



Corporate Governance Overview



1. Internal Audit

- Organisation Chart
- Internal Control Policies

2. Subcommittees

- Members of committees
- Structure and function of subcommittees



1. INTERNAL AUDIT

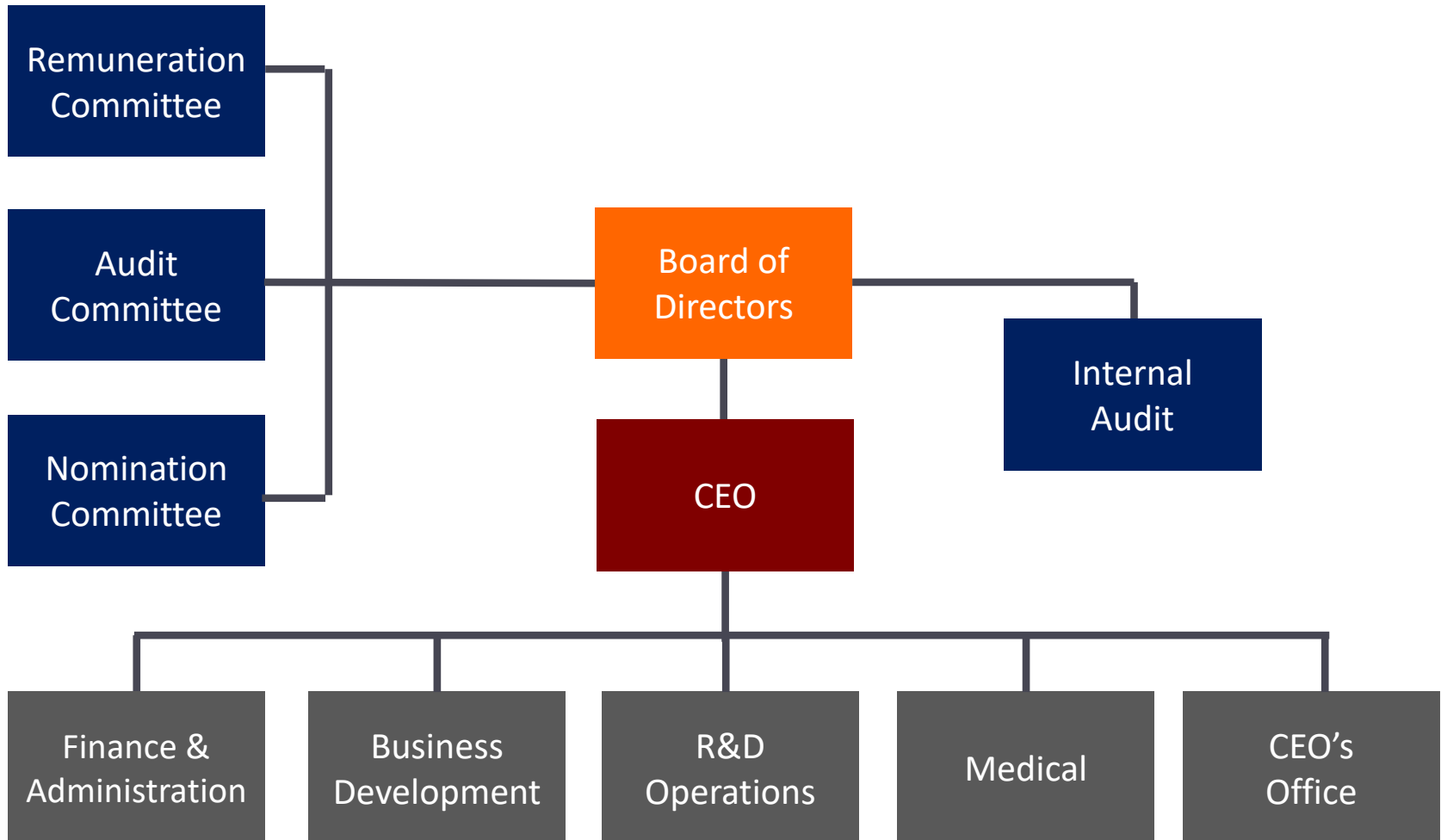


Internal Audit

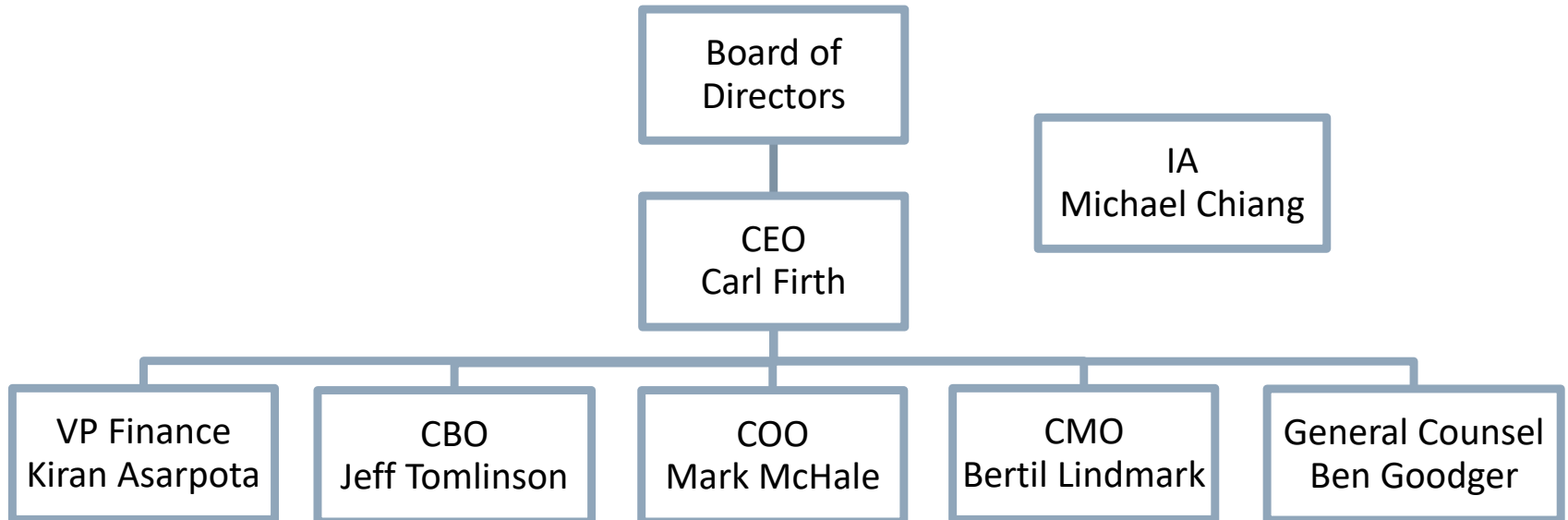
The internal audit unit of the Company is under the board of directors. Any appointment or dismissal of chief internal auditor shall be subject to approval by the board of directors. Internal audit unit formulate annual audit plans based on the results of the risk assessment, so as to assess its internal control systems, and prepare audit reports, annexing working papers and relevant materials, report to the board of directors periodically.

The Company established the internal control systems in accordance to the Regulations Governing Establishment of Internal Control System by Public Companies (“Regulations”) ruled by Taiwan Financial Supervisory Commission (the “FSC”). The internal control systems are management processes designed by its managers, passed by board of directors, and implemented by the Board of Directors, managers, and other employees for purpose of promoting sound operations of the Company, so as to reasonably ensure that the certain objectives are achieved.

Organisation Chart



Organisation Chart





Internal Control Policies

(PDF File upload)

1. MAA
2. CM-IP-01 Procedures for Acquisition or Disposal of Assets
3. CM-IP-02 Procedures for Derivatives Transactions
4. CM-IP-03 Procedures for Endorsement and Guarantee
5. CM-IP-04 Procedures for Making Loan to Others
6. CM-IP-07 Procedures for Election of Directors and Supervisors
7. CM-IP-15 Corporate Social Responsibility Best Practice Principles
8. CM-IP-14 Ethical Corporate Management Principles
9. CM-IP-18 Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies



2. SUBCOMMITTEES



Members of Committees

1. Remuneration Committee

- Chin-Feng Sun
- Andrew Howden
- Mei-Shu Lai

2. Audit Committee

- Chin-Feng Sun
- Andrew Howden
- Mei-Shu Lai

3. Nomination Committee

- Chin-Feng Sun
- Andrew Howden
- Jerome Shen
- Abel Ang
- Carl Firth



Structure and Function of Subcommittees

1. Remuneration Committee

The Committee consists of minimum three (3) members appointed by resolution of the Board of Directors. At least one (1) Independent Director shall be a Committee member, and the entire members shall unanimously elect the Independent Director to serve as the convener and meeting chairman.

The Committee shall exercise the care of a good administrator to faithfully perform the following duties and present its recommendations to the Board of Directors for discussion:

- a. The functions of the Committee are to professionally and objectively evaluate the policies and systems for compensation of the directors, supervisors, and managerial officers of the Company, and submit recommendations to the board of directors for its reference in decision making.
- b. Establishing and periodically reviewing the annual and long-term performance goals for the Directors and managerial officers of the Company and the policies, systems, standards, and structure for their compensation.
- c. Periodically assessing the degree to which performance goals for the Directors and managerial officers of the Company have been achieved, and setting the types and amounts of their individual compensation.
- d. Periodically review the Charter and propose suggestion for amendments.

Structure and Function of Subcommittees

2. Audit Committee

The Committee is composed of all the independent directors. The Committee shall have minimum three members, one of the member shall be the convener and at least one of them shall have accounting or financial expertise.

The powers of the Committee are as follows:

- a. The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- b. Assessment of the effectiveness of the internal control system.
- c. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature such as acquisition or disposal of assets, derivatives trading, lending of funds to others and endorsements or guarantees for others.
- d. Matters in which a director is an interested party.
- e. Asset transactions or derivatives trading of a material nature.
- f. Loans of funds, endorsements or provision of guarantees of a material nature.
- g. The offering, issuance or private placement of equity-type securities.
- h. The hiring or dismissal of a certified public accountant or their compensation.
- i. The appointment or discharge of a financial, accounting or internal audit officer.
- j. Annual and semi-annual financial reports.
- l. Other material matters as may be required by the Company or by the competent authority.

The abovementioned matters shall be subject to the approval of one-half or more the members of the Committee and shall be submitted to the Board of Directors for a resolution.