internal control review and the issuance of the 2018 Internal Control Statement.</li> <li>6. Passed amendments to the PTI "Internal Control System" and "Internal Audit system."</li> <li>7. Passed amendments to the PTI "Procedures for Acquisition and Disposal of Assets."</li> <li>8. Passed amendments to the PTI "Procedures for Engaging in Derivatives Transactions."</li> <li>9. Passed proposal to apply to financial institution for line of credit.</li> <li>10. Passed application for forward exchange trading limit.</li> <li>11. Passed proposal to issue letter of financial support needed by subsidiary to apply for bank credit line.</li> <li>12. Passed proposal to release director from the non-competition clause.</li> <li>13. Passed proposal to release managerial officer from the non-competition clause.</li> <li>14. Passed proposal for dismissal of managerial officer.</li> <li>15. Passed the issue of ordinary shares for cash to sponsor the issuance of depositary receipts (DRs), and/or issue of ordinary shares for cash, and/or private placement of ordinary shares for cash, and/or private placement of overseas or domestic convertible bonds.</li> <li>16. Passed proposal for change of CPA as well as an assessment of independence and competence.</li> <li>17. Passed proposal to convene the 2019 AGM.</li> </ol>
May 3, 2019	Board Meeting (8th Term 12th meeting)	<ol style="list-style-type: none"> <li>1. Reporting of the PTI 2018 Q1 financial statement.</li> <li>2. Passed amendments to the PTI "Rules of Procedure for Board of Directors Meetings."</li> <li>3. Passed proposal to apply to financial institution for line of credit.</li> <li>4. Passed financial loan to subsidiary.</li> </ol>
Jul 12, 2019	Board Meeting (8th Term 13th meeting)	<ol style="list-style-type: none"> <li>1. Passed the proposed baseline date for distribution of PTI 2018 cash dividend.</li> </ol>

Date	Type of Meeting	Major Conclusion
	Term 13th meeting)	
Aug 2, 2019	Board Meeting (8th Term 14th meeting)	<ol style="list-style-type: none"> <li>1. Reporting of the PTI 2019 Q2 financial statement.</li> <li>2. Passed the remuneration distribution proposal for PTI managerial officers and employees for 2018.</li> <li>3. Passed proposal to apply to financial institution for line of credit.</li> <li>4. Passed application for forward exchange trading limit.</li> <li>5. Passed proposal to issue subsidiary with endorsement/guarantee.</li> <li>6. Passed proposal to issue letter of financial support needed by subsidiary to apply for bank credit line.</li> </ol>
Nov 5, 2019	Board Meeting (8th Term 15th meeting)	<ol style="list-style-type: none"> <li>1. Reporting of the PTI 2019 Q3 financial statement.</li> <li>2. Passed the formulation of the PTI 2020 internal audit plan.</li> <li>3. Passed proposal to apply to financial institution for line of credit.</li> <li>4. Passed application for forward exchange trading limit.</li> </ol>
Mar 10, 2020	Board Meeting (8th Term 16th meeting)	<ol style="list-style-type: none"> <li>1. Passed the 2020 PTI business plan.</li> <li>2. Passed the 2019 Annual Report and Financial Statement.</li> <li>3. Passed the 2019 dividend distribution proposal.</li> <li>4. Passed the proposed distribution for directors and employees' remuneration in 2019.</li> <li>5. Passed the 2019 internal control review and the issuance of the 2019 Internal Control Statement.</li> <li>6. Passed amendments to the PTI "Internal Control System" and "Internal Audit system."</li> <li>7. Passed amendments to the PTI "Code of Business Conduct and Ethics."</li> <li>8. Passed the PTI "Rules Governing the Evaluation of Board Performance."</li> <li>9. Passed amendments to the PTI "Rules of Procedure for Board of Directors Meetings", "Audit Committee Charter" and "Remuneration Committee Charter."</li> <li>10. Passed proposal for adjustment to salary of managerial officer.</li> <li>11. Passed proposal for adjustment to role of managerial officer.</li> <li>12. Passed proposal to apply to financial institution for line of credit.</li> <li>13. Passed application for forward exchange trading limit.</li> <li>14. Passed proposal to issue letter of financial support needed by subsidiary to apply for bank credit line.</li> <li>15. Passed proposal to discontinue the private placement of securities by PTI from 2019.</li> <li>16. Passed the issue of ordinary shares for cash to sponsor the issuance of depositary receipts (DRs),</li> </ol>

Date	Type of Meeting	Major Conclusion
		<p>and/or issue of ordinary shares for cash, and/or private placement of ordinary shares for cash, and/or private placement of overseas or domestic convertible bonds.</p> <p>17. Pass proposal to evaluate the independence and competence of CPA retained by PTI.</p> <p>18. Passed proposal for general election of the Board of Directors.</p> <p>19. Passed proposal to release director from the non-competition clause.</p> <p>20. Passed proposal for convening of 2020 AGM.</p>
Apr 10, 2020	Board Meeting (8th Term 17th meeting)	<p>1. Passed proposal to review the list of candidate (independent) directors nominated by the PTI shareholders.</p> <p>2. Passed proposal to increase PTI's investment in "Powertech Technology (Suzhou) Ltd."</p> <p>3. Passed the proposal to increase the limit on number of private placements for foreign/local convertible bonds.</p>

(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	Cheng-Chih Lin	Jan 1, 2019 ~ Dec 31, 2019	

Unit: NTS

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

- (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	Cheng-Chih Lin Yu-Feng Huang	10,955	0	0	0	1,545	1,545	Jan 1 - Dec 31, 2019	Other non-audit fees including: 1. Balancing Taxation and operation tax preparation and filing NT\$575 K 2. Transfer pricing report fees NT\$353K 3. Services for tax incentives application and fees NT\$ 383K 4. Services for sales tax withholding and fees NT\$161K 5. Transfer Pricing Master Filing and certify employee compensation evaluation NT\$ 73K

- (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 has reduced by over 15% from 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, Cheng-Chih 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

NOTE: In compliance with CPA firm regulatory rotation requirements, Yu-Feng Huang and Cheng-Chih Lin appointed as CAPs to replace Yu-Feng Huang and Su-Li Fang.

(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	2019		As of Mar 31, 2020	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Chairman	D.K. Tsai	0	—	120,000	—
Director	Kingston Technology Corp. Investment Account Rep: Shigeo Koguchim, Daphne Wu, JS Leu, Evan Tseng	0	—	0	—
Director	Kioxia Semiconductors Taiwan Corp. Rep: Kenjiro Kara	0	—	0	—
Independent Director	Quincy Lin	0	—	0	—
Independent Director	Jim W.L. Cheng	0	—	(140,000)	—
Independent Director	Philips Wei	0	—	0	—
Independent Director	Pei-Ing Lee	0	—	0	—
Director & President	J.Y. Hung	(3,000)	—	(2,000)	—
Manager	J.S. Leu	(47,000)	—	(28,000)	—
Manager	John Wang	0	—	20,000	—
Manager	John Chang	0	—	0	—
Manager	Tonwey Cheng	0	—	0	—
Manager	Y.C. Chen	0	—	0	—
Manager	Wilber Wu	0	—	(12,000)	—
Manager	Phu Le	0	—	0	—
Manager	Y.C. Chi	(28,000)	—	(12,000)	—
Manager	Paul Wu	0	—	0	—
Manager	David Fang	0	—	0	—
Manager	Perry Lin	(74,000)	—	0	—
Manager	Yohan Lin	0	—	0	—
Manager	Vic Chen	0	—	0	—
Manager	Gary Chang (Note)	(10,000)	—	0	—
Manager	Victor Tung	0	—	0	—
Finance & Accounting Manager	Evan Tseng	0	—	0	—

Note : Gary Chang position change on Mar 16 2020 and disclosure as of Feb 29 2020.

(1) 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:**

Mar 30, 2020

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	22,248,990	2.86%	—	—	—	—	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	—
New Labor Pension Fund	16,145,300	2.07%	—	—	—	—	None	—	—
KTC-SUN Corp. Rep: David Sun	15,655,362 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	—
LABOR PENSION FUND SUPERVISORY COMMITTEE-LABOR RETIREMENT FUND	14,870,000	1.91%	—	—	—	—	None	—	—
Government of Singapore--GOS-EFM	13,331,000	1.71%	—	—	—	—	None	—	—
Norges Bank	12,959,690	1.66%	—	—	—	—	None	—	—
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	12,562,231	1.61%	—	—	—	—	None	—	—
Cathay Life Insurance Co. Ltd. Rep: Tiao-Kuei Huang	11,980,000 0	1.54% 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%	76,831,170	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.	—	100.00%	0	0%	—	100.00%

Note: Investment using Equity Method Evaluation.