

Directors' Professional Qualifications and Independent Analysis

According to the relevant requirements set by Taiwan's Securities and Futures Bureau, the professional qualifications and independence status of the Company's Board members are listed in the table below.

Name/Criteria	Meet the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Criteria (Note)										Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department 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, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	
Morris Chang Chairman			▼		▼		▼	▼	▼	▼	▼	▼	▼	0
F.C. Tseng Vice Chairman			▼	▼			▼	▼	▼	▼	▼	▼	▼	1
Johnsee Lee Director	▼		▼	▼	▼	▼	▼	▼	▼	▼	▼	▼		3
Rick Tsai Director			▼				▼	▼	▼	▼	▼	▼	▼	0
Sir Peter Leahy Bonfield Independent Director			▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	0
Stan Shih Independent Director			▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	0
Thomas J. Engibous Independent Director			▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	0
Gregory C. Chow Independent Director	▼		▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	0
Kok-Choo Chen Independent Director	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	0

Note:

Directors, during the two years before being elected and during the term of office, meet any of the following situations, please tick 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 percent 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 one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders;
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the above persons in the preceding three subparagraphs;
5. Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company or ranks as one of its top five shareholders;
6. Not a director, supervisor, officer, or shareholder holding five percent 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, provided that this restriction does not apply to any member of the compensation committee who exercises powers pursuant to Article 7 of the "Regulations Governing the Establishment and Exercise of Powers of Compensation Committees of Companies whose Stock is Listed on the TWSE or Traded on the GTSM";
8. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the company;
9. Not been a person of any conditions defined in Article 30 of the Company Law; and
10. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

3.1.1 Audit Committee

The Audit Committee assists the Board in fulfilling its oversight of the quality and integrity of the accounting, auditing, reporting, and financial control practices of the Company. The Audit Committee is responsible to review the Company's: financial reports; auditing and accounting policies and procedures; internal control systems; material asset or derivatives transactions; material lending funds, endorsements or guarantees; offering or issuance of any equity-type securities; legal compliance; related-party transactions and potential conflicts of interests involving executive officers and directors; Ombudsman reports; corporate risk management; hiring or dismissal of an attesting CPA, or the compensation given thereto; and appointment or discharge of financial, accounting, or internal auditing officers.