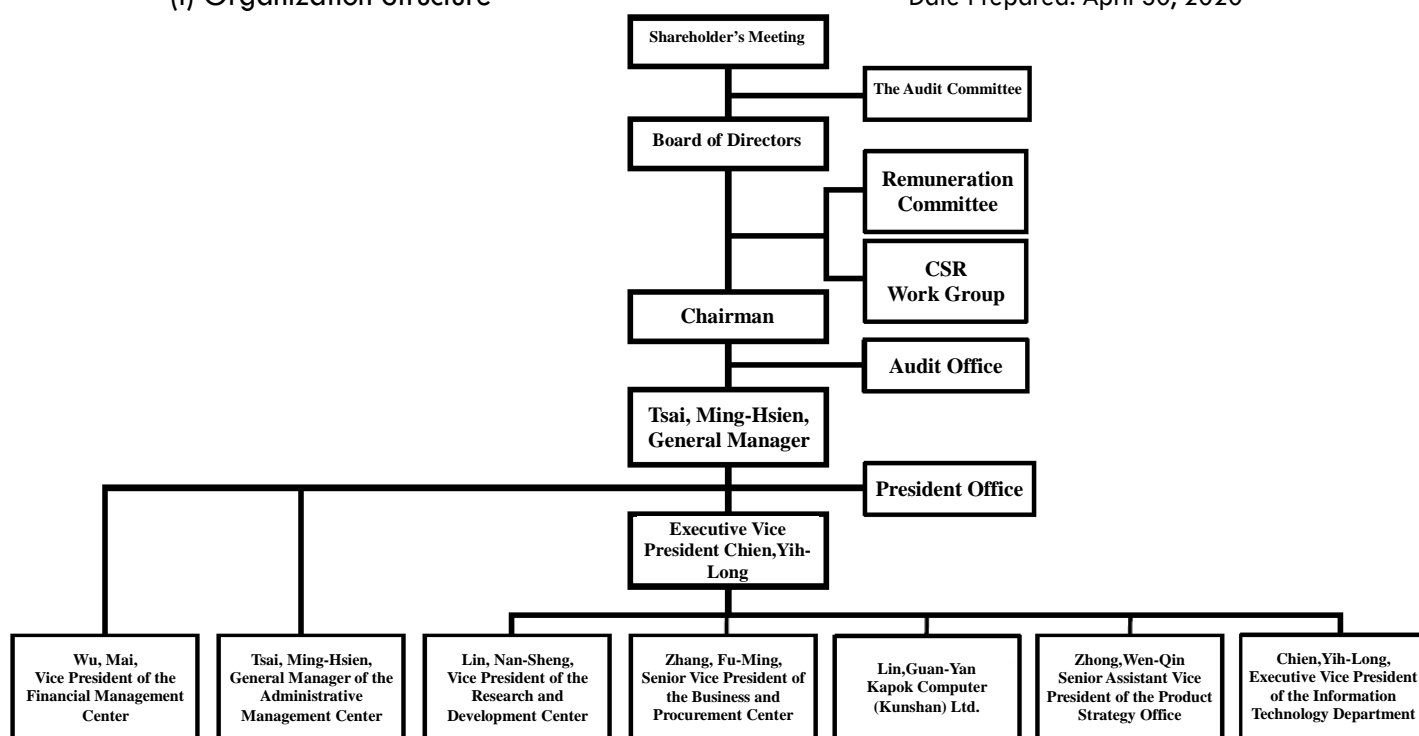


Corporate Governance Report

I. Organization System

(I) Organization Structure

Date Prepared: April 30, 2020



(II) Main Departments' Business

Name of Department	Responsible Business
Audit Office	Examine and review the internal control system of the Company and the subsidiaries, and audit all rules and systems.
President Office	Establish the Company's business targets and policies, operate each business and supervise/execute the affiliates' management.
Administrative Management Center	1. Be responsible for the human resource management and general administration management for the entire enterprise. 2. Be responsible for the legal and intellectual property management for the entire enterprise.
Financial Management Center	1. Engage in the accounting and tax affairs, set up the budget, analyze the business, and prepare the financial statement. 2. Fund planning, long-term and short-term investment, foreign exchange hedging, and interbank transactions. 3. Services of stock affairs, investor and media relations management, and corporate governance operations.
Research and Development Center	Be responsible for product's research, development, design and technological application.
Business and Procurement Center	1. Plan the global marketing, promote the business and sales; push the global deployment as well as deepen the regions and channel market. 2. Strengthen the after-sales services, meet the customers' demand, intensify the relationships with customers, reduce the risk of the bad debt and take charge of materials' support. 3. Strategic purchase, price negotiation and enquiry for the market price of the components of electrons and mechanisms. 4. Enhance the Company's image, participate in exhibition, advertise, plan and implement.

Kapok Computer (Kunshan) Ltd.	<ol style="list-style-type: none"> 1. Be responsible for planning and coordination of orders received from Taiwan as well as production and manufacture in China. 2. Analyze the production capacity and set up the plans of production and manpower according to the plans of production and sales. 3. Prepare the material plans according to production plans, and control the issuance of material orders to maintain the lowest inventory volume. 4. Establish the production system with high-flexibility, high-efficiency, high-quality and low-cost to meet the customers' demand. 5. Implement the on-site real time service to enhance the service quality for the customers.
Product Strategy Office	Be responsible for new products' development and market development's planning.
Information Technology	<ol style="list-style-type: none"> 1. Plan and Implement the IT operation and e-operation, integrate the IT and communication. 2. Application of systemic plans and design as well as information security and management.

II. Information for Directors, Supervisors, Presidents, Vice Presidents, Assistant Vice Presidents, Chiefs of Each Department and Branches

(I) Information for Directors and Supervisors

1. Name of Directors and Supervisors, Their Main Experiences (Education), Current Other Positions for the Company and Other Companies Concurrently, And Other Relevant Information

April 21, 2020

Title (Note 1)	Nationality/ Place of Registration	Full name	Sex	Elected (Appointment) Date	Term	The First Elected Date (Note 2)	Shareholding When Elected		Current Shareholding		Current shareholding of spouse and minor children		Shareholding Under Other Persons' Names		Main Experience (Education) (Note 3)	Current Other Positions for the Company and Other Companies Concurrently	Executives, Directors or Supervisors Who Are Spouses or Within Second-Degrees of Kinship			Remark (Note 4)
							Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Full name	Relationship	
Chairman	R.O.C.	Hsu, Kun- Tai	Male	2018.06.15	3 Years	1983.10.04	51,701,335	7.57%	51,701,335	7.72%	16,371,784	2.44%	0	0.00%	Honorary doctorate of the Engineering Institute, Taipei University of Technology. Department of Electronic Engineering, National Taipei Institute of Technology Chairperson, Clevo Co. Chairperson, Chicony Electronics CO., Ltd Chairperson, the Group of Buynow and the Group of the Chicony Plaza Department Store	Chairperson, the Company Chairperson, Chicony Electronics CO., Ltd (2385) Chairperson, the Group of Buynow Chairperson, Chicony Plaza Department Store Chairperson, Hongwell Group Chairperson, Taipei Twin Towers Limited	-	-	-	-
Vice Chairperson and President	R.O.C.	Tsai, Ming- Hsien	Male	2018.06.15	3 Years	1993.05.27	10,149,224	1.49%	10,084,224	1.51%	3,054,593	0.46%	0	0.00%	Executives Program, Graduate School of Business Administration, National Cheng-Chi University Department of Electronic Engineering, National Taipei Institute of Technology Vice Chairperson and President, Clevo Co. President, the Buynow Group	President, the Company Director, Clevo Investment Co., Ltd. Director and General Manager, Kapok Computer Co., Ltd. Chairperson, Kapok Computer (Kunshan) Co., Ltd. President, the Buynow Group Vice Chairperson, Chicony Plaza Department Store Vice Chairperson, Taipei Twin Towers Limited	-	-	-	-

Title (Note 1)	Nationality/ Place of Registration	Full name	Sex	Elected (Appointment) Date	Term	The First Elected Date (Note 2)	Shareholding When Elected		Current Shareholding		Current shareholding of spouse and minor children		Shareholding Under Other Persons' Names		Main Experience (Education) (Note 3)	Current Other Positions for the Company and Other Companies Concurrently	Executives, Directors or Supervisors Who Are Spouses or Within Second-Degrees of Kinship			Remark (Note 4)
							Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Full name	Relationship	
Director	R.O.C.	Lu, Jin-Zong	Male	2019.06.18	2	2003.06.12	0	0.00%	0	0.00%	11,543	0.002%	0	0.00%	Graduate School of Business Administration, National Cheng-Chi University Department of Enterprise Management, National Cheng-Chi University General Manager of Chicony Electronics Co., Ltd.	General Manager, Chicony Electronics Legal Representative Chairman of Chicony Power Technology Co., Ltd., Zhanda Communication Co., Ltd., and Youkang Electronics Co., Ltd. Legal Representative Director of Hipro Electronics Co., Ltd. and Qunjing Power Technology Co., Ltd. Director, Subsidiary of Chicony Overseas Group Director and Secretary, Chicony U.S.A. Director and General Manger, Chicony Electronics (Dongguan) Director and Supervisor, Maorui Electronics Director, Chicony Electronics (Chongqing) Legal Representative Director of Shun On Electronic Co., Ltd. Legal Representative Director	-	-	-	-
Director	R.O.C.	Chien, Yih-Long	Male	2018.06.15	3 Years	2012.06.15	1,673,376	0.24%	1,673,376	0.25%	0	0.00%	0	0.00%	MBA, Phillips University, USA Director, Clevo Co. Executive Vice President, Notebook Business Group, Clevo Co.	Executive Vice President, Notebook Business Group, the Company President, Kapok Computer (Kunshan) Co., Ltd.	-	-	-	-

Title (Note 1)	Nationality/ Place of Registration	Full name	Sex	Elected (Appointment) Date	Term	The First Elected Date (Note 2)	Shareholding When Elected		Current Shareholding		Current shareholding of spouse and minor children		Shareholding Under Other Persons' Names		Main Experience (Education) (Note 3)	Current Other Positions for the Company and Other Companies Concurrently	Executives, Directors or Supervisors Who Are Spouses or Within Second-Degrees of Kinship			Remark (Note 4)
							Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Full name	Relationship	
Independent Director	R.O.C.	Chou, Po- Chiao	Male	2018.06.15	3 Years	2018.06.15	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor, Department of Accountancy, NCKU Qualified Senior Examination of Accounting and Auditing Personnel Executive Director and President, First Commercial Bank Director and Vice President, First Financial Holding Chairperson, US First Commercial Bank Chairperson, First Venture Capital and First Consulting Vice Chairperson, Waterland Financial Holdings Director, Taipei Financial Center Corporation	Independent Director, Clevo Co. Independent Director, ITEQ Corporation	-	-	-	-
Independent Director	R.O.C.	Chen, Tsung- Ming	Male	2018.06.15	3 Years	2015.06.16	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Tamsui Vocational High School Director, Zippy Materials Science Inc. Chairperson, Betterment Co., Ltd.	Director, Zippy Materials Science Inc. Chairperson, Betterment Co., Ltd.	-	-	-	-

Note 1: The name of corporate shareholders and the representatives of corporate shareholders should be listed separately (the representatives of corporate shareholders shall indicate the name of the corporate shareholders).

Note 2: Fill in the time period of the first term serving as a director or supervisor of the Company. Please state and explain if there the serving term is discontinued.

* Director Chin-Tsung Lu was elected as a supervisor of the Company for the first time on June 12, 2003; his term as a supervisor was finished on June 15, 2018 and he was re-elected as a director of the Company at the regular shareholders' meeting on June 18, 2019.

Note 3: For experience related to the current position, if the person had worked in a CPA accounting firm or its associated company during the aforesaid period, the position title and responsibility of the person shall be stated.

Note 4: Where the chairman and the general manager or person of an equivalent position (the highest level manager) of the Company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response (such as increasing the number of independent directors and more than half of the directors shall not serve as employees or managers, etc.) thereto.

1.2 Major Shareholders of the Corporate Shareholders (all of the directors of the Company are natural persons)

1.3 Whether the Directors or Supervisors Have at Least Five Years of Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company, and Meet the Following Circumstances Listed

December 31, 2019

Criteria Full name (Note 1)	Have at Least Five Years Work Experience and Meet the Following Professional Qualification			Independence Criteria (Note 2)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Required by the business of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, CPA, or Other Professional or Technical Specialist Who Has Passed a National Examination and Has Been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas 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	11	12	
Hsu, Kun-Tai			√				√		√	√		√	√	√	√	None
Tsai, Ming-Hsien			√			√	√	√	√	√	√	√	√	√	√	None
Chien, Yih-Long			√			√	√	√	√	√	√	√	√	√	√	None
Lu, Jin-Zong			√			√	√	√	√	√		√	√	√	√	None
Chou, Po-Chiao		√	√	√	√	√	√	√	√	√	√	√	√	√	√	1
Chen, Tsung-Ming			√	√	√	√	√	√	√	√	√	√	√	√	√	None
Fan, Kuang-Sung (Dismissed date: 2020.04.01)			√	√	√	√	√	√	√	√	√	√	√	√	√	None

Note 1: The number of columns shall be adjusted upon the actual number.

Note 2: Please tick "√" on the following blank space of the corresponding criteria that apply to the directors or supervisors during two years prior to being elected or during the term of office.

- (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 (however, it is not applicable in cases where the person concurrently served as an independent director of the Company, its parent company, subsidiaries of the same parent company, which is established according to the Regulations or the local laws of the country).
- (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 of kinship, of any of the above persons listed in Subparagraph (2) and (3) or of the manager listed in (1).
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act (however, it is not applicable in cases where the person concurrently served as an independent director of the Company, its parent company, subsidiaries of the same parent company, which is established according to the Regulations or the local laws of the country).
- (6) Not a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company (however, it is not applicable in cases where the person concurrently served as an independent director of the Company, or its parent company, subsidiaries of the same parent company, which is established according to the

- Regulations or the local laws of the country).
- (7) Not the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company are the same person or are spouses: a director, supervisor, or employee of that other company (however, it is not applicable in cases where the person concurrently served as an independent director of the Company, its parent company, subsidiaries of the same parent company, which is established according to the Regulations or the local laws of the country).
 - (8) Not a director, supervisor, manager, or shareholder holding 5% or more of the shares, of a specified company or institution which has a financial or business relationship with the Company (however, it is not applicable in cases that if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the Company and where the person concurrently served as an independent director of the Company, its parent company, subsidiaries of the same parent company, which is established according to the Regulations or the local laws of the country).
 - (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer and their spouse of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation not exceeding NTD 500,000. However, this restriction does not apply to a member of the Remuneration Committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
 - (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
 - (11) Not having one of the circumstances stated in Article 30 of the Company Act.
 - (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

(II) Information for Presidents, Vice Presidents, Assistant Vice Presidents, Chiefs of Each Department and Branches

April 21, 2020

Title (Note 1)	Nationality	Full name	Sex	Elected (Appointment) Date	Number of shares held		Shares held by spouse and minor children		Shareholding Under Other Persons' Names		Main Experience (Education) (Note 2)	Current Other Position Concurrently	Managers Who are Spouses or Within Second-Degrees of Kinship			Remark (Note 3)
					Number of Share	Shareholding %	Number of Share	Shareholding %	Number of Share	Shareholding %			Title	Full name	Relationship	
Vice Chairperson and President	R.O.C.	Tsai, Ming-Hsien	Male	1999.01	10,084,224	1.51%	3,054,593	0.46%	0	0.00%	Executives Program, Graduate School of Business Administration, National Cheng-Chi University Department of Electronic Engineering, National Taipei Institute of Technology Vice Chairperson and President, Clevo Co. President, the Buynow Group	Director, Clevo Investment Co., Ltd. Director and President, Kapok Computer Co., Ltd. Chairperson, Kapok Computer (Kunshan) Co., Ltd. President, the Buynow Group Vice Chairperson, Chicony Plaza Department Store Vice Chairperson, Taipei Twin Towers Limited	-	-	-	-
Executive Vice President	R.O.C.	Chien, Yih-Long	Male	2003.08	1,673,376	0.24%	1,673,376	0.25%	0	0.00%	MBA, Phillips University, USA Director, Clevo Co. Executive Vice President, Notebook Business Group, Clevo Co.	President, Kapok Computer (Kunshan) Co., Ltd.	-	-	-	-
Senior Vice President	R.O.C.	Zhang, Fu-Ming	Male	2003.08	640,226	0.10%	0	0.00%	0	0.00%	Department of Computer Science & Information Engineering, National Taiwan University Assistant manager, Chaplet Vice President of Research and Development Center, Clevo Co.	None	-	-	-	-
Vice President, Chief of Finance/Accounting and Officer of Corporate Governance	R.O.C.	Wu, Mai	Female	2007.11	118,809	0.02%	0	0.00%	0	0.00%	Department of Business Administration, Chung Yuan Christian University MBA Program Curriculums, Finance, National Taiwan University Guang-Nan Enterprise, Igee Technology Vice President of Finance and Accounting Office, Clevo Co.	None	-	-	-	-
Vice President	R.O.C.	Fan, Kuang-Hui	Male	2003.03	419,060	0.06%	0	0.00%	0	0.00%	Department of Electronics Engineering, Tamkang University Vice President, U.S. Chicony CEO, Action Electronics President, U.S. GVC	None	-	-	-	-
Vice President	R.O.C.	Li, Wen-Hua	Male	2004.12	203,538	0.03%	0	0.00%	0	0.00%	Department of Industrial Design, Tatung Institute of Technology Section Head, Yuanxing Technology Corp Director of Planning Office, Buynow	None	-	-	-	-

Title (Note 1)	Nationality	Full name	Sex	Elected (Appointment) Date	Number of shares held		Shares held by spouse and minor children		Shareholding Under Other Persons' Names		Main Experience (Education) (Note 2)	Current Other Position Concurrently	Managers Who are Spouses or Within Second-Degrees of Kinship			Remark (Note 3)
					Number of Share	Shareholding %	Number of Share	Shareholding %	Number of Share	Shareholding %			Title	Full name	Relationship	
Vice President	R.O.C.	Chen, Hsueh-Wen	Male	2010.04	238,040	0.04%	0	0.00%	0	0.00%	Master, School of Management, National Central University Sales Engineer, Jinyi Co., Ltd. Sales Assistant Manager, Xusheng Technology President of Business Division, Synnex Technology International Corporation	None	-	-	-	-
Vice President	R.O.C.	Lin, Nan- Sheng	Male	2013.09	94,000	0.01%	0	0.00%	0	0.00%	Master of Computer Science and Information Engineering, Fu Jen Catholic University Formal Engineer, Chaplet Manager, Zhi-Sheng Computer Senior Manager, Elitegroup Computer Senior Assistant Vice President of Sales Center, Clevo Co.	None	-	-	-	-
Senior Assistant Vice President	R.O.C.	Wang, Feng-Zhu	Female	2005.04	264,311	0.04%	145,324	0.02%	0	0.00%	EMBA, National Cheng-Chi University Section Manager of Sales, Acer Section Manager of Sales, Ligitek Assistant Vice President of Sales Center, Clevo Co.	None	-	-	-	-
Senior Assistant Vice President	R.O.C.	Zhang, Wen-Song	Male	2003.09	261,236	0.04%	0	0.00%	0	0.00%	Department of Electrical Engineering, National Taiwan Ocean College Supervisor, Wei-Lu Assistant Vice President of the Procurement Office, Clevo Co.	None	-	-	-	-
Senior Assistant Vice President	R.O.C.	Chung, Wen-Chin	Male	2009.10	0	0.00%	0	0.00%	0	0.00%	Department of Industrial Engineering, Feng Chia University Director, Quanta Computer Assistant Vice President, Clevo Co.	None	-	-	-	-
Senior Assistant Vice President	R.O.C.	Zheng, Yu- Ming	Male	2003.08	30,639	0.005%	0	0.00%	0	0.00%	Master of Industrial Management, National Taiwan University of Science and Technology Senior Manager, Getac Senior Manager, American Megatrends Incorporated Assistant Vice President of Research and Development Center, Clevo Co.	None	-	-	-	-
Senior Assistant Vice President	R.O.C.	Lin, Sheng- Xiang	Male	2007.11	228,716	0.03%	18,790	0.003%	0	0.00%	Two-Year of Nanya Industrial and Technological Junior College Deai Enterprise Ltd. Zhanxin Electric Ltd. Assistant Vice President of Research and Development Center, Clevo Co.	None	-	-	-	-

Title (Note 1)	Nationality	Full name	Sex	Elected (Appointment) Date	Number of shares held		Shares held by spouse and minor children		Shareholding Under Other Persons' Names		Main Experience (Education) (Note 2)	Current Other Position Concurrently	Managers Who are Spouses or Within Second-Degrees of Kinship			Remark (Note 3)
					Number of Share	Shareholding %	Number of Share	Shareholding %	Number of Share	Shareholding %			Title	Full name	Relationship	
Senior Assistant Vice President	R.O.C.	Lin, Guan-Yen	Male	2011.09	184,338	0.03%	50	0.000%	0	0.00%	Department of Mass Communications, Private Chinese Culture University Engineer, Phihong Technology Assistant Vice President of the Kunshan factory, Clevo Co.	None	-	-	-	-
Senior Assistant Vice President	R.O.C.	Lin, Liang-Shih	Male	2012.09	73,825	0.01%	0	0.00%	0	0.00%	Department of Electronic Engineering, Lien Ho Industrial and Technological Junior College Senior Engineer, First International Computer Yuan Yi Technology Taiteng Company Jixin Computer Assistant Vice President of Research and Development Center, Clevo Co.	None	-	-	-	-
Assistant Vice President	R.O.C.	Chen, Tsung-Chih	Male	2009.10	139,965	0.02%	0	0.00%	0	0.00%	Department of Electrical Engineering, Chinese Culture University Assistant Manager, Hexing Technology Manager, HTC Corporation Director of Research and Development Center, Clevo Co.	None	-	-	-	-
Assistant Vice President	R.O.C.	Wang, Zhen-Xiong	Male	2013.09	84,023	0.01%	0	0.00%	0	0.00%	Department of Electronic Engineering, National Taipei Institute of Technology Development Team Leader, King Ultrasonic Co., Ltd. Director of Research and Development Center, Clevo Co.	None	-	-	-	-

Note 1: It should include the general manager, deputy general manager, assistant vice president, supervisors of all departments and divisions, and the information for any position that is equivalent to the general manager, deputy general manager or assistant vice president should also be disclosed.

Note 2: For experience related to the current position, if the person had worked in a CPA accounting firm or its associated company during the aforesaid period, the position title and responsibility of the person shall be stated.

Note 3: Where the general manager and the chairman or person of an equivalent position (the highest level manager) are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response (such as increasing the number of independent directors and more than half of the directors shall not serve as employees or managers, etc.) thereto.

III. Remuneration to the Directors, Supervisors, President, and Vice President in the Most Recent Year

(I) Remuneration of general directors and independent directors (names are disclosed by the way of gathering the amount together and tie-in with the range of remuneration)

Unit: NTD 1,000

Title	Full name	Remuneration of Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income (Note 10)	
		Base Compensation (A)(Note 2)		Severance Pay (B)		Bonus to Directors (C)(Note 3)		Business Allowances (C)(Note 4)		The Company	All companies in the consolidated financial statements (Note 7)
		The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)		
Chairman	Hsu, Kun-Tai										
Vice Chairperson and President	Tsai, Ming-Hsien										
Director	Lu, Jin-Zong (Appointment date: 2019.06.18)										
Director and Executive Vice President	Chien, Yih-Long	0	0	0	0	13,000	13,000	1,680	1,680	1.37%	1.37%
Independent Director	Chou, Po-Chiao										
Independent Director	Chen, Tsung-Ming										
Independent Director	Fan, Kuang-Sung (Dismissed date: 2020.04.01)										

Title	Full name	Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%) (Note 10)	Compensation from an invested company other than the Company's subsidiaries or from its parent company (Note 11)	
		Salary, Bonuses, and Special Allowances (E) (Note 5)		Severance Pay (F)		Profit Sharing- Employee Bonus (G)(Note 6)						
		The Company	All companies in the consolidated financial statements (Note 7)	The Company	All companies in the consolidated financial statements (Note 7)	The Company		All companies in the consolidated financial statements (Note 7)		The Company		All companies in the consolidated financial statements (Note 7)
				Amount of Cash	Amount of Stock	Amount of Cash	Amount of Stock					
Chairman	Hsu, Kun-Tai											
Vice Chairperson and President	Tsai, Ming-Hsien											
Director	Lu, Jin-Zong (Appointment date: 2019.06.18)											
Director and Executive Vice President	Chien, Yih-Long	10,670	40,545	201	201	7,000	0	7,000	0	3.05%	5.84%	None
Independent Director	Chou, Po-Chiao											
Independent Director	Chen, Tsung-Ming											
Independent Director	Fan, Kuang-Sung (Dismissed date: 2020.04.01)											

1. Please state the policies, systems, standards and structure of the remuneration for independent directors, and describe the relevance for the amount of payment based on factors such as responsibilities, risks, and dedicated time:
According to Article 5 of the "Rules for Duties and responsibilities of Independent Directors" of the Company, "the remuneration of independent directors of the Company shall be stipulated in the articles of incorporation upon the resolution in the shareholders' meeting and their remuneration may be different from general directors and supervisors that is in a reasonable range. On the basis of relevant legal procedures, the independent director's remuneration may also be determined as a fixed amount of monthly remuneration and not to join the Company's appropriation of earnings. "Taking into consideration that responsibilities, risks, and dedicated time for independent directors are higher than that for general directors, and thus they should be given a reasonable annual remuneration. However, in addition to the supervisory duty as well as independent and external perspectives, the independent directors are also expected to fulfill the duties of strategic advice and performance enhancement as other board members. Therefore, the independent directors' performance will be taken into consideration for their remuneration as other general directors. Moreover, the independent directors of the Company also serve as members of the Audit Committee and Remuneration Committee and the amount of their attendance fees for each meeting attended in person shall be determined according to their responsibilities, risks, and dedicated time for each organization.

2. Except for the disclosure of the above table, any remuneration of the directors of the Company is derived from the service for companies in the consolidated financial statements (e.g. non-employee's consultant etc.) in the most recent year: None.

Range Table for Remuneration:

Range of Remuneration Paid to The Company's Directors	Name of Director			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the consolidated financial statements (Note 9) H	The Company (Note 8)	Companies in the consolidated financial statements (Note 9) I
Under NTD 1,000,000				
NTD 1,000,000 ~ NTD 1,999,999	Lu, Jin-Zong/Chou, Po-Chiao/ Chen, Tsung-Ming/Fan, Kuang-Sung	Lu, Jin-Zong/Chou, Po-Chiao/ Chen, Tsung-Ming/ Fan, Kuang-Sung	Lu, Jin-Zong/Chou, Po-Chiao/ Chen, Tsung-Ming/Fan, Kuang-Sung	Lu, Jin-Zong/Chou, Po-Chiao/ Chen, Tsung-Ming/Fan, Kuang-Sung
NTD 2,000,000 ~ NTD 3,499,999	Chien, Yih-Long	Chien, Yih-Long		
NTD 3,500,000 ~ NTD 4,999,999	Hsu, Kun-Tai/Tsai, Ming-Hsien	Hsu, Kun-Tai/Tsai, Ming-Hsien		
NTD 5,000,000 ~ NTD 9,999,999			Hsu, Kun-Tai/Chien, Yih-Long	Hsu, Kun-Tai
NTD 10,000,000 ~ NTD 14,999,999			Tsai, Ming-Hsien	Chien, Yih-Long
NTD 15,000,000 ~ NTD 29,999,999				
NTD 30,000,000 ~ NTD 49,999,999				Tsai, Ming-Hsien
NTD 50,000,000 ~ NTD 99,999,999				
Over NTD 100,000,000				
Total	7 Persons	7 Persons	7 Persons	7 Persons

Note 1: The names of the directors shall be listed individually (the corporate shareholders shall list the names of the corporate shareholders and their representatives individually). The general directors and independent directors shall be listed separately and the payment of each item shall be disclosed in an accumulated amount. If a director has also served as a president or vice president, this table and the following table (3-1), or (3-2-1) and (3-2-2) shall be filled in.

Note 2: Refer to the remuneration of the directors (including the directors' salary, position allowances, severance pay, various bonus and rewards etc.) in the most recent year.

Note 3: Fill in the remuneration of the directors which was passed by the board of directors in the most recent year.

Note 4: Refers to the directors' related business allowances (including transportation allowances, special allowances, various allowances, dormitory and equipping car etc.) in the most recent year. If a house, a car and other transportation tool or other expenditure that is dedicated for personal use is provided, such assets' nature, cost, real rental or rental calculated by fair market price, gasoline expenses or other payments shall be disclosed. Besides, if a driver is equipped, such driver's related compensation paid by the Company shall be annotated without counting into remuneration.

Note 5: Refers to relevant remuneration received by directors who are also employees (including concurrently serves as a president, vice president, other manager or employee), including salary, position allowances, severance pay, various bonus, rewards, transportation allowances, special allowances, various allowances, dormitory and equipping car etc. in the most recent year. If a house, a car and other transportation tool or other expenditure that is dedicated for personal use is provided, such assets' nature, cost, real rental or rental calculated by fair market price, gasoline expenses or other payments shall be disclosed. Besides, if a driver is equipped, such driver's related compensation paid by the Company shall be annotated without counting into remuneration. In addition, the salary expenses which were recognized according to the IFRS 2 "Share-Based Payment," including exercisable employee stock options, new restricted employee shares and participating in subscribing shares for capital increased by cash etc., shall be counted into remuneration.

Note 6: Refers to a director who is also an employee (including concurrently serves as a president, vice president, other manager or employee) received the employee's compensation (including stock and cash) in the most recent year, the amount of such employee's compensation passed by the board of director in the most recent year shall be disclosed. If it is unable to estimate, the amount to which it will be proposed to distribute this year shall be calculated upon the percentage of last year's actual distributed amount, and shall fill in Appendix 1-3 additionally.

Note 7: The total remuneration paid by the companies in the consolidated financial statements (including the Company) to the Company's directors shall be disclosed.

Note 8: Upon each item's total remuneration paid by the Company to directors, the names of the directors shall be disclosed in the corresponding range.

Note 9: Each item's total remuneration paid by companies in the consolidated financial statements (including the Company) to the Company's directors shall be disclosed, the names of the directors shall be disclosed in the corresponding range.

Note 10: The net income shall refer to the net income stated in the parent or individual financial statement in the most recent year.

Note 11: a. This column shall specifically fill in the related compensation of directors of the Company which was received from an invested company other than the

Company's subsidiary or from its parent company (please fill in "None" if it is not applicable).

b. If the compensation of the Company's director was received from an invested company other than the Company's subsidiary or from its parent company, such compensation received by the Company's directors from an invested company other than the Company's subsidiary or from its parent company shall be combined into the "I" column of the range table of remuneration, and the name of the column shall be renamed as "The parent company and all invested businesses."

c. Remuneration refers to the compensation, remuneration (including employee, director and supervisor) and business allowances received by the Company's directors who serve as directors, supervisors or managers of its parent company or an invested company other than the Company's subsidiary.

* The concept of income from the remuneration disclosed in this table is different from the Income Tax Act. So the purpose of this table shall be the purpose of disclosure only without using for tax.

(II) Remuneration of Supervisor (The Company has established the Audit Committee in 2018, so this is not applicable.)

(III) Remuneration of Presidents and Vice Presidents (names are disclosed by the way of gathering the amount together and tie-in with the range of remuneration)

Unit: NTD 1,000

Title	Full name	Salary (A) (Note 2)		Severance Pay (B)		Bonus and Special Allowances (C) (Note 3)		Total Employee Remuneration (Note 4)				Ratio of Total (A+B+C+D) to Net Income (%) (Note 8)		Compensation from an invested company other than the Company's subsidiaries or from its parent company (Note 9)
		The Company	All companies in the consolidated financial statements (Note 5)	The Company	All companies in the consolidated financial statements (Note 5)	The Company	All companies in the consolidated financial statements (Note 5)	The Company		All companies in the consolidated financial statements (Note 5)		The Company	All companies in the consolidated financial statements (Note 5)	
								Amount of Cash	Amount of Stock	Amount of Cash	Amount of Stock			
Vice Chairperson and President	Tsai, Ming-Hsien	15,403	28,395	1,277	1,277	4,491	36,713	17,263	0	17,263	0	3.60%	7.83%	None
Executive Vice President	Chien, Yih-Long													
Senior Vice President	Zhang, Fu-Ming													
Vice President, Chief of Finance/Accounting and Officer of Corporate Governance	Wu, Mai													
Vice President	Fan, Kuang-Hui													
Vice President	Li, Wen-Hua													
Vice President	Chen, Hsueh-Wen													
Vice President	Lin, Nan-Sheng (Appointment date: 2019.12.01)													
Senior Vice President and Chief of Finance/Accounting	Yu, Tien-Jung (Dismissed date: 2020.04.01)													
Vice President	Cheng, Wen-Pin (Dismissed date: 2019.12.01)													

Range Table of Remuneration:

Range of Remuneration Paid to the Company's Presidents and Vice President	Name of President and Vice Presidents	
	The Company (Note 6)	Companies in the consolidated financial statements (Note 7) E
Under NTD 1,000,000		
NTD 1,000,000 ~ NTD 1,999,999		
NTD 2,000,000 ~ NTD 3,499,999	Fan, Kuang-Hui/Yu, Tien-Jung/Li, Wen-Hua/Cheng, Wen-Pin /Wu, Mai/Lin, Nan-Sheng	Yu, Tien-Jung/Cheng, Wen-Pin /Wu, Mai/Lin, Nan-Sheng
NTD 3,500,000 ~ NTD 4,999,999	Zhang, Fu-Ming	Li, Wen-Hua
NTD 5,000,000 ~ NTD 9,999,999	Chien,Yih-Long/Chen, Hsueh-Wen	Fan, Kuang-Hui/Chen, Hsueh-Wen/Zhang, Fu-Ming
NTD 10,000,000 ~ NTD 14,999,999	Tsai, Ming-Hsien	Chien,Yih-Long
NTD 15,000,000~ NTD 29,999,999		
NTD 30,000,000 ~ NTD 49,999,999		Tsai, Ming-Hsien
NTD 50,000,000 ~ NTD 99,999,999		
Over NTD 100,000,000		
Total	10 people	10 people

Note 1: The names of the presidents and vice presidents shall be listed individually and shall disclose each item's amount gathered together. If a director has also served as a president or vice president, this table and the above table (1-1), or (1-2-1) and (1-2-2) shall be filled in. Note 2: Fill in president's and vice presidents' salary, position allowances, severance pay in the most recent year.

Note 3: Fill in the president's and vice presidents' various bonus, rewards, transportation allowances, special allowances, various allowances, dormitory, equipping car etc. and other compensation amounts in the most recent year. If a house, a car and other transportation tool or other expenditure that is dedicated for personal use is provided, such assets' nature, cost, real rental or rental calculated by fair market price, gasoline expenses or other payments shall be disclosed. Besides, if a driver is equipped, such driver's related compensation paid by the Company shall be annotated without counting into remuneration. In addition, the salary expenses which were recognized according to the IFRS 2 "Share-Based Payment," including exercisable employee stock options, new restricted employee shares and participating in subscribing shares for capital increased by cash etc., shall be counted into remuneration.

Note 4: Fill in the amount of the employee's compensation of the president and vice presidents (including stock and cash) passed by the board of directors in the most recent year. If it is unable to estimate,

the amount to which will be proposed to distribute this year shall be calculated upon the percentage of last year's actual distributed amount and table 1-3 shall be filled out.

Note 5: The total remuneration paid by the companies in the consolidated financial statements (including the Company) to the presidents and vice presidents of the Company shall be disclosed.

Note 6: Upon each item's total remuneration paid by the Company to presidents and vice presidents, the names of the presidents and vice presidents shall be disclosed in the corresponding range.

Note 7: Each item's total remuneration paid by companies in the consolidated financial statements (including the Company) to the Company's presidents and vice presidents shall be disclosed, and the names of the presidents and vice presidents shall be disclosed in the corresponding range.

Note 8: The net income shall refer to the net income stated in the parent or individual financial statement in the most recent year.

Note 9: a. This column shall specifically fill in the related compensation of presidents and vice presidents of the Company which was received from an invested company other than the Company's subsidiary or from its parent company (please fill in "None" if it is not applicable).

b. If the related compensation of the Company's presidents and vice presidents was received from the parent company or an invested company other than the Company's subsidiary, such compensation received by the Company's presidents and vice presidents from the parent company or an invested company other than the Company's subsidiary shall be combined into the "E" column of the range table of remuneration, and the name of column shall be renamed as "The parent company and all invested businesses."

c. Remuneration refers to the compensation, remuneration (including employee, director and supervisor) and business allowances received by the Company's presidents and vice presidents who serve as directors, supervisors or managers of the parent company and an invested company other than the Company's subsidiary.

* The concept of income from the remuneration disclosed in this table is different from the Income Tax Act. So the purpose of this table shall be the purpose of disclosure only without using for tax.

(IV) Names of Managers Who are Distributed the Employees' Compensation and Its Distribution Status

Unit: NTD 1,000

December 31, 2019

	Title (Note 1)	Full name (Note 1)	Amount of Stock	Amount of Cash	Total	Ratio of Total Amount to Net Income (%)
Managers	Vice Chairperson and President	Tsai, Ming-Hsien				
	Executive Vice President	Chien, Yih-Long				
	Senior Vice President	Zhang, Fu-Ming Yu, Tien-Jung (Dismissed date: 2020.04.01)				
	Vice President	Fan, Kuang-Hui Li, Wen-Hua Chen, Hsueh-Wen Wu, Mai Lin, Nan-Sheng Cheng, Wen-Pin (Dismissed date: 2019.12.01)	0	27,160	27,160	2.54%
	Senior Assistant Vice President	Zhang, Wen-Song Wang, Feng-Zhu Chung, Wen-Chin Lin, Sheng-Xiang Zheng, Yu-Ming Lin, Liang-Shih Lin, Guan-Yen				
	Assistant Vice President	Chen, Tsung-Chih Wang, Zhen-Xiong				

Note 1: The individual name and title shall be disclosed, but appropriation of earnings shall be disclosed with the amount gathered.

Note 2: Fill in the amount of the employee's compensation of the managers (including stock and cash) passed by the board of directors in the most recent year. If it is unable to estimate, the amount to which it will be proposed to distribute this year shall be calculated upon the percentage of last year's actual distributed amount. Net income refers to the net income in the most recent year. ; for those adopted the IFRS, the net income shall refer to the net income stated in the parent or individual financial statement in the most recent year.

Note 3: According to the Letter No. 0920001301 released by the Institute on March 27, 2003, the applicable scope of the manager is as follows:

(1) president and the equivalent grade, (2) vice president and the equivalent grade, (3) assistant vice president and the equivalent grade, (4) chief of finance department, (5) chief of accounting department, (6) other persons who manage the Company's affairs and have the authority of signature.

Note 4: If the directors, presidents and vice presidents received the employees' compensation (including stock and cash), except for filling in the Appendix 1-2, this table shall be filled in additionally.

(V) Analyze the ratio of total remuneration paid to the directors, supervisors, presidents and vice presidents of the Company in the latest two years, by the Company and by all companies included in the consolidated financial statements, to the net income in the parent or individual financial statement; and explain the policies, standards and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance and future risk:

1. The ratio of total remuneration paid to directors, supervisors, presidents and vice presidents of the Company in the last two years, by the Company and by all companies included in the consolidated financial statements, to the net income in the parent or individual financial statement is analyzed as follows:

Title	2018				2019			
	Total Remuneration (NTD 1,000)		Ratio to Net Income (%)		Total Remuneration (NTD 1,000)		Ratio to Net Income (%)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Director (Note 1)	13,820	13,820	0.95%	0.95%	14,680	14,680	1.37%	1.37%
Presidents and Vice Presidents (Note 2)	36,330	92,083	2.50%	6.33%	38,160	85,520	3.57%	8.01%
Total	50,150	105,903	3.45%	7.28%	52,840	100,200	4.94%	9.38%

Expense of Share-Based Payment (Note 3)	0	0	0%	0%	0	0	0%	0%
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Note 1: The remuneration of directors has deducted the related compensation received by the directors for serving as the Company's internal managers concurrently.

Note 2: The compensation of presidents and vice presidents has deducted the related remuneration received for serving as the Company's directors concurrently.

Note 3: Refers to the compensation cost transferred from treasury shares which is recognized based on No. 39: Accounting Standards for Stock-based Payments in the Republic of China Financial Accounting Standards.

2. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance and future risk:

(1)The remuneration of the directors and supervisors of the Company shall be paid according to Article 23 and Article 26 of the Company's Article of Incorporation.

The Company's earnings, based on annual final accounts, shall reserve the payable income tax upon the laws and offset the losses from previous years first; the remaining amount shall set aside 10% for legal reserve, and reserve or reverse the special reserve as required by law or the competent authority. The remaining earnings, if any, shall reserve no more than 1% as remuneration to the directors and supervisors."

(2)The remuneration of the chairperson, vice chairperson, directors and supervisors shall be evaluated upon the Company's "Regulations Governing the Board Performance assessment." In addition to referring

to the overall business performance of the Company, future business risks and the tendency of the development in the industry, the directors' and supervisors' contribution to the Company's performance shall also be referred in order to provide the appropriate remuneration. The related evaluation of performance and the appropriation of the remuneration shall be reviewed by the Remuneration Committee and the Board of Director. And the remuneration system shall be timely reviewed upon the real business conditions and the relevant laws in order to seek the balance between the Company's sustainable business and risk control.

- (3)The compensation of the president shall be paid upon Article 29 of the Company Act and Article 24 of the Company's Article of Incorporation.
- (4)The compensation of the vice presidents shall be paid upon the Company's personnel rule, employment rule and the rule of performance assessment as well as taking into account the overall contribution to the Company.

IV. Implementation of Corporate Governance

(I) Information of the Board of Directors Operation

The Board of Director held a total of 9 (A) meetings in 2019. The attendance of director and supervisor were as follows:

Title	Name (Note 1)	Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A] (Note 2)	Remark
Chairman	Hsu, Kun-Tai	9	0	100%	
Director	Tsai, Ming-Hsien	9	0	100%	
Director	Chien, Yih-Long	9	0	100%	
Director	Lu, Jin-Zong	6	0	100%	New appointment date: 2019.06.18
Independent Director	Chou, Po-Chiao	9	0	100%	
Independent Director	Chen, Tsung-Ming	8	1	89%	
Independent Director	Fan, Kuang-Sung	8	1	89%	Dismissed date: 2020.04.01

Other mentionable items:

I. If the operation of the board of director has one of the following circumstances, the dates of the board's meetings, sessions, contents of motion, all independent directors' opinions and the actions taken by the Company for the opinions of independent directors shall be specified:

(I) The circumstances listed in Article 14-3 of the Securities and Exchange Act: The Company has established the Audit Committee in 2018. Pursuant to Article 14-5 of the Securities and Exchange Act, the Article 14-3 shall not be applicable.

(II) Except for the aforesaid circumstances, any resolution of the board of directors was objected by or subject to a qualified opinion from any of independent directors with record or written statement: No such circumstance in this year.

II. If there are directors' avoidance of motions in conflict of interest, the names of directors, contents of motion, causes for avoidance and voting shall be specified:

◆ Date of Board of Directors Meeting: 2019.05.24

Name of Director: Hsu, Kun-Tai and Tsai, Ming-Hsien

Contents of motion: Shantou Buynow Mall Co., Ltd., a subsidiary of the company, disposes of real property.

Causes for Avoidance: Chairman Hsu, Kun-Tai and vice chairman Hsu, Kun-Tai concurrently served as the directors of Chicony Industry (Wuhan) Co., Ltd. who are the stakeholders and avoided the conflict of interest. The independent director Chou, Po-Chiao was recommended as the chairperson of this proposal.

Participation in Voting: Except the directors (Mr. Hsu, Kun-Tai and Tsai, Ming-Hsien) did not participate in or represent the discussion and voting due to avoidance of conflict of interest, all other directors agreed with the proposal without any objection.

◆ Date of Board of Directors Meeting: 2019.07.08

Name of Directors: Hsu, Kun-Tai, Tsai, Ming-Hsien, Chien, Yih-Long

Contents of motion: Directors' remuneration distribution for the year of 2018.

Causes for Avoidance: Chairman Hsu, Kun-Tai and vice chairman Hsu, Kun-Tai and director Chien, Yih-Long who are the stakeholders and avoided the conflict of interest. The independent director Chou, Po-Chiao was recommended as the chairperson of this proposal.

Participation in Voting: Except the directors (Mr. Hsu, Kun-Tai, Tsai, Ming-Hsien and Chien, Yih-Long) did not participate in or represent the discussion and voting due to avoidance of conflict of interest, all other directors agreed with the proposal without any objection.

◆ Date of Board of Directors Meeting: 2019.07.08

Director: Chou, Po-Chiao, Chen, Tsung-Ming, Fan, Kuang-Sung

Contents of motion: Independent directors' remuneration distribution for the year of 2018.

Causes for Avoidance: The independent director Chou, Po-Chiao, Chen, Tsung-Ming and Fan, Kuang-Sung who are the stakeholders and did not participate in the voting due to avoidance of conflict of interest.

Participation in Voting: Except the directors (Mr. Chou, Po-Chiao, Chen, Tsung-Ming and Fan, Kuang-Sung) did not participate in or represent the discussion and voting due to avoidance of conflict of interest, all other directors agreed with the proposal without any objection.

- ◆ Date of Board of Directors Meeting: 2019.07.08
 Director: Tsai, Ming-Hsien, Chien, Yih-Long
 Contents of motion: Employees' remuneration distribution for the year of 2018.
 Causes for Avoidance: Vice chairman Tsai, Ming-Hsien and director Chien, Yih-Long who are the stakeholders and did not participate in the voting due to avoidance of conflict of interest.
 Participation in Voting: Except the directors (Mr. Tsai, Ming-Hsien and Chien, Yih-Long) did not participate in or represent the discussion and voting due to avoidance of conflict of interest, all other directors agreed with the proposal without any objection.
- ◆ Date of Board of Directors Meeting: 2019.11.5
 Name of Director: Hsu, Kun-Tai
 Contents of motion: Discuss the land development project in the special zone C1/D1 (east half of the street) of Taipei Main Station for the investment in the gateway project of West District in Taipei City.
 Causes for Avoidance: President, Hsu, Kun-Tai, served as the chairperson of Honeywell Co., Ltd. concurrently and avoided because of conflict of interest. The vice president, Tsai, Ming-Hsien, was recommended as the chairperson of this proposal.
 Participation in Voting: Except chairman Hsu, Kun-Tai did not participate in discussing and voting due to avoidance of conflict of interest, all other directors agreed with the proposal without any objection.

III. The exchange-listed and OTC-listed companies shall disclose the information on the evaluation period and duration, evaluation scope, evaluation method and evaluation content from the self (or peer) evaluation of the Board of Directors, and the following table for the board's evaluation status shall be filled out.

(1) To implement the corporate governance and functional committees, the performance assessment for the Board of Directors and functional committees are conducted in accordance with the Company's "Regulations Governing the Board Performance assessment" as follows:

Evaluation period	Evaluation duration	Evaluation scope	Evaluation method	Evaluation content
Conduct once every three year	2019/1/1 to 2019/12/31	Board of Directors	Commission the "Taiwan Institute of Ethical Business and Forensics" to conduct an external assessment	(1) Professional capabilities. (2) Effectiveness of decision-making. (3) The level of importance and supervision for the internal control. (4) Attitude towards corporate social responsibility.
Conduct once a year	2019/1/1 to 2019/12/31	Board of Directors	Internal self-assessment of the Board of Directors	(1) Participating level for the Company's business. (2) Enhancing the decision quality for the board. (3) Composition and structure of the Board of Directors. (4) Directors' election and continuous education. (5) Internal control.
Conduct once a year	2019/1/1 to 2019/12/31	Functional Committees (Audit Committee and Remuneration Committee)	Internal self-assessment of the functional committee	(1) Participating level for the Company's business. (2) Understanding of the functional committee's responsibilities. (3) Improve the quality of decision making for the functional committee. (4) Composition of the functional committee and selection of members (5) Internal control.

(2) The Company has completed the 2019 internal self-assessment and external performance assessment for the board of directors and functional committees, and the evaluation results were reported to the board of directors on March 31, 2020. Please refer to P36 of the annual report for details of the evaluation results.

IV. Measures taken to strengthen the functionality of the board in the year and the most recent year (e.g. establishment of the Audit Committee and enhancement of information transparency etc.) and its implementation status:

(I) Fortifying the job duties of functional committees

(1) The Company's board of director has passed the establishment of the Company's "Audit Committee Charter" on March 27, 2018. Three independent directors were elected on June 15, 2018 after the general meeting of the shareholders and the Audit Committee has been established. A total of 5 meetings have been convened in 2019. The Company has completed the 2019 self-assessment on the functional committee's performance and the assessment report had been submitted to the Board of Directors on March 31, 2020. The overall operations are comprehensive and meet the requirements of corporate governance, and hence the job function of the Board of Directors can be effectively enhanced.

(II) Enhancing the efficiency of the Board of Directors:

(1) The Board of Directors of the Company had resolved to appoint vice president Wu, Mai as the officer of corporate governance according to the "Regulations for establishing a Board of Directors by a listed company and matters required to follow when implementing job duties" on March 27, 2019, to establish good corporate governance of the Company, assist directors to exercise their duties and enhance the efficiency of the Board of Directors.

(2) The Company has finished the 2019 performance assessment for the Board of Directors and submitted the board performance assessment report to the Board of Directors on March 31, 2020, to fortify the job function of the board. The overall performance of the Board of Directors is good and please refer to P51 of the annual report for the assessment result.

Note 1: If a director or a supervisor is a juridical person, the name of corporate shareholder and its representatives shall be disclosed.

Note 2: (1) If a director or a supervisor resigns before the end of year, the date of resignation shall be noted in the column of remark. The ratio of the attendance in person (%) shall be counted by the number of the board's meeting in the period of service and such person's actual number of attendances in person.

(2) if a director or supervisor is re-elected before the end of year, both new and old directors or supervisors shall be filled in, and the information that such person is an old or a new director or supervisor as well as the date of renewal or re-election shall be noted in the column of remark. The ratio of the attendance in person (%) shall be counted by the number of the board's meeting in the period of service and such person's actual number of attendances in person.

(II) Operation of the Audit Committee or Supervisors' Participation in the Board of Director:

1. Operation of the Audit Committee:

The Audit Committee of the Company is composed of three independent directors, and one independent director is recommended by and from the members as the convener and chairman of meetings. The operational methods are carried out in accordance with the Company's "Audit Committee Charter." The Audit Committee aims to assist the Board of Directors in the quality and level of integrity when implementing the supervision in regards to accounting, auditing, financial report process and financial control for the Company. The matters for review and resolution include: The company's financial statements, auditing and accounting policies and procedures, internal control systems, transaction of major asset or derivative commodities, raising or issuing securities, and appointment, dismissal or remuneration of CPAs, as well as finance and accounting or the appointment and dismissal of internal audit officers.

Job priorities in 2019:

(1) Review the financial report

The Board of Directors of the Company prepared and submitted the 2018 financial statements (including the consolidated financial statements) and entrusted the accountant Feng, Min-Juan and Wu, Han-Qi of PwC Taiwan for auditing. It was merged into the financial statements, business report and distribution of earnings proposal and was reviewed and approved by the Audit Committee on March 27, 2019; it was reported to and approved by the Board of Directors on March 27, 2019 and it had been approved and ratified by the 2019 annual shareholders' meeting.

(2) Evaluate the effectiveness of internal control system

Audit Committee evaluates the effectiveness of the Company's internal control system policies and procedures (including finance, business operation, risk management, information security, outsourcing, and legal compliance control measures), and reviews and audits the Company's audit department and certified accountants, as well as the periodic reports from the management levels, including risk management and legal compliance. The online evaluation for the design and implementation of the Company's internal control system should be effective. It was reviewed and approved by the Audit Committee on March 27, 2019; the "Statement of Internal Control System" for 2018 was issued after it was submitted to and resolved by the Board of Directors on March 27, 2019.

The Audit Committee held a total of 5(A) meetings in 2019. The attendance of the independent directors was as follows:

Title	Full name	Attendance in Person (B)	Attendance Rate (%) (B/A) (Note)	Remark
Independent Director (Convener of the Audit Committee)	Chou, Po-Chiao	5	100%	
Independent Director (Member of the Audit Committee)	Chen, Tsung-Ming	4	80%	
Independent Director (Member of the Audit Committee)	Fan, Kuang-Sung	5	100%	Dismissed date: 2020.04.01

Other mentionable items:

I. If the operation of the Audit Committee has one of the following circumstances, the dates of the board's meetings, sessions, contents of motion, the resolution of the Audit Committee and the actions taken by the Company for the opinions of the Audit Committee shall be specified.

(I) The matters listed in Article 14-5 of the Securities and Exchange Act:

Board of Directors	Contents of motion and the follow-up measures	Article 14-5 of the Securities and Exchange Act The matters listed in	Any resolution that was not approved by the Audit Committee but approved by two-thirds or more of all directors
2019.03.27	1. Passed the Company's financial statements and business report for the year of 2018. 2. Passed the appropriation of the Company's 2018 earnings. 3. Passed the evaluation for the independence and professional qualifications of CPAs according to Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." 4. Passed the amendment to the Company's "Procedure for the Acquisition or Disposal of Assets." 5. Adoption of the amendments to the Procedures for Transactions in Derivative Financial Products by the Company. 6. Passed the amendment to the Company's "Procedure for the Lending Funds to Others." 7. Passed the amendment to the Company's "Procedure for the Endorsements and Guarantees." 8. Passed the Company's 2018 internal control system, and the statement of internal control system issued upon the result of self-assessment. 9. Passed the Company's proposal of endorsements and guarantees.	V V V V V V V V V	None
The resolution result by the Audit Committee: 2019.03.27 It was passed by all the members present of the Audit Committee.			
The Company's handling process on the opinions of the Audit Committee: it was passed by all the directors present.			

Board of Directors	Contents of motion and the follow-up measures	Article 14-5 of the Securities and Exchange Act The matters listed in	Any resolution that was not approved by the Audit Committee but approved by two-thirds or more of all directors
108.05.06	<p>Approved the loan of NTD 800 million to the CLEVO (CAYMAN ISLANDS) HOLDING COMPANY.</p> <p>The resolution result by the Audit Committee: 2019.05.06 It was passed by all the members present of the Audit Committee.</p> <p>The Company's handling process on the opinions of the Audit Committee: it was passed by all the directors present.</p>	V	None
108.05.24	<p>Passed the disposal of real property for Shantou Buynow Mall Co., Ltd., a subsidiary of the Company.</p> <p>The resolution result by the Audit Committee: 2019.05.24 It was passed by all the members present of the Audit Committee.</p> <p>The Company's handling process on the opinions of the Audit Committee: it was passed by all the directors present.</p>	V	None
108.08.13	<p>Approved the Company's second quarter financial statements.</p> <p>The resolution result by the Audit Committee: 2019.08.13 It was passed by all the members present of the Audit Committee.</p> <p>The Company's handling process on the opinions of the Audit Committee: it was passed by all the directors present.</p>	V	None
108.11.05	<ol style="list-style-type: none"> 1. Approved the land development project in the special zone C1/D1 (east half of the street) of Taipei Main Station for the investment in the gateway project of West District in Taipei City. 2. Approved the case of loan to subsidiaries. 3. Passed the Company's proposal of endorsements and guarantees. 4. Passed the Company's 2020 audit plan. <p>The resolution result by the Audit Committee: 2019.11.05 It was passed by all the members present of the Audit Committee.</p> <p>The Company's handling process on the opinions of the Audit Committee: it was passed by all the directors present.</p>	<p>V</p> <p>V</p> <p>V</p> <p>V</p>	None
109.03.31	<ol style="list-style-type: none"> 1. Approved the Company's financial statements and business report for the year of 2019. 2. Passed the appropriation of the Company's 2019 earnings. 3. To cooperate with the accountant rotation policy of PwC Taiwan, the proposed case for changing the CPAs who issue financial reports to the Company was approved. 4. Adoption of the proposed changes to the Company's financial officer and accounting officer. 5. Passed the evaluation for the independence and professional qualifications of CPAs according to Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." 6. Passed the amendment to the Company's "Procedure for the Acquisition or Disposal of Assets" 7. Passed the following amendment to the internal control system of the Company according to the provisions of the "Regulations for the Internal Control System of a Publicly Listed Company" by the Financial Supervisory Commission. 8. Passed the Company's 2019 internal control system, and the statement of internal control system issued upon the result of self-assessment. <p>The result of the resolution of the Audit Committee: 2020.03.31 It was passed by all the members present of the Audit Committee.</p> <p>The Company's handling process on the opinions of the Audit Committee: it was passed by all the directors present.</p>	<p>V</p> <p>V</p> <p>V</p> <p>V</p> <p>V</p> <p>V</p> <p>V</p>	

Please refer to P38 for all the discussion cases of the Audit Committee in 2019

(II) Except for the aforesaid circumstances, any resolution that was not approved by the Audit Committee but approved by two-thirds or more of all directors: None

II. If there is any independent director's avoidance of motion in conflict of interest, such director's name, contents of motion, causes for avoidance and voting should be specified: None.

III. Communications between the independent directors, the chief internal auditor and CPAs (including communications of the significant items for the Company's finance and operation, and its methods and results etc.):

(I) Communications between the independent directors and chief internal auditor:

To intensify the practical communication between the independent directors and the internal audit officer, the Company conducts comprehensive communication on the main internal auditing opinions through the Audit Committee or other meetings at least twice a year.

Date of Meeting	Communication matters	Communicate results
2019.05.06 The Audit Committee	The case of the Company's internal audit report.	The auditor explained the audit operation and discussed and communicated with the directors; such motion was reviewed and passed by all present independent directors without objection, then reported to the board of directors afterward.
2019.11.05 The Audit Committee	The case of the Company's internal audit report.	The auditor explained the audit operation and discussed and communicated with the directors; such motion was reviewed and passed by all present independent directors without objection, then reported to the board of directors afterward.

(II) Communication between independent directors and CPAs:

The accountants report to the independent directors in the Audit Committee at least twice a year in regards to the Company's financial status, overseas and domestic subsidiaries' financial and overall business operations as well as the audit for internal control, and a comprehensive communication on major adjustment journal entries or whether the law amendment affects the accounting status will be conducted.

Date of Meeting	Communication matters	Communicate results
2019.03.27 The Audit Committee	Approved the Company's financial statements and business report for the year of 2018.	The account explained the auditing situation for the financial statements, as well as discussed and communicated the contents raised by the directors; such financial statements were reviewed and passed by the independent directors present without objection and the statements were reported to the board of directors.
2019.08.13 The Audit Committee	The case of the Company's second quarter financial statements in 2019.	The account explained the auditing situation for the financial statements, as well as discussed and communicated the contents raised by the directors; such financial statements were reviewed and passed by the

		independent directors present without objection and the statements were reported to the board of directors.
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2. Supervisors' participation in the operation of the Board of Directors: The Company has established the Audit Committee in 2018, so this is not applicable.

Summary Table of the Meetings Record for the Audit Committee:

Attendance of independent directors: V =attendance, blank=absence

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Description of the case	Independent Director			Remark
					Chou, Po-Chiao	Chen, Tsung-Ming	Fan, Kuang-Sung	
1	6	2019.03.18	2019.03.27	1. Resolutions from the 5th meeting of the 1st Audit Committee of the Company. 2. Passed the Company's financial statements and business report for the year of 2018. 3. Passed the appropriation of the Company's 2018 earnings. 4. Passed the evaluation for the independence and professional qualifications of CPAs according to Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." 5. Passed the amendment to the Company's "Procedure for the Acquisition or Disposal of Assets." 6. Adoption of the amendments to the Procedures for Transactions in Derivative Financial Products by the Company. 7. Passed the amendment to the Company's "Procedure for the Lending Funds to Others." 8. Passed the amendment to the Company's "Procedure for the Endorsements and Guarantees." 9. Passed the Company's 2018 internal control system, and the statement of internal control system issued upon the result of self-assessment. 10. Passed the Company's proposal of endorsements and guarantees.	V	V	V	Yu, Tien-Jung Wu, Mai Yi-Mei Liu Feng, Min-Juan
2	7	2019.04.26	2019.05.06	1. Resolutions from the 6th meeting of the 1st Audit Committee of the Company. 2. Report on internal audit of business. 3. Approved the loan of NTD 800 million to the CLEVO (CAYMAN ISLANDS) HOLDING COMPANY.	V	V	V	Yu, Tien-Jung Wu, Mai Yi-Mei Liu Feng, Min-Juan
3	8	2019.05.15	2019.05.24	1. Passed the disposal of real property for Shantou Buynow Mall Co., Ltd., a subsidiary of the Company. 2. Adoption of the proposed purchase of liability insurance for the Company's directors and important staff.	V	V	V	Yu, Tien-Jung Wu, Mai Feng, Min-Juan
4	9	2019.08.12	2019.08.13	1. Resolutions from the 7th and 8th meeting of the 1st term of the Audit Committee of the Company. 2. Report on internal audit of business. 3. Approved the Company's second quarter financial statements.	V	Fan, Kuang-Sung	V	Yu, Tien-Jung Wu, Mai Yi-Mei Liu Feng, Min-Juan

5	10	2019.10.25	2019.11.05	<ol style="list-style-type: none"> 1. Resolutions from the 9th meeting of the 1st Audit Committee of the Company. 2. Report on internal audit of business. 3. Approved the land development project in the special zone C1/D1 (east half of the street) of Taipei Main Station for the investment in the gateway project of West District in Taipei City. 4. Approved the case of loan to subsidiaries. 5. Passed the Company's proposal of endorsements and guarantees. 6. Passed the Company's 2020 audit plan. 	√	√	√	Yu, Tien-Jung Wu, Mai Yi-Mei Liu Feng, Min-Juan
6	11	2020.03.23	2020.03.31	<ol style="list-style-type: none"> 1. Resolutions from the 10th meeting of the 1st Audit Committee of the Company. 2. Report on internal audit of business. 3. Approved the Company's financial statements and business report for the year of 2019. 4. Passed the appropriation of the Company's 2019 earnings. 5. To cooperate with the accountant rotation policy of PwC Taiwan, the proposed case for changing the CPAs who issue financial reports to the Company was approved. 6. Adoption of the proposed changes to the Company's financial officer and accounting officer. 7. Passed the evaluation for the independence and professional qualifications of CPAs according to Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." 8. Passed the amendment to the Company's "Procedure for the Acquisition or Disposal of Assets." 9. Adoption of the proposed amendments to the Procedures for Ethical Management and Guidelines for Conduct made by the Company. 10. Passed the following amendment to the internal control system of the Company according to the provisions of the "Regulations for the Internal Control System of a Publicly Listed Company" by the Financial Supervisory Commission. 11. Passed the Company's 2019 internal control system, and the statement of internal control system issued upon the result of self-assessment. 	√	√	√	Yu, Tien-Jung Wu, Mai Yi-Mei Liu Feng, Min-Juan Wu, Han-Qi

(III) Corporate Governance Implementation Status and the difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons:

Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
I. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”?	V		The board of the Company has discussed and approved the “Corporate Governance Best Practice Principles” of the Company on March 27, 2015 in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.” To meet the development trend of international corporate governance and to respond to the development of societally and internationally concerned subjects in the past few years, the relevant content of the regulations were amended twice by the Board of Directors from 2015 to 2020, and the information was disclosed on the Market Observation Post System and the Company’s website.	The Company has currently executed according to “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” without any difference.
II. The Company’s shareholding structure & shareholders’ rights/benefits				
(I) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(I) The Company has designated a professional agency to handle the stock affairs and has established the spokesperson, deputy spokesperson and dedicated persons to take charge of the shareholders’ suggestions or disputes etc.	The Company has currently executed according to “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” without any difference.
(II) Does the Company possess the list of its major shareholders who control the Company in reality as well as the ultimate owners of those shares?	V		(II) Most of the Company’s major shareholders are the management team and the shareholders with long-term shareholding. The stock office will obtain the list of the shareholders from the Taiwan Depository & Clearing Corporation through the stock agency designated by the Company within next two days from book closure date for the shareholders’ meeting and dividend distribution upon the regulations, then will summarize the shareholding information of the major shareholders immediately and report to the senior management team. The Company can grasp the list of the major shareholders at any time to assure the stability of the management rights.	
(III) Does the Company establish and execute the risk control/management and firewall system with its affiliates?	V		(III) Each affiliate operates independently, and establishes various rules according to the regulations of the competent authority. The transactions with affiliates shall be conducted according to the relevant rules.	
(IV) Does the Company establish internal rules against	V		(IV) To empower the Company’s directors and managers to	

Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
the Company's insiders trading of the securities with undisclosed information in the market ?			<p>comply with the ethical standards and allow the Company's stakeholders to better understand the Company's ethical standards, the Company has established the "Codes of Ethical Conduct" and "Ethical Corporate Management Best Practice Principles" to follow up.</p> <p>The Company has established the "Procedures for Handling Material Inside Information and Preventing Insider Trading" to prevent the occurrence of insider trading.</p>	
<p>III. Composition and Responsibilities of the Board of Director</p> <p>(I) Does the Board of Director develop and implement a diversified policy for the composition of its members?</p>	V	(I)	<p>In accordance with Article 20 of "Corporate Governance Best Practice Principles," the Company has stipulated a diverse policy in regards to the composition of the Board of Directors as follows:</p> <p>The diverse composition of the Board of Directors should be considered and appropriate and diversified policies with regard to its business operations, operational type and development requirement shall be stipulated, which should include but not limited to the standards of the following two major aspects:</p> <p>I. Basic criteria and value: gender, age, nationality and culture.</p> <p>II. Professional knowhow and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and experience in the industry, etc. In general, the members of the Board of Directors should possess the knowledge, skills, and qualities required for the implementation of their job duties. The Board of Directors should have the following capabilities in order to achieve the goal of corporate governance:</p> <p>(I) Capability for judging the business. (II) Capability for analyzing accounting and finance. (III) Capability for business management. (IV) Capability for dealing with risks. (V) Industrial knowledge. (VI) International market viewpoint. (VII) Capability of leadership. (VIII) Capability of decision-making.</p> <p>Please refer to page 49 (Note 1) of the annual report for the fulfillment of the diversification for the board's members.</p>	<p>The Company has currently executed according to "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" without any difference.</p>

Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
(II) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee pursuant to the laws?	V		(II) The Company has not established other functional committees other than the Remuneration Committee and Audit Committee. In the future, the Company will establish relevant functional committees in accordance with the Company's "Corporate Governance Best Practice Principles" and its practical needs.	
(III) Does the Company establish the "Regulations Governing the Board Performance assessment" and its methods of evaluation, and conduct the regular performance assessment annually and report the results of the performance assessment to the Board of Directors for the reference of individual directors' salary and renewal nomination?	V		(III) In order to practically implement corporate governance, the Board of Directors of the Company has passed the "Regulations Governing the Board Performance assessment" on November 14, 2017 in accordance with the provisions of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." The internal performance assessment is conducted on a yearly basis and an external professional and independent institution or a team of experts and scholars will be entrusted to conduct assessment every three years. The assessment methods, standards and assessment results will be exposed on the Company's website. The internal self-assessment for the Board of Directors was adopted in 2019. The assessment subjects include five major aspects and the performance assessment was conducted for the Board of Directors and functional committees. In 2019, an external professional and independent institution or a team of external experts or scholars were commissioned to conduct the efficient assessment for the Board of Directors. The internal and external assessment results were submitted to the Board of Directors on March 31, 2020. Please refer to P51 of the annual report (Note 2) for the assessment results. The results of the annual board performance assessment will be reported to the Board of Directors and Remuneration Committee as a reference for individual directors' remuneration and nomination for renewal.	
(IV) Does the Company evaluate the independence of the CPAs regularly?	V		(IV) The Company has appointed the PWC Taiwan as the certificated accounting firm, who has its professionalism and independence for its certification. The Company also changes the CPAs regularly according to laws to strengthen its independence.	

Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			<p>The Audit Committee of the Company reviews and passes the CPAs' independence annually and then submits to the board of director to discuss/review the CPAs' independence, including assessing whether there is any event in violation of the Bulletin No. 10 of Professional Ethics Norm and Article 47 of Certified Public Accountant Act, affirming that the Company has no other financial benefits and business relationships with CPAs other than the fee of audit and tax, examining whether the CPAs are the Company's directors, managers, shareholders or have any salary received from the Company, and confirming that the CPAs are not the stakeholders. Upon the examination on the CPAs' independence evaluated by the Company, the CPA's independence is confirmed.</p> <p>The Company's board of directors periodically evaluates (once a year) the CPAs' professional qualifications and independence (please refer to note 3 on P55 of the annual report for the standards of the evaluation). The result of evaluation has been reviewed and passed by the board of directors on March 31, 2020 to confirm the CPAs' professional qualifications and independence.</p>	
IV. Does the TWSE/TPEX Company have qualified and suitable number of corporate governance personnel and appointed corporate governance officers to take charge of the corporate governance related affairs (including but not limited to providing the information required by the directors and supervisors to perform their duties, assisting directors and supervisors to be in compliance with laws, conducting the board and shareholders' meeting related matters according to laws, and preparing the meeting minutes for the board and the shareholders' meeting etc.)?	V		<p>The Company has created a corporate governance working group and the finance department is responsible for affairs regarding corporate governance. The Board of Directors approved the appointment of vice president Wu, Mai of the financial management center who has experience in legal, finance and stock management and service affairs for more than three years in a publicly listed company, as the officer of corporate governance on March 27, 2019. Vice president Wu has selected and taken training courses related to the business implementation according to the "Key points for the Implementation of training courses for directors and supervisors of listed or OTC companies" and he has completed 18 hours of training courses within one year. Please refer to P56 (Note 4) of the annual report for the main responsibilities and status of implementation and training in 2019.</p>	<p>The Company has currently executed according to "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" without any difference.</p>

Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
V. Does the Company establish a communication channel and build a dedicated section on its website for stakeholders, as well as handle all the issues they care for in terms of corporate social responsibilities?	V		Both the Company and the stakeholders have a dedicated department to take charge of collecting the relevant information and communicate to each other. The Company has set up its website with the address of http://www.clevo.com.tw/ and has built the dedicated sections for investor relation and stakeholder respectively, which includes the Company's related news and activities, corporate governance (including the Company's Corporate Social Responsibility Best Practice Principles), information of finance and stock affairs as well as the Company's contact methods. The investor relation department has a dedicated person to respond to the related issues.	The Company has currently executed according to "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" without any difference.
VI. Does the Company appoint a professional stock agency to deal with shareholders' meeting affairs?	V		The Company's stock affairs have appointed a professional stock agency, Transfer Agency Department of CTBC Bank, to handle the Company's shareholders' meeting affairs.	The Company has currently executed according to "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" without any difference.
VII. Information Disclosure (I) Does the Company have a corporate website to disclose the financial activities and the information of corporate governance? (II) Does the Company adopt other ways of information disclosure (e.g. building an English website, appointing a dedicated person to collect and disclose the Company's information, implementing the spokesperson system and putting the course of investor conferences on the Company's website etc.)? (III) Does the Company announce and declare the annual financial report within two months after the end of the fiscal year, and announce and declare the	V V V		(I) The Company has set up its website with the address of http://www.clevo.com.tw/ and has built a dedicated section for investor relation, which includes the Company's related news and activities, information of corporate governance, the Company's relevant rules as well as information of finance and stock affairs. (II) The Company has not only implemented the system of spokesperson and deputy spokesperson, but also designated the dedicated person to collect and disclose the Company's information, as well as has disclosed the information of the Company's financial activities to the public investors through the Market Observation Post System, the investor conferences, the Company's website and newspapers/magazines etc.. Please refer to the Company's website for details: http://www.clevo.com.tw/ . (III) The Company had announced and declared the annual financial report (within three months) and the first, second and third quarter financial reports (within 45 days) as well	The Company has currently executed according to "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" without any difference.

Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
first, second, and third quarter financial reports and the monthly operating situation early within the prescribed period?			<p>as the monthly operating report (before the 10th of each month) before the deadline specified in Article 36 of the Securities and Exchange Act.</p> <p>Due to the fact that the group has merged more than one hundred of individual business entities, its annual financial report cannot be announced and declared within two months after the end of the fiscal year. The 2019 financial statements had been announced and declared on March 31, 2020.</p>	
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights/benefits, employee caring, investor relations, supplier relations, rights of stakeholders, training of directors and supervisors, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, and purchasing liabilities insurance for directors and supervisors)?	V		<p>(I) Employee Rights/Benefits: Upon the governmental laws and the Company's human resources management rules, the Company provides various labors' basic conditions, including working hours mechanism and comprehensive leaves system, and also renders a stable and safe working environment, as well as reserves the basic welfares of labor insurance, health insurance and pension fund. Besides, the employees also possess the regular health examination, group insurance and complete employee retirement measures.</p> <p>(II) Employee Caring: The Company has established the Occupational Safety and Health Committee according to laws, and studied the relevant regulations of safety and health. In order to ensure the employees' safety and health, the Company has established the "Occupational Safety and Health Policies," arranged the regular lectures and courses with various subjects, provided the doctors' consultation, opened the diversified channels for employees to express the opinions and to consult as well as created a better participating feelings and a smooth two-way communications.</p> <p>(III) Investor Relations: Protecting the shareholders' rights/benefits is the Company's biggest target. The Company gives equal treatment to all shareholders. Upon the relevant regulations, the Company's important messages, including finances, business and changes of the insiders' shareholding will be announced on the Market Observation Post System immediately.</p> <p>(IV) Suppliers Relations: In addition to the establishment of the "Codes of Ethical Conduct," the new suppliers of the</p>	The Company has currently executed according to "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" without any difference.

Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			<p>Company shall possess good goodwill and meet the Company's ethical demand upon the requirement of the internal control system. Before trading, it is required to sign the "Supplier Honesty Commitment" to forbid other beneficial acts other than normal transactions. The Company expects to set a good example to lead more of our supply partners to jointly enhance the awareness of environmental protection and aptly fulfill the corporate social responsibilities.</p> <p>(V) Rights of Stakeholder: The Company complies with the "Corporate Governance Best-Practice Principles" to implement and set up a dedicated section on its website for stakeholders.</p> <p>(VI) Implementation of Risk Management Policies and Risk Measurement Standards: Through the audit office and internal control system, the Company has appropriately identified, assessed and reduced various business risks. In addition to controlling the day-to-day operational procedure, the audit office and management team always supervise the risk control's implementation. Besides, the Company has established the internal and external reporting system to reduce the unfavorable influences on the Company's business.</p> <p>(VII) Implementation of Customer Policies: The Company has established the appropriate customer policies and business targets, and will timely adjust the business strategies to achieve the targets.</p> <p>(VIII) Purchasing Liabilities Insurance for Directors: The Company has purchased the relevant liabilities insurance for directors with the due date of May 15, 2020, and the directors' liabilities insurance amount, the scope of coverage and insurance premium have been reported to the board of directors. 2020/5/15-2021/5/15 The new insurance policy will be reported to the next board of directors meeting.</p> <p>(IX) Directors' Attendance of the Board: The board has been held regularly and all directors actively participated in the meeting; the Company has declared the attendance of the directors timely on the websites; please refer to P31 for the</p>	

Evaluation Item	Implementation Status (Note)			The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			<p>attendance.</p> <p>(X) Trainings of the Directors and Managers: The Company's directors and independent directors have considerably understood the directors' power and functions, and they have a plentiful background of education and experiences as well as understanding of the industry to sufficiently undertake the directors' responsibilities. The Company's directors and independent directors join the external training annually in relation to corporate governance, securities regulations and taxes. In addition, the Company sets up the dedicated persons to collect the relevant regulations and information, and then summarize to the directors and Audit Committee. Please refer to page 58 (note 5) of the annual report for the detailed training of the Company's directors and managers in 2019.</p> <p>The directors' attendance and independent directors' sitting in the Company's board as well as the directors' training were disclosed on the Market Observation Post System. The website address is http://mops.twse.com.tw/mops/web/index according to the regulations.</p>	
<p>IX. For the result of the corporate governance evaluation announced by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year, please explain the circumstances of the improvement; and if the items have not yet been improved, please provide those items that shall be strengthened first and its measures.</p> <p>(I) Upon the evaluation result of the corporate governance in 2019, the Company has made improvement for the following:</p> <ol style="list-style-type: none"> 1. The English version of the meeting notification of the Company had been synchronously uploaded with the Chinese version which is 30 days prior to the general meeting of the shareholders. 2. The English version of the meeting handbook of the Company and supplementaries had been uploaded 21 days prior to the general meeting of the shareholders. 3. The Company had released the annual financial reports (including the financial statements and notes) in English. 4. The Company had released the midterm financial reports (including the financial statements and notes) in English. <p>(II) For those items that have not yet been improved, the items that shall be strengthened first and its measures are provided as follows:</p> <ol style="list-style-type: none"> 1. The Company had stipulated a policy for diversification of board members and published the implementation of the diversified policy on the Company's website and annual report. 				

Evaluation Item	Implementation Status (Note)		Abstract Illustration	The difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
<p>2. To practically implement gender equality of members for the Board of Directors, the Board of Directors is expected to recruit an outstanding female professional as an independent director at the by-election on June 19, 2020, so to enhance the diversification of the Board of Directors.</p> <p>3. It is planned to disclose the communication situation between the independent directors, internal audit officers and accountants on the annual report and the Company's website.</p> <p>4. The results of the performance self-assessment of the Board of Directors (including the functional committees) are disclosed on the Company's website or annual report.</p> <p>5. In 2020, it is planned to conduct an external assessment in accordance with the Company's "Regulations Governing the Board Performance assessment." The assessment will be conducted according to the deadline in the regulations and the implementation status and assessment results will be disclosed on the Company's website or annual report.</p> <p>6. Establishing an information security risk management framework, stipulating information security policies and specific management plans, and releasing the information on the Company's website or annual report.</p> <p>7. The Company had established the policies and specific management program to protect human rights according to the International Bill of Human Rights and published the information on the Company's website or annual report.</p> <p>8. Release the information regarding the acquisition of ISO 14001 management verification of the environment system on the annual report and the Company's website.</p> <p>9. The Board of Directors plans to establish other relevant functional committees based on the assessment of practical needs.</p>				

Note: Regardless of ticking "Yes" or "No," the implementation status shall be explained in the column of the abstract illustration.

Note 1: The status of diversification for the 2019 board's members:

Name of Director	Sex	Aspect I: Experiences Background			Aspect II: Overall Capability								
		Professional Background	Professional Techniques	Industrial Experiences	Capability for judging the business.	Capability for analyzing accounting and finance.	Capability for business management.	Capability for dealing with risks.	Industrial knowledge.	International market viewpoint.	Capability of leadership.	Capability of decision-making.	A Judge, Public Prosecutor, Attorney, CPA, or Other Professional Who Has Passed a National Examination with a Certificate in a Profession Necessary for the Business of the Company
Hsu, Kun-Tai	Male	√	√	√	√	√	√	√	√	√	√	√	
Tsai, Ming-Hsien	Male	√	√	√	√	√	√	√	√	√	√	√	
Lu, Jin-Zong	Male	√	√	√	√	√	√	√	√	√	√	√	
Chien, Yih-Long	Male	√	√	√	√	√	√	√	√	√	√	√	
Chou, Po-Chiao (Independent Director)	Male	√	√	√	√	√	√	√	√	√	√	√	√
Chen, Tsung-Ming (Independent Director)	Male	√	√	√	√	√	√	√	√	√	√	√	
Fan, Kuang-Sung (Independent Director) (Dismissed date: 2020.04.01)	Male	√	√	√	√	√	√	√	√	√	√	√	

*Additional note: All of the seven directors of the Company have the aforementioned background, experience and the comprehensive professional ability. Among the board members, Hsu, Kun-Tai, Tsai, Ming-Hsien, Lu, Jin-Zong, and Chien, Yih-Long possess the IT industry knowhow and international market perspectives; Chou, Po-Chiao has extensive experience in various financial affairs and the industry; Chen, Tsung-Ming and Fan, Kuang-Sung are familiar with the Japanese and Chinese market, respectively, which is quite helpful for the Company to promote business in these two countries.

All directors in the Company have nationality of ROC and the ratio of directors who also serve as an employee of the Company is 43%, and the proportion for independent directors is 43% in 2019; the proportion of female directors is 0%; one independent director has less than 3 years of experience; two independent directors have a term of 4~6 years; 1 of the directors is over 70 years old, 4 of them are 60-69 years old, and 2 of them

are under 60 years old. The Company pays attention to the gender equality of the Board of Directors and it is expected to recruit 1~2 outstanding female professionals to serve as a director of the Company in the future. Independent director Fan, Kuang-Sung resigned on April 1, 2020 and the vacancy is planned to be filled with a by-election at the regular shareholders' meeting held on June 19, 2020.

Note 2: Result of the Board Performance assessment in 2019:

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Result of the Board Performance assessment in 2019

According to the Company's "Regulations Governing the Board Performance Assessment," the Company's Board of Directors and functional committees should conduct internal performance assessment at least once a year; an external professional and independent institution or a team of experts and scholars will be commissioned to conduct assessment at least once every three years. This assessment includes external assessment and internal self-assessment. The company commissioned the external assessment to the "Taiwan Institute of Ethical Business and Forensics." The assessment was completed on March 30, 2020 and the assessment category is "Effectiveness Assessment for the Board of Directors." The self-assessment categories include: "Operating Performance of the Board of Directors," "Operating Performance of the Audit Committee" and "Operating Performance of the Remuneration Committee." The relevant assessment results are summarized as follows:

I. External assessment:

Executive members: Jianran Li, Qingping Shao, Chaosheng Jiang

On the basis of the following four major aspects, the assessment report is conducted for the performance of the board of directors, with a total of 22 indicators, the assessment questionnaire includes parts:

"Questions for Evaluation"

and "Comments and Feedback." For "Questions for Evaluation," the respondents answer the questions based on the situation described in each question, and a score of 5 to 1 is given according to the level of differences: "Achieve satisfaction at all times," "Achieve satisfaction in most situations (above average)," "Achieve satisfaction sometimes (average)," "Occasionally achieve satisfaction (below average)," "Rarely achieve satisfaction." The evaluation results are summarized as follows:

Four major aspects	Assessment subjects	Assessment results
A. Professional capabilities.	3 Items	4.71
B. Effectiveness of decision-making	10 Items	4.83
C. The level of importance and supervision for the internal control	6 Items	4.81
D. Attitude towards corporate social responsibility	3 Items	4.81

Conclusion and suggestions:

According to the meeting minutes of the board of directors meeting provided by the assessed company and the internal regulations regarding corporate governance, as well as referring to the answers of the written questionnaire by the directors of the assessed company and the interviews of individual directors, the description of the observed conclusion and suggestion for improvement for the operations of board of directors of the assessed company are as follows:

(I) Provide the directors with sufficient time for them to understand the meeting materials

Presently, the assessed companies provide the information of the motion seven days prior to the meeting based on the provisions of laws. However, the independent directors may need more time to understand the content of the motion. According to the Procedural Rules of the Board of Directors Meetings, the directors shall be provided with sufficient time to review the meeting materials prior to the meeting and hence the assessed companies are recommended to timely provide the information based on the complexity of the motion, or summarize the questions of the independent directors by the corporate governance directors and coordinate with relevant management team to explain to the independent directors, to enhance the capability of the board of directors.

(II) Emphasize the remarks made by the directors in the meeting minutes of the board

The managerial officers of the assessed company will comprehensively discuss and communicate with all or individual directors prior to the board of directors meeting, to ensure that the directors understand the motion in advance, enable the directors to reach a consensus as early as possible and prevent the long meeting hours of the board meeting. Therefore,

the meeting minutes for the board of directors meeting are relatively brief and short. To facilitate the board of directors to review the decision-making experience in the past, it is recommended that the comments and feedback prior to the meeting made can be selected and presented in a timely manner during the meeting and they shall be summarized in written record, so that the past experience can be applied to facilitate the evaluation of decision-making in the future.

(III) Amendment to the complaint regulations and create a complaint hotline

In accordance with the complaint system and ethical code of conduct of the assessed company, the audit unit directly under the board of directors will be the responsible unit for the complaints. A dedicated e-mail and hotline for both internal and external use are also provided. If the complaint is in regards to a director or senior executive, it should be reported to the independent directors, which is in accordance with the usual practice of a listed company. However, in presence of the recent trend of encouraging whistleblowing, the competent authority may gradually increase the demand for independence for the whistleblowing responsible unit. In the future, the assessed company can consider commission an independent external institution to provide a dedicated email or a complaint hotline.

(IV) Establish a succession program of professionals

To establish an adequate talent pool to facilitate the sustainable development of the Company, it is recommended that the board of directors of the assessed company can resolve the strategic direction for establishing a succession program of professionals in the future. The program will then be implemented by the management team, so that the management of different operational departments can conduct successful succession. The following approaches may be adopted by referring to the practices of other enterprises: Identify and confirm the levels of all supervisors, verify the relevant talents of the company and create a talent pool. Select several potential successors by supervisors at all levels, and then set and implement different short-term, mid-term and long-term development plans for the selected talents at all levels. The effectiveness of the talent development plan will be regularly reviewed and the company's talent development plan will be revised through stipulation of relevant policies, to prevent the inadequacy of professionals.

(V) Strengthen the communication between employees and management

It is recommended to disseminate the existing communication channels to the employees and encourage employees to use these communication channels to make suggestions to the assessed companies for their reference, so that the assessed companies can understand the opinions of employees in a timely manner and accomplish the goal of talent retention.

To understand the opinions of employees in a timely manner and accomplish the goal of talent retention.

II. Internal self-evaluation:

The Company's 2019 internal performance assessment for the Board of Directors and functional committees has been completed. The assessment scope includes the performance assessment of the entire Board of Directors, individual directors, Audit Committee and Remuneration Committee; there are 5 scoring levels for each assessment item (indicator), including "Excellent (5), Good (4), Fair (3), Poor (2), and Very Poor (1)." The assessment results are summarized as follows:

(I) Self-assessment on the operating performance of the Board of Directors:

The performance assessment for the Board of Directors includes five aspects and a total of 45 indicators. There 39 items are evaluated as "Excellent (5)" and 6 items are evaluated as "Good (4)." The average attendance rate of directors is 96.67% in 2019. All directors have a clear understanding of the Company and the industry. They evaluate and supervise the Company's business operations and supervise the corporate governance. They have good interaction with the management team and fully dedicate their expertise to the Company. The average score of the board's performance assessment was 4.86 (out of 5.0) in 2019. The overall performance of the Board of Directors and the operation status is good, which fulfill the requirements of corporate governance.

Five major self-assessments	Assessment subjects	Assessment results
A.Participating level for the Company's business	12 Items	4.83
B.Enhancing the decision-making quality for the board	12 Items	4.92
C.Composition and structure of the board	7 Items	4.86
D.Directors' election and continuous education	7 Items	4.71
E.Internal control	7 Items	5.00

(II) Self-assessment on the operating performance of the Audit Committee:

The performance assessment for the Audit Committee includes five aspects and a total of 22 indicators. There 21 items are evaluated as "Excellent (5)" and 1 item is evaluated as "Good (4)." The average score of the Audit Committee's performance assessment was 4.95 (out of 5.0) in 2019, which indicates that the overall operation of the Audit Committee is able to meet the requirements of corporate governance, and hence it is able to effectively enhance the capability of the Board of Directors.

Five major self-assessments	Assessment subjects	Assessment results
A.Participating level for the Company's business	4 Items	4.75
B.Roles and responsibilities of the Functional Committee	5 Items	5.00
C.Enhancing the decision-making quality for the functional committee	7 Items	5.00
D.Composition of functional committee and selection of members	3 Items	5.00
E.Internal control	3 Items	5.00

(III) Self-assessment on the operating performance of the Remuneration Committee:

The performance assessment for the Remuneration Committee includes four aspects and a total of 19 indicators. There 18 items are evaluated as "Excellent (5)" and 1 item is evaluated as "Good (4)." The average score of the Remuneration Committee's performance assessment was 4.95 (out of 5.0) in 2019, which indicates that the overall operation of the Remuneration Committee is able to meet the requirements of corporate governance, and hence it is able to effectively enhance the capability of the Board of Directors.

Five major self-assessments	Assessment subjects	Assessment results
A.Participating level for the Company's business	4 Items	5.00
B.Roles and responsibilities of the Functional Committee	5 Items	4.80
C.Enhancing the decision-making quality for the functional committee	7 Items	5.00
D.Composition of functional committee and selection of members	3 Items	5.00

III. To enhance the capability of the Board of Directors and improve the operational efficiency of the Board of Directors, we discuss and make the feasible plan for improving the above mentioned indicator of diversification policy for board members in the aspect of "Selection of directors and continuous training"; the Board of Directors is expected to recruit an outstanding female professional as an independent

director at the by-election held at the shareholders' meeting on June 19, 2020, to enhance the diversification of the Board of Directors.

IV. The results of the aforesaid 2019 internal and external performance assessment for the Board of Directors and functional committees have been reported to the Company's Board of Directors on March 31, 2020.

Note 3: Evaluation items for CPAs' professional qualifications and the independence:

Evaluation Item	Yes	No
1. Not an employee of the Company or its related party.	V	
2. Not a director or supervisor of the Company or its affiliates (however, it is not applicable in case the person is an independent director of the Company, its parent company, or subsidiaries in which the Company holds more than 50% of the voting shares directly or indirectly).	V	
3. Not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Company, or who holds shares ranking in the top five holdings.	V	
4. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.	V	
5. Not having one of the circumstances stated in Article 30 of the Company Law.	V	
6. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.	V	
7. Not a person who should not serve as the Company's director, manager or a position that has significant influences on the auditing project within the last two years.	V	
8. Not a person who should not be involved in the Company's management functions for making decisions.	V	

Note 4: Implementation status of the corporate governance officer:

The Company's Board of Directors appointed Wu, Mai, vice president of the financial management center, as the officer of corporate governance on March 27, 2019, who is responsible for matters regarding corporate governance.

I. Main responsibilities:

1. Conduct matters in regard to the Board of Directors meeting, functional committees and shareholders' meetings in accordance with laws.
2. Responsible for the meeting minutes and meeting related affairs for the Board of Directors meeting, functional committees and shareholders' meeting.
3. Assist directors and managerial officers for matters regarding onboard and continuous training, and provide them with the required information and materials.
4. Assist directors and managerial officers to be in compliance with laws and regulations.
5. Assist in the implementation of job responsibilities of the Board of Directors or board members that are stipulated in laws or the Company's articles of incorporation.

II. Status of business performance in 2019:

1. Assisted in the independent directors and general directors to perform their duties, provided the necessary information as well as arranged the trainings for the directors:
 - (1) Provide the members of the Board of Directors with the information regarding the amendment and development of laws and regulations related to corporate governance.
 - (2) Provide organized and sufficient meeting materials for meeting members, as well as provide them with suitable and timely information and administrative assistance.
 - (3) Arrange meetings for independent directors and certified accountants to help the directors understand the Company's financial status; assist in arranging meetings for directors (including independent directors) and internal audit officers, if necessary, to discuss matters regarding internal control.
2. Assist in meeting procedures for the Board of Directors meeting and shareholders' meeting as well as resolution for legal compliance:
 - (1) Report matters related to the implementation status of corporate governance to the Board of Directors, independent directors, and Audit Committee.
 - (2) Verify that the Company's shareholders' meeting and board meeting are in compliance with relevant laws, regulations, and corporate governance rules.
 - (3) Assist and remind the directors of the laws and regulations to be aware of during the business implementation or making a formal resolution in the Board of Directors meeting.
 - (4) Responsible for reviewing the important resolutions of the Board of Directors for publication after the meeting, to ensure the legality and correctness of the content of important information and make sure that investors receive accurate information.
3. Organize and summarize the discussion issues for the board meeting and send out the meeting notice and required materials seven days prior to the meeting. If the discussion case is required to be avoided, a notice shall be given in advance and the meeting minutes of the board meeting shall be completed within 20 days after the meeting.
4. Supervise the registration date of the shareholders' meeting in advance, the preparation of meeting notices, the meeting manual, the meeting minutes within the statutory deadline, and conduct the matters and registration regarding amendment to the articles of incorporation.

III. The status of training courses in 2019:

On the basis of the “Key points for the Implementation of training courses for directors and supervisors of listed or OTC companies,” we conduct the business-related training courses and the vice president Wu, Mai has completed 18 hours of training courses within one year. The training status is as follows:

Title	Full name	Date of Education		Host Institution	Name of Course	Hours of Education
		From	To			
Vice President, Chief of Finance/Accounting and Officer of Corporate Governance	Wu, Mai	2019/11/13	2019/11/13	Taiwan Corporate Governance Association	Understanding and case analysis of prevention of money laundering and combating information terrorism	3
					Threat Management and Prevention for the New Generation Enterprise: Big data analysis and detection of corporate fraudulent practice	3
		2019/12/19	2019/12/19	Securities & Futures Institute	Advanced Seminar for Directors, supervisors (including independent) and Corporate Governance Officers -- Corporate Governance and the Latest Legal Amendment	3
		2020/2/18	2020/2/18	Taiwan Corporate Governance Association	Functions and assignments of corporate governance personnel under the blueprint of corporate governance	3
		2020/3/17	2020/3/17	Taiwan Corporate Governance Association	Review the battle for management ownership from the perspective of corporate governance	3
		2020/3/18	2020/3/18	Securities & Futures Institute	Employee Remuneration Strategy and Utilization of Tools	3

Note 5: The directors' and supervisors' trainings as well as managers' participation in the education and trainings of corporate governance are as follows:

Title	Full name	Date of Education		Host Institution	Name of Course	Number of Hours of Education Hours of Education
		From	To			
Chairman	Hsu, Kun-Tai	2019/11/13	2019/11/13	Taiwan Corporate Governance Association	Understanding and case analysis of prevention of money laundering and combating information terrorism	3
					Threat Management and Prevention for the New Generation Enterprise: Big data analysis and detection of corporate fraudulent practice	3
Vice Chairperson and President	Tsai, Ming-Hsien	2019/11/13	2019/11/13	Taiwan Corporate Governance Association	Understanding and case analysis of prevention of money laundering and combating information terrorism	3
					Threat Management and Prevention for the New Generation Enterprise: Big data analysis and detection of corporate fraudulent practice	3
Director and Executive Vice President	Chien, Yih-Long	2019/11/13	2019/11/13	Taiwan Corporate Governance Association	Understanding and case analysis of prevention of money laundering and combating information terrorism	3
					Threat Management and Prevention for the New Generation Enterprise: Big data analysis and detection of corporate fraudulent practice	3
Director	Lu, Jin-Zong	2019/11/13	2019/11/13	Taiwan Corporate Governance Association	Understanding and case analysis of prevention of money laundering and combating information terrorism	3
					Threat Management and Prevention for the New Generation Enterprise: Big data analysis and detection of corporate fraudulent practice	3
Independent Director	Chou, Po-Chiao	2019/08/28	2019/08/28	Corporate Organization Association	The Opportunities and Strategies for the Merger of Taiwanese Enterprises Under the China-US Trade War	3
		2019/11/13	2019/11/13	Taiwan Corporate Governance Association	Understanding and case analysis of prevention of money laundering and combating information terrorism	3
					Threat Management and Prevention for the New Generation Enterprise: Big data analysis and detection of corporate fraudulent practice	3

Independent Director	Chen, Tsung-Ming	2019/11/13	2019/11/13	Taiwan Corporate Governance Association	Understanding and case analysis of prevention of money laundering and combating information terrorism	3
					Threat Management and Prevention for the New Generation Enterprise: Big data analysis and detection of corporate fraudulent practice	3
Vice President, Chief of Finance/Accounting and Officer of Corporate Governance	Wu, Mai	2019/11/13	2019/11/13	Taiwan Corporate Governance Association	Understanding and case analysis of prevention of money laundering and combating information terrorism	3
					Threat Management and Prevention for the New Generation Enterprise: Big data analysis and detection of corporate fraudulent practice	3
		2019/12/19	2019/12/19	Securities & Futures Institute	Advanced Seminar for Directors, supervisors (including independent) and Corporate Governance Officers -- Corporate Governance and the Latest Legal Amendment	3
		2020/2/18	2020/2/18	Taiwan Corporate Governance Association	Functions and assignments of corporate governance personnel under the blueprint of corporate governance	3
		2020/3/17	2020/3/17	Taiwan Corporate Governance Association	Review the battle for management ownership from the perspective of corporate governance	3
		2020/3/18	2020/3/18	Securities & Futures Institute	Employee Remuneration Strategy and Utilization of Tools	3
Independent Director	Fan, Kuang-Sung (Dismissed date: 2020.04.01)	2019/11/13	2019/11/13	Taiwan Corporate Governance Association	Understanding and case analysis of prevention of money laundering and combating information terrorism	3
					Threat Management and Prevention for the New Generation Enterprise: Big data analysis and detection of corporate fraudulent practice	3
Senior Vice President and Chief of Finance/Accounting	Yu, Tien-Jung (Dismissed date: 2020.04.01)	2019/11/13	2019/11/13	Taiwan Corporate Governance Association	Understanding and case analysis of prevention of money laundering and combating information terrorism	3
					Threat Management and Prevention for the New Generation Enterprise: Big data analysis and detection of corporate fraudulent practice	3
		2019/11/14	2019/11/15	Accounting Research and Development Foundation	Continuous training course for accounting supervisors of the issuer's securities trading firm	12

(IV) If the Company has established the Remuneration Committee, its composition, responsibilities and operations shall be disclosed:

1. Information for Members of Remuneration Committee:

Position (Note 1)	Criteria Full name	Have at Least Five Years Work Experience and Meet the Following Professional Qualification			Independence Criteria (Note 2)										Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member	Remark Full Text Completed	
		An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Needed by the Business of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, CPA, or Other Professional or Technical Specialist Who Has Passed a National Examination and Been Awarded a Certificate in a Profession Needed for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Needed for the Business of the Company	1	2	3	4	5	6	7	8	9	10			
Other-Convener of Remuneration Committee	Chou, Po-Chiao		V	V	V	V	V	V	V	V	V	V	V	V	V	1	None
Other-Member of Remuneration Committee	Chen, Tsung-Ming			V	V	V	V	V	V	V	V	V	V	V	V	0	None
Other-Member of Remuneration Committee	Fan, Kuang-Sung (Dismissed date: 2020.04.01)			V	V	V	V	V	V	V	V	V	V	V	V	0	None

Note 1: For type of identity, please fill in the director, independent director or other.

Note 2: Please tick “✓” on the following blank space of the corresponding criteria that apply to the members during the two years prior to being elected or during the term of office.

- (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 (however, it is not applicable in cases where the person concurrently served as an independent director of the Company, its parent company, subsidiaries of the same parent company, which is established according to the Regulations or the local laws of the country).
- (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 of kinship, of any of the above persons listed in Subparagraph (2) and (3) or of the manager listed in (1).
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act (however, it is not applicable in cases where the person concurrently served as an independent director of the Company, its parent company, subsidiaries of the same parent company, which is established according to the Regulations or the local laws of the country).
- (6) Not if a majority of the Company’s director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company (however, it is not applicable in cases where the person concurrently served as an independent director of the Company, or its parent company, subsidiaries of the same parent company, which is established according to the Regulations or the local laws of the country).
- (7) Not if the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company are the same person or are spouses: a director, supervisor, or employee of that other company (however, it is not applicable in cases where the person concurrently served as an independent director of the Company, its parent company, subsidiaries of the same parent company, which is established according to the Regulations or the local laws of the country).
- (8) Not a director, supervisor, manager, or shareholder holding 5% or more of the shares, of a specified company or institution which has a financial or business relationship with the Company (however, it is not applicable in cases that if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the Company and where the person concurrently served as an independent director of the Company, its parent company, subsidiaries of the same parent company, which is established according to the Regulations or the local laws of the country).

- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer and their spouse of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation not exceeding NTD 500,000. However, this restriction does not apply to a member of the Remuneration Committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not having one of the circumstances stated in Article 30 of the Company Law.

2. Responsibilities of Remuneration Committee

- I. It shall be based on the care of a prudent administrator to faithfully fulfill the following duties, and shall submit its suggestions to the board of director for discussion:
- (I) Regularly review the “Remuneration Committee Charter” and provide the recommendation of the amendment.
 - (II) Establish and regularly review the annual and long-term performance goals of the Company’s directors and managers, as well as the policies, systems, standards and structure of the remuneration.
 - (III) Regularly evaluate the achievement status for the performance goals of the Company’s directors and managers, and set up its individual contents and amounts of the remuneration.
- II. While fulfilling the duties stated in the preceding paragraph, the following principles shall be followed:
- (I) Ensure the arrangement of the Company’s remuneration complies with the relevant laws and it is sufficient to attract the excellent talents.
 - (II) The performance assessment and remuneration of the directors and managers shall refer to the normal standards of remuneration in the same industry, and consider the person’s time involved, duties taken, achievement of personal goal, expression of other positions taken, the same positions’ remuneration paid by the Company in the recent years, as well as the achievement of the Company’s short-term and long-term goals and financial conditions etc., to evaluate the correlative reasonableness for the personal expression, the Company’s business performance and future risks.
 - (III) The Committee shall not lead the directors and managers to pursue the remuneration by engaging the acts which have the risks that the Company is unable to bear.
 - (IV) The ratio of bonus for the short-term performance of the directors and senior managers and the time to pay for partial variable remuneration shall be determined upon the characteristics of the industry and the nature of the Company’s business.
 - (V) The committee members shall not be involved in the discussing and voting the determination of their personal remuneration.
- III. The remuneration stated in the preceding two paragraphs includes cash remuneration, stock options, profit sharing and stock ownership, retirement benefits or severance pay, variance allowances and other substantive incentive measures; its scope shall be consistent with the regulations for the remunerations of the directors and managers stipulated in Regulations Governing Information to be Published in Annual Reports of Public Companies.
- IV. If the decision-making and handling of the remuneration for the directors and managers of the Company’s subsidiaries are delegated to the subsidiary but required the ratification of the Company’s board, the Remuneration Committee shall be asked to provide the suggestion first, and then submit to the board for discussion.

3. Operation of the Remuneration Committee

- (1) There are 3 members in the Company’s Remuneration Committee.
- (2) The term of office for the members: from June 25, 2018 to June 14, 2021. The Remuneration Committee held 3 meetings (A) in 2019. The qualification and attendance of the members are as follows:

Title	Full name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remark
Convener	Chou, Po-Chiao	3	0	100%	
Member	Chen, Tsung-Ming	3	0	100%	
Member	Fan, Kuang-Sung	3	0	100%	Dismissed on 2020.04.01

Other mentionable items:

- I. If the board of director declines to adopt or modifies the suggestions of the Remuneration Committee, it should specify the date of the board, session, contents of motion, resolution of the board of director, and actions taken by the Company for the Remuneration Committee's opinions (e.g. the remuneration passed by the Board of Director is better than the suggestions of the Remuneration Committee, the circumstances and causes for the difference shall be specified): No such circumstance in the year.
- II. If any resolution of the Remuneration Committee was objected by or subject to a qualified opinion from any member with record or written statement, the date of the meeting of the Remuneration Committee, session, contents of motion, all members' opinions and actions taken for the members' opinions shall be specified: No such circumstance in the year.
- III. The Company's board of directors passed the establishment of the "Remuneration Committee Charter" on December 13, 2011 and passed the Company's 4th term of the "employment of the members of the Remuneration Committee" on June 25, 2018.
- IV. The content of the Charter has been put on the Company's website and the Market Observation Post System for reference. The Company's website is [https://www.clevo.com.tw/Upload/InfoFile/Remuneration Committee Charter-1070327.pdf](https://www.clevo.com.tw/Upload/InfoFile/Remuneration%20Committee%20Charter-1070327.pdf)

Note:

- (1) If a member of the Remuneration Committee resigns before the end of year, the date of resignation shall be noted in the column of remark. The ratio of the attendance in person (%) shall be counted by the number of the meeting of the Remuneration Committee in the period of service and such member's actual number of attendances in person.
- (2) If the Remuneration Committee is re-elected before the end of year, both new and old members of the Remuneration Committee shall be filled in, and the information that such member is an old or a new member as well as the date of re-election shall be noted in the column of remark. The ratio of the attendance in person (%) shall be counted by the number of the meeting of the Remuneration Committee in the period of service and such member's actual number of attendances in person.

(3)

Summary Table of the Meetings Record for the Remuneration Committee:

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Description of the case	Chou, Po-Chiao	Chen, Tsung-Ming	Fan, Kuang-Sung	Resolution results	The company's process on the remuneration committee	Attend meeting as a non-voting delegate
1	2	2019.01.08	2019.01.18	Review the Company's year-end bonuses of the managers for the year of 2018.	V	V	V	It was passed by all the members of the Audit Committee.	It was passed by all the directors present.	Yu, Tien-Jung Lan, Bo-Yu
2	3	2019.03.13	2019.03.27	Review the Company's appropriated amount for the remuneration of the directors and supervisors as well as compensation of the employees for the year of 2018.	V	V	V	It was passed by all the members of the Audit Committee.	It was passed by all the directors present.	Yu, Tien-Jung Lan, Bo-Yu
3	4	2019.06.24	2019.07.08	Review the Company's compensation of managerial officers for the year of 2018.	V	V	V	It was passed by all the members of the Audit Committee.	It was passed by all the directors present.	Yu, Tien-Jung Lan, Bo-Yu
4	5	2020.03.23	2020.03.31.	Review the Company's appropriated amount for the remuneration of the directors and supervisors as well as compensation of the employees for the year of 2019.	V	V	V	It was passed by all the members of the Audit Committee.	It was passed by all the directors present.	Yu, Tien-Jung Lan, Bo-Yu

(V) Fulfillment Status of the Social Responsibilities and the difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons

Evaluation Item	Implementation Status (Note 1)		Abstract Illustration (Note 2)	The difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons									
	Yes	No											
I. Does the Company comply with the materiality principle and conduct the related risk assessment on major issues about environment, society and corporate governance related to the Company's operations, and adopt the related risk management policies or strategies? (Note 3)	V		<p>On the basis of the principles of corporate social responsibility, the Company refers to the guidelines for preparation of international reports and conducts analysis of major issues on a regular basis. Through research reports, literature review, and communication with internal and external stakeholders, the Company stipulates discussion content of all issues and their priorities, and conducts risk assessment and proposes strategic suggestions accordingly as well as stipulates the annual work plan. The Company also stipulate relevant risk management policies or strategies according to the risks after the assessment as follows:</p> <table border="1"> <thead> <tr> <th>Major issues</th> <th>Risk assessment</th> <th>Risk management policy or strategy</th> </tr> </thead> <tbody> <tr> <td>Corporate governance</td> <td>Sustainable governance and legal compliance</td> <td>We have stayed true to the principles of corporate governance to ensure the effective operation of the Board of Directors and protect the rights and interests of stakeholders, with a high standard of corporate governance policy, professional background and gender equality policy of director election.</td> </tr> <tr> <td>Ethical corporate management and legal compliance</td> <td>·Anti-corruption practices ·Anti-competitive practices ·Socioeconomic compliance</td> <td>We have stayed true to the highest ethical standard for our business operations and we have stipulated regulations for ethical corporate management and requested new employees to sign relevant documents in order to ensure that all of our business practices comply with the relevant legal requirements. We adopt a zero-tolerance policy for any misconduct that violates business ethics. With the regular reminders and internal propaganda by the auditing unit, we are committed to reinforcing our employees' concept of ethical management and legal compliance, to prevent misconduct.</td> </tr> </tbody> </table>	Major issues	Risk assessment	Risk management policy or strategy	Corporate governance	Sustainable governance and legal compliance	We have stayed true to the principles of corporate governance to ensure the effective operation of the Board of Directors and protect the rights and interests of stakeholders, with a high standard of corporate governance policy, professional background and gender equality policy of director election.	Ethical corporate management and legal compliance	·Anti-corruption practices ·Anti-competitive practices ·Socioeconomic compliance	We have stayed true to the highest ethical standard for our business operations and we have stipulated regulations for ethical corporate management and requested new employees to sign relevant documents in order to ensure that all of our business practices comply with the relevant legal requirements. We adopt a zero-tolerance policy for any misconduct that violates business ethics. With the regular reminders and internal propaganda by the auditing unit, we are committed to reinforcing our employees' concept of ethical management and legal compliance, to prevent misconduct.	No deviation.
			Major issues	Risk assessment	Risk management policy or strategy								
			Corporate governance	Sustainable governance and legal compliance	We have stayed true to the principles of corporate governance to ensure the effective operation of the Board of Directors and protect the rights and interests of stakeholders, with a high standard of corporate governance policy, professional background and gender equality policy of director election.								
Ethical corporate management and legal compliance	·Anti-corruption practices ·Anti-competitive practices ·Socioeconomic compliance	We have stayed true to the highest ethical standard for our business operations and we have stipulated regulations for ethical corporate management and requested new employees to sign relevant documents in order to ensure that all of our business practices comply with the relevant legal requirements. We adopt a zero-tolerance policy for any misconduct that violates business ethics. With the regular reminders and internal propaganda by the auditing unit, we are committed to reinforcing our employees' concept of ethical management and legal compliance, to prevent misconduct.											

Evaluation Item	Implementation Status (Note 1)			Abstract Illustration (Note 2)	The difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No			
				<p>Legal compliance regarding environmental protection regulations</p> <p>We proactively stipulate environmental management policies and setting goals and indicators for the management, to be used as a standard of practices for environmental management system and operation. The management policy is stipulated by the general manager and the importance of environmental management is promoted to employees through different channels. Our employees are required to implement the management policy into daily business operations and constantly review and improve the environmental management system to facilitate their performance and practices, to continuously fulfill the objective of environmentally friendly. The environmental management policy includes:</p> <ul style="list-style-type: none"> ·Follow the relevant regulations of environmental protection laws and regulations to be a legal compliance enterprise. ·Take preventive measures for pollution prevention to reduce the impact on the environment. ·Continuously improve the environmental management program and fulfill the responsibility of earth protection. ·Proactively sort and recycle waste generated by the operations of the Company. ·Establish communication and propaganda channels for the environmental management system and keep external communication on a frequent basis. <p>Note: No violation against environmental protection regulations in 2019.</p>	
				<p>Product safety</p> <p>Customers' health and safety</p> <p>To achieve the production processes with product safety and environmentally friendly, the specifications of ISO system are adopted in the design stage. It is deemed as an important objective to be in accordance with international specifications and standard requirements, so that our products can maintain their functionalities competitiveness on the market.</p>	
				<p>Economic performance</p> <p>Economic performance</p> <p>Every year, the Company has set its operating goals for the next 5 years and the goals will be revised according to the status of the global economy on a yearly basis, to facilitate the strategies and implementation plans for the future and drive forward to the goal of stable growth.</p>	
				<p>Market image</p> <p>Customer's privacy</p> <ul style="list-style-type: none"> · Stipulate the "customer services management" and "control procedures for unqualified products" procedures as well as the handling methods and procedures for customer 	

Evaluation Item	Implementation Status (Note 1)			Abstract Illustration (Note 2)	The difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No			
				<p>complaints to serve customers with a standardized service mode.</p> <ul style="list-style-type: none"> ·Integrate the customer service offices, Customer Quality Service (CQS) and research and development units, as well as stipulate common countermeasures based on the feedback from the Field Application Engineer (FAE) and sales vice presidents, to comprehensively respond to consumer's needs. · Create a positive market image in order to earn the effect of increasing customer loyalty and satisfaction, as well as enhancing the business performance and competitiveness. 	
			Occupational safety and health	Occupational safety and health A safe and healthy working environment empowers the employees to demonstrate a high-efficiency and high-quality work performance as well as ensure their safety and health at the workplace.	
			Labor Relations:	·Labor Relations ·Labor/management relations: The Company is human oriented and employees are important partners to us. We believe that a positive and active workplace culture is based on happy and healthy employees, and thus work efficiency can be enhanced and qualified personnel can be retained.	
II. Does the Company set up the exclusively (concurrently) dedicated department to drive its corporate social responsibilities, and the board of directors delegate the senior management level for handling, as well as report to the board of directors its implementation status?	V		<p>The Company has created a CSR working group in 2016 and the general manager has served as the convener who is responsible for the stipulation of corporate social responsibility strategies and policies, system establishment and the design of relevant management policies. The working group led its teams and all departments of the Company to implement the policies in the Clevo's operation processes and it is a dedicated unit for the sustainable development and management of Clevo Co. The Board of Directors also authorizes the high management to handle related matters and they regularly report the implementation status to the Board of Directors every year. The CSR working group includes 5 groups based on the work domains, including the corporate governance , employee care, social care, product and environment, customer care group; the members and supervisor of each group are selected from relevant units and suitable employees of the Company. The CSR working group conducts regular meetings, plans and coordinates the management, and discusses with each group for the implementation methods and goals of CSR-related projects in the future. In addition, the team is responsible for preparing the annual CSR report and matters regarding publishing.</p> <p>(1)Corporate Governance Team: Take charge of the Company's operation governance and finance related matters, including corporate governance, ethical management and compliance with laws etc.</p> <p>(2)Employee Care Team: Take charge of the employees' rights/benefits, education/training and</p>		No deviation.

Evaluation Item	Implementation Status (Note 1)		Abstract Illustration (Note 2)	The difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No		
			<p>compliance with labor laws.</p> <p>(3) Social Caring Team: Take charge of the corporate images, community participation and dealing with appeal.</p> <p>(4) Product Environment Team: Take charge of product lash, research/develop the green products and plan the policies and activities relating to environmental management for Clevo Co.</p> <p>(5)Customer Caring Team: Take charge of product responsibilities, maintaining the customer relationship and protecting the consumers' rights/benefits.</p>	
<p>III. Environmental issues</p> <p>(I) Does the Company establish the suitable environmental management systems upon its industrial characteristics?</p> <p>(II) Does the Company endeavor to utilize all resources more efficiently, and use the renewable materials that have less impact on the environment?</p> <p>(III) Does the Company assess the potential risk and opportunity posed by climate changes to the enterprise, now and in the future, and take</p>	<p>V</p> <p>V</p> <p>V</p>	<p>(I)</p> <p>(II)</p> <p>(III)</p>	<p>The Company's main production and manufacturing factory is the Kunshan factory. Therefore, the relevant management systems and standards only created in the Kunshan factory and it had obtained the new version of certification ISO 14001: 2015 environmental management system on April 16, 2020 and the certification is valid until April 7, 2023.</p> <p>Every year, the Company continues to invest funds and resources for various operations such as implementation of water resources management, energy saving and carbon reduction, waste disposal and treatment, treatment of waste gas emissions and remedial measures, pollution prevention, and environmental management. The total invested amount in 2019 is NTD 1,649,265. The Company is also in accordance with the trend of environmentally friendly products and relevant environmental protection directives by the European Union such as WEEE (Waste Electrical and Electronic Equipment) Directives and Restriction of Hazardous Substances (RoHS) Directive, to develop environmentally friendly green electronic products in response to the changes in the consumer electronics market worldwide as well as consumers' focus on manufacturers' environmental protection subject.</p> <p>In accordance with the relevant laws and regulations regarding energy and greenhouse gases announced by other countries, Clevo actively faces the risks and opportunities brought by climate change and takes the initiative to stipulate the "Operational Procedures for Energy and Resources Management" with a reference of specifications of other organizations. It is used as the operational</p>	No deviation.

Evaluation Item	Implementation Status (Note 1)		Abstract Illustration (Note 2)	The difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No		
<p>responsive measures related to climate issues.</p> <p>(IV) Does the Company measure the annual greenhouse gas emissions, water consumption and gross weight of waste for the past two years, and stipulate policies for energy conservation and carbon reduction, greenhouse gas reduction, reduction of water consumption or management of other waste?</p>	V		<p>requirements for the use of energy and resources as well as guidelines for energy-saving and carbon-reduction practices which is also implemented in the environmental management system to monitor and improve the use of energy and resources on a regular basis, to reduce the environmental impact. It will be able to help us verify the environmentally friendly measures on the earth every year through the long-term recorded data and information disclosures, to verify whether we have gradually achieved the preset goals. The Company has adopted the program to reduce the consumption of natural resources, including improvement of energy efficiency for products, green supply chain management, management of raw materials and waste, reduction of product packaging and recycling, reduction of CO2 concentration in the operating headquarters, and enhancement of energy efficiency.</p> <p>(IV) The Company has stipulated the “Operational Procedures for Energy and Resources Management” and tracks data of greenhouse gas emissions every year. The Company’s sustainable operating goal is to “reduce 10% of emissions in 10 years” and the energy-saving measures are promoted in its production bases and operating headquarters. The detailed information regarding energy saving, carbon reduction and implementation status of greenhouse gas reduction, as well as the greenhouse gas emissions, water consumption and total weight of waste in the past are released in the corporate social responsibility report and on the website.</p>	
<p>IV. Social issues</p> <p>(I) Does the Company establish the relevant management policies and procedures according to relevant regulations and International Bill of Human Rights?</p>	V	(I)	<p>The Company is in compliance with internationally recognized human rights standards such as the “Universal Declaration of Human Rights,” “The United Nations Global Compact” and “International Labor Organization.” The Company has stipulated and implemented its human rights policies and the implementation principles include providing a safe and healthy working environment, eliminating illegalness and discrimination to ensure equal work opportunities, prohibiting forced labor, prohibiting child labor, assisting employees to maintain physical and mental health as well as</p>	No deviation.

Evaluation Item	Implementation Status (Note 1)		Abstract Illustration (Note 2)	The difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No		
(II) Does the Company stipulate and implement reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.), and adequately reflects the operating performance or results to the remuneration to employees?	V	(II)	<p>work-life balance, reviewing and evaluating related systems and practices on a regular basis.</p> <p>The Company proposes the standard and concept for talent recruitment and appointment based on the requirements of government regulations and policies, which is “kindred spirits, suitable talents at suitable workplaces.” The recruitment of new employees is not based on the factors such as gender or religion, and we aim to provide a fair and open way for employee recruitment. The Company has been actively planning various welfare programs for employees over the past many years, to create a fun life other than work, improve quality of life, enable employees to achieve a work-life balance, and facilitate the interaction between employees amongst various departments to make the culture of the working environment better and comprehensive. We also enhance good teamwork spirit and employee loyalty, to improve the work efficiency of our employees. Please refer to P93 of the annual report for our welfare measures and subsidies.</p> <p>The employee’s assessment and promotion methods are based on the Company’s performance assessment, and all employees will cooperate with the Company’s performance assessment schedule and conduct regular performance assessment. According to the practical operating status in the year, the evaluation items in the annual KPI and work plan form will be flexibly adjusted. The assessment result will be taken into consideration for the employee’s future promotion and salary adjustment. We encourage supervisors and employees to communicate and discuss face-to-face to enhance two-way communication. We will also formulate specific actions and plans based on the employees’ performance as well as future work priorities and directions. It is expected to strengthen the individual competitiveness of all employees.</p>	

Evaluation Item	Implementation Status (Note 1)		Abstract Illustration (Note 2)	The difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons												
	Yes	No														
(III) Does the Company provide the employees a safe and healthy working environment, and arrange the regular training relating to safety and health?	V		<p>The following are the average salary adjustment for employees in 2019:</p> <table border="1"> <thead> <tr> <th>Salary adjustment</th> <th>Remark</th> <th>Salary adjustment for non-managerial employees</th> <th>Remark</th> <th>Salary adjustment of managerial employees</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>1.0% ~ 5.0%</td> <td>None</td> <td>1.0% ~ 5.0%</td> <td>The salary adjustment is based on employees' job responsibility and performance, and the promoted employees will be given a salary adjustment for promotion.</td> <td>0 ~ 1.0%</td> <td>The salary adjustment will be given based on the performance of managerial officers , and their bonuses are based on the Company's overall business operations and individual performance .</td> </tr> </tbody> </table>	Salary adjustment	Remark	Salary adjustment for non-managerial employees	Remark	Salary adjustment of managerial employees	Remark	1.0% ~ 5.0%	None	1.0% ~ 5.0%	The salary adjustment is based on employees' job responsibility and performance, and the promoted employees will be given a salary adjustment for promotion.	0 ~ 1.0%	The salary adjustment will be given based on the performance of managerial officers , and their bonuses are based on the Company's overall business operations and individual performance .	
Salary adjustment	Remark	Salary adjustment for non-managerial employees	Remark	Salary adjustment of managerial employees	Remark											
1.0% ~ 5.0%	None	1.0% ~ 5.0%	The salary adjustment is based on employees' job responsibility and performance, and the promoted employees will be given a salary adjustment for promotion.	0 ~ 1.0%	The salary adjustment will be given based on the performance of managerial officers , and their bonuses are based on the Company's overall business operations and individual performance .											
			(III) 1.Arrange the health promotion activities to increase the colleagues' healthiness and prevent the diseases. 2.Arrange the courses of the health lectures regularly to enhance the colleagues' healthy awareness and healthy behaviors. 3.Arrange the safety and health training for new and existing laborers to teach the colleagues to													

Evaluation Item	Implementation Status (Note 1)		Abstract Illustration (Note 2)	The difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No		
(IV) Does the Company establish the effective training programs of the career capability development for its employees?	V	(IV)	<p>prevent occupational diseases and have the awareness of safety.</p> <p>4. Arrange the training for firefighting and first aid regularly to enhance the general sense of the fire-fighting and the ability to deal with emergencies.</p> <p>5. Enhance the quality of the working environment for employees, carry out 5S training, and arrange the factory's self-assessment and auditing activities for 5S.</p> <p>6. Arrange the propagation to inform the injury and promote the safety for the contractor, maintain the quality of construction and enhance the safety of the operational places for colleagues.</p> <p>The Company values the importance of education and training for employees and designs training related to job duties at various levels based on the "Systematic Diagram for Education and Training Development." The training is expected to gradually enhance the personal competitiveness of trainees. Every year, the human resources department will make a course plan based on the Company's strategic objectives for the year and the training demands proposed by each of the departments.</p>	
(V) Does the Company comply with relevant regulations and international standards to stipulate relevant consumer protection policies and complaint procedures in regard to the products and services for customer's health and safety , customer's privacy, marketing and labeling?	V	(V)	<p>For the marketing and labeling of the products and services, the Company complies with the relevant regulations and international standards. A dedicated after-sales department is also established to strengthen the relationship with customers and satisfy the customers' demands. The Company comprehensively implements and complies with the regulations for the protection of the consumers' rights/interests, and satisfaction of the customers is one of the Company's important strategies.</p>	
(VI) Does the Company stipulate management policies for suppliers that require suppliers to be environmentally friendly	V			

Evaluation Item	Implementation Status (Note 1)		Abstract Illustration (Note 2)	The difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No		
and comply with relevant standards, and their implementation status?			(VI) The Company has stipulated the “GP operation management procedures” for suppliers, which standardizes the procurement procedures for raw materials and parts. We also request our suppliers and outsourced vendors to sign “hazardous substance guarantee form” and “environment protection declaration,” and attach the chemical substance analysis report by a qualified laboratory or third-party notary agency, to ensure that their provided parts and components meet the Company’s current environmental requirements. In addition, we also conduct green factory assessment for our suppliers/outsourced vendors to verify whether the suppliers have obtained (or expected to obtain) the ISO14001 environmental management system certification and understand their implementation and management status.	
V. Does the Company refer to the standards or guidelines for preparation of international reports and prepare a corporate social responsibility report that discloses the non-financial related information of the Company? Did the preceding report obtain the verification or assurance opinion from a third-party notary agency?	V		The Company prepares the corporate social responsibility report based on the guidelines for international reports (GRI Standards) and entrusts an independent and credible third-party notary agency Ernst & Young to conduct the limited notarization according to the assurance standards bulletin No. 1 “notarization case that is not a historic auditing of financial information or verification.” The information is published on the Company’s website: http://www.clevo.com.tw	No deviation.
VI. If the Company established its corporate social responsibilities principles upon the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies,” please specify its implementation and deviation from its principles established: The Company has established the “Corporate Social Responsibilities Best Practice Principles” and the board of directors passed it on March 27, 2015. According to the relevant regulations of its principles, all chiefs of departments and colleagues are actively complying with these principles to drive corporate governance, develop the sustainable environment and safeguard the society's public welfare. There is no deviation from its principles established.				
VII. Other important information to facilitate a better understanding of its corporate social responsibilities practices:				

Evaluation Item	Implementation Status (Note 1)		Abstract Illustration (Note 2)	The difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No		

1. Material Natural Disasters and Other Donations:

Year	Note	Amount Put In (Unit: NTD)
2017	Donated the Taiwan Cancer New Life Association	10,000
	Donated the Caring Disadvantaged Individuals Association	10,000
	Donated the Jia-yi Charitable Group in Chiayi City to construct infrastructure - building up the bridges and paving the roads	20,000
	Donated the Xianse Temple in Sanchong District, New Taipei City	100,000
	Donated the Liver Disease & Treatment Research Foundation	199,000
2018	Sanchong District Office, New Taipei City	49,500
	Fire Department, New Taipei City Government	150,000
	Hualien Social Assistance Account	3,000,000
	Management Institute in Taipei	100,000
	Jia-yi Charitable Group in Chiayi City	20,000
	Genesis Social Welfare Foundation	10,000
	Decorated and Designed the Daxian Library, NCCU	1,000,000
	Liver Disease & Treatment Research Foundation	391,500
2019	Public Welfare Activities in 2019 - Warmth in the Winter, Care for the Underprivileged (Sanchong District Office)	38,610
	Sponsored the Modern HuaTuo Charity Seminar in 2019	100,000
	The 29th meal for the underprivileged - A year end dinner for solitary elderly, underprivileged, and underprivileged single	10,000

Evaluation Item	Implementation Status (Note 1)			Abstract Illustration (Note 2)	The difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No			
				mother	
				The Society of Wilderness	10,000
				Jia-yi Charitable Group in Chiayi City	20,000
				The home waiting babies association - employees parent-child family day -pick vegetables and fruits to donate to underprivileged groups	30,507
				Social Welfare and Public Welfare Trust, Clevo Co.	2,000,000
				New Taipei City Autism Service Association (employee's voluntary donation and it will not be listed in the accounting books)	15,514
				Public Welfare Activities in 2019 - Warmth in the Winter, Care for the Underprivileged (Sanhong District Office)	38,610
				Sponsored the Modern HuaTuo Charity Seminar in 2019	100,000
				Total	7,423,241
<p>2. Upon the spirit of putting itself in other's position, the Company cooperated with the Land Bank of Taiwan to sign a Public Welfare Trust Account of NTD 10 million on December 12, 2018. Starting in 2019, the amount of NTD 2 million will be dedicated to various public welfare activities every year.</p> <p>3. Society Co-Prosperity</p> <p>(1) Open up the employee canteen: There were 20,896 person-times from the community's neighbors and nearby office building's persons came to eat at the Clevo's employee canteen in 2019.</p> <p>(2) Free vendor shop by the charity groups: Provide the basement space in the Taipei headquarters building to the charity groups for free, for them to sell products. As of the end of 2019, a total of 7 vendor shop activities have been organized</p> <p>(3) Clevo Building Ubike Operation Station: 2019 statistics: the number of times used was 47,070, which had reduced the carbon dioxide emissions by 4,707 kg/CO2 and was equivalent to plant 5,230 trees.</p> <p>(4) Charitable blood donation: Join the charitable event with Clevo: the Taipei Blood Donation Center invited Clevo for the second time, to participate in a blood donation event at the end of January, 2020. A total of 75 people participated in blood donation this time, with a total of 28,250 ml of blood donation and a total of 113 donated bags of blood.</p> <p>(5) Execution the Environmental Protection Day-to-Day: the computers, monitors and keyboards which are written off by employees will be sorted out the ones with normal appearance and usable functions to donate to the Green Miracle Public Welfare Platform. The total donations in 2019 were 33 units of notebook, and 3 units of LCD monitor.</p> <p>(6) Love Earth By Using Eco-Friendly Tableware: Since December 2017, every employee has received the eco-friendly tableware set and 333</p>					

Evaluation Item	Implementation Status (Note 1)		Abstract Illustration (Note 2)	The difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No		
			<p>exercise mug. All new employees have received the eco-friendly tableware set and 333 exercise mug when they were on board in 2019.</p> <p>(7) Recycling Rubbish: In response to the government's spirit for classifying rubbish, the Clevo usually uses the slogans and bulletins to remind the colleagues to classify the rubbish. Every floor of Taipei headquarters sets up the dedicated area for recycling the resources. The Buddhist Compassion Relief Tzu Chi Foundation will bi-weekly collect the papers, plastics containers, waste batteries and packaging materials for recycling in order to reduce the rubbish. And the Tzu Chi will transform the recycled rubbish into resources. The Clevo's income from selling the recycled resources will be fully donated to the Tzu Chi for the purpose of charitable public welfare.</p> <p>4. 2019 Highlight Projects and Performances:</p> <p>(1) The original validity period of the "automated external defibrillator (AED) safety site certification" had expired in November 2019. We apply and obtain the "automated external defibrillator (AED) safety site certification" again in order to provide a safe and secure working environment for our employees, enhance the corporate reputation, create friendly neighborhoods, and fulfill its corporate social responsibilities.</p> <p>(2) Warmth in the winter and resource donation: we cooperate with the Sanchong District Office to integrate resources and provide them with necessary assistance. In 2019, a total of 10 winter quilts and 50 police alarm devices were donated to the underprivileged groups. In addition, we have also cooperated with the Care Association of Yilan County, the Taipei Mental Rehabilitation Families Association and the Social Affairs Service Center to collect one box of warm clothing for international fishermen, to care for the fishermen's health and needs.</p> <p>(3) Support for local small farmers: Starting in November 2019, we use the fresh milk from a single farm, and small farmers with unmixed ingredients and fair trade for our coffee machines. The average monthly cost is about 45,000 dollars. We expect to support and help the development of local farmers in Taiwan.</p> <p>(4) Support farmers in Taiwan: Guava was overstocking due to high production during the period from March to April in 2019; the Company's General Affairs Office made purchased from the farmers in Changhua, Yanchao, and Gangshan areas at reasonable prices before the price of guava tremendously dropped; we take practical actions to support and help the underprivileged farmers.</p> <p>(5) On Clevo's Family Day, we cooperate with local small farmers and nursery centers to organize activities and pick fruits and vegetables from the farming site, to encourage our employees to have fun with their children and put education into practice. By picking vegetables and fruits from the farming site in person and donating to disadvantaged groups to put education into practice and improve the parent-child relationship.</p> <p>(6) Inviting employees to adopt the Clevo piggy bank. In addition to cultivating a good saving habit, it also advocates to help others. The small coin with great love for raising a total of 15,514 dollars at the end of the year and Clevo donated the entire amount of funds to the Autism Service Association, to provide the resources required for autism service.</p> <p>(7) Facilitate and promote workplace health; in 2019, we cooperated with the health center of Sanchong District Office to conduct the "Healthy workplace and embrace the blue sky" event. The event includes activities such as one-stop health screening, functional exercise, fitness testing, bone density test, and a total of 5 health seminars.</p>	

Evaluation Item	Implementation Status (Note 1)		Abstract Illustration (Note 2)	The difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No		
The aforesaid affairs and results relating to the corporate social responsibilities will be disclosed on the Company's website regularly as well as on the corporate social responsibility report.				

Note 1: If the operation status is checked with "Yes," please explain the adopted important policy, strategy, measure and implementation status; if the operation status is checked with "No," please explain the reason and the adopted relevant policy, strategy and measure for the future.

Note 2: If the Company has prepared a corporate social responsibility report, it can indicate the way of reviewing the corporate social responsibility report in the operation status and the index pages.

Note 3: The principle of major issues refers to the subjects regarding environmental, social and corporate governance issues that have a significant impact on the Company's investors and other interested parties.

(VI) The difference from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons:

Evaluation Item	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Abstract Illustration	
<p>I. Develop the Policies and Programs for Ethical Corporate Management</p> <p>(I) Has the Company stipulated the ethical corporate management policy approved by the Board of Directors and expressed the policies and practices for ethical corporate management in its regulations and external documents, as well as the commitment of the Board of Directors and high management to actively implement ethical corporate management?</p> <p>(II) Does the company create an assessment mechanism for the risk of misconduct, regularly analyze and assess business activities with high risks of misconduct, and stipulate a plan to prevent misconduct which includes all of the preventive measures stipulated in the second paragraph of Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”?</p> <p>(III) Has the Company stipulated a plan to prevent misconduct, and specify operating procedures, behavioral guidelines, disciplinary and grievance systems for violations in each program, and put them in place? And regularly review and revise the</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(I) In order to align the Company’s directors and managers with ethical standards, and to make the Company’s stakeholders more aware of its ethical standards, the Company has stipulated the Codes of Ethical Conduct, Ethical Corporate Management Best Practice Principles, and the Procedures for Ethical Management and Guidelines for Conduct. According to the systems for director’s avoidance of conflict of interest set out in the Procedural Rules of the Board of Directors Meetings, for matters that are of interest to a director or the legal person he/she represents, and that are harmful to the interests of the Company, the director shall not participate in the discussions for and voting on those matters.</p> <p>(II) The Board of Directors of the Company had passed the “Ethical Corporate Management Best Practice Principles” in 2015 and Article 7 of the principles clearly define that “the Company should create an assessment mechanism for the risk of misconduct, regularly analyze and assess business activities with high risks of misconduct, stipulate a prevention program, and regularly review the appropriateness and effectiveness of the prevention program” according to the requirements of the competent authority. And prevent misconduct based on the Company’s “Procedures for Ethical Management and Guidelines for Conduct.” The operating procedures and guidelines for conduct have included all of the preventive measures stipulated in the second paragraph of Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.”</p> <p>(III) The precautionary measures against offering and accepting bribes, and providing illegal political donations have stipulated in the Company’s Procedures for Ethical Management and Guidelines for Conduct. The Company’s administrative management center, in addition to amending the Procedures for Ethical Management and Guidelines for Conduct, is put in charge of supervising the implementation thereof.</p>	No deviation.

Evaluation Item	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Abstract Illustration	
preceding plan?				
<p>II. Implementation of Ethical Corporate Management</p> <p>(I) Does the Company assess the integrity records of the counter parties, and specify the terms of good faith in its contracts with the counter parties?</p> <p>(II) Has the Company set up a dedicated unit under the Board of Directors that promotes ethical corporate management and reports its ethical corporate management policy and plan for the prevention of misconduct as well as the implementation status to the Board of Directors on a regular basis (at least once a year)?</p> <p>(III) Has the Company developed a policy to prevent conflicts of interest, provided a proper presentation channel, and put such policy in place?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(I) In addition to complying with the Company's Procedures for Ethical Management and Guidelines for Conduct, when entering into a commercial contract with other parties, in addition to fully understanding their status about ethical corporate management, the contract shall be performed in good faith; Before signing a contract, ethical corporate management will be included in the terms of the contract if the Company deems it necessary subject to amendments thereto in light of the type of the contract.</p> <p>(II) The dedicated department to drive the Company's ethical management is the administrative management center, who shall cooperate with the audit office to establish the relevant regulations. The president will act as convener to handle the amendment, implementation, explanation and consultative services for the "Procedures for Ethical Management and Guidelines for Conduct" as well as announce its contents, registration and filing etc., and shall supervise its implementation. The dedicated department shall annually report to the board of direct for its implementation status. Provide a proper presentation channel to prevent conflicts of interest. The Company has stipulated the Ethical Corporate Management Best Practice Principles, and the Procedures for Ethical Management and Guidelines for Conduct in 2015. 2019 implementation status of the ethical management has been reported to the board of directors on March 31, 2020. Please refer to P52 of the annual report for its implementation status</p> <p>(III) The Company's Board of Directors shall exercise due care of a good administrator in supervising the Company to prevent dishonesty, and review the implementation effectiveness and continuous improvement at any time to ensure that ethical corporate management policy is put into effect. The Company has stipulated the "Codes of Ethical Conduct," "Rules for Ethical Business operations" and "Procedures for Ethical Management and Guidelines for Conduct" which have clearly stated the policy for preventing the conflicts of</p>	No deviation.

Evaluation Item	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Abstract Illustration	
(IV) Has the Company established an effective accounting system and internal control system for the ethical corporate management, assigned internal auditing unit to stipulate relevant audit plan according to the assessment results for the risk of misconduct, as well as use it as reference for auditing and preventing on the compliance status of misconduct, or entrust CPAs to conduct the auditing	√		<p>interest, so that directors should be highly self-disciplined, and account for any proposed matter for consideration at the meeting of the Board of Directors if he/she or the legal person he/she represents may be interested therein. A director shall not participate in the discussions and voting, nor shall he/she exercise his/her own vote or by proxy on behalf of another director if the aforesaid conflicts of interest impair the interest of the Company. If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouses, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both their immediate supervisors and the Company's dedicated unit, and the immediate supervisor shall provide the personnel with proper instructions. No personnel of the Company may use the Company's resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.</p> <p>(IV) The Company has established a complete and effective internal control system, relevant management regulations, accounting systems, Ethical Corporate Management Best Practice Principles, etc., which are implemented and reviewed at any time to ensure that the design and implementation of the systems are effective. Internal auditors check business activities at regular intervals every year. If there is any act of dishonesty, an audit report will be made and reported to the Board of Directors. There was no misconduct in 2019.</p>	
(V) Does the Company hold education training in ethical corporate management inside and outside the Company on a regular basis?	√		<p>(V) The administrative management center that is the ethical management unit of the Company organizes education and training for new employees (including the concept of ethical corporate management) on a regular basis. 2019 implementation status of the Company is as follows:</p>	

Evaluation Item	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Abstract Illustration	
			<ol style="list-style-type: none"> 1. After participating in the education and training for the promotion of relevant regulations of ethical management, the new employees of Company shall sign the documents relating to the ethical management and the ethical conduct, including "Employee Confidentiality Agreement," "Honesty and Self-Discipline Commitment," "Employee Self-Discipline Convention" and "Employee Declaration." In 2019, 99 person-time of new employees had signed these documents; the signing ratio was 100%. 2. The Company propagates the norms relating to ethical conduct and ethical management to its employees on the Company's internal web page. In 2019, a total of 259 clicks are recorded on the relevant operating standards and regulations. 3. The employees can react or report the illegal acts through smoothly multi-channels to every management level and human resource department. And the Company actively declares its ethical management policies and its implementation status on its website and annual report. In 2019, there are no occurrences of illegal acts reported through hotline or e-mail. 4. The Company is planning the training relating to ethical management for all employees with the e-learning approach in 2020. 	
<p>III. Operation of the Company's Whistle-blowing System</p> <p>(I) Has the Company put in place the specific whistle-blowing and reward system, established a convenient reporting channel, and assigned appropriate personnel to deal with whistle-blowing?</p>	V		<p>(I) When a director or manager violates the Codes of Ethical Conduct, he/she shall be reported to the Board of Directors for treatment. The Board of Directors shall appoint one or more persons to investigate his/her behavior. In case of any violation, the Board of Directors may punish him/her depending on the seriousness of the case. Information such as the title, name, date of violation, cause, the guidelines which have been violated, and punishment about the person who has violated the Codes of Ethical Conduct should be disclosed immediately on the Market Observation Post System if such violation is material. Those who violate ethical standards may appeal to the Board of Directors.</p> <p>The Company encourages internal and external personnel to report on unfaithful behavior or misconduct, and pay bonuses to them at its own discretion depending on the seriousness of the case. Any internal personnel</p>	No deviation.

Evaluation Item	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Abstract Illustration	
(II) Has the Company set the investigation standards, operating procedures, follow-up measures after the investigation and related confidentiality mechanisms for the reported complaints?	V		<p>who are found to have fraudulently reported or made malicious allegations, should be subject to disciplinary punishment, up to and including termination. The Company has established and announced internal independent mailboxes or special lines for complaints on the Company's website and the Intranet, or has other external independent agencies to provide such mailboxes and special lines for use by internal and external personnel.</p> <p>(II) The mechanisms for operations and confidentiality have been stipulated in accordance with the "Codes of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct" and the compliant system. The Company shall keep confidentiality of information on whistleblowers or the personnel involved in the investigation as well as the investigation content.</p>	
(III) Has the Company taken measures to protect whistle-blowers from retaliation due to reporting?	V		<p>(III) The company has created a complaint system which aims to maintain the Company's reputation, safeguard the property, prevention of corruption, theft, embezzlement or other violations of laws and regulation that affect the rights and interests of shareholders, employees and business partners, and protect the safety of whistleblowers. The company will also keep the identity of whistleblowers and reports in confidentiality. When discovering or receiving reports on dishonest acts of the Company's personnel, the Company should immediately find out the truth. If the violators can produce any evidence indicating that they have not violated the Company's regulations, they can immediately appeal to the Administrative Management Center. If it is confirmed that the violators are in violation of the relevant laws or the Company's policies and regulations for ethical corporate management, they are required to immediately stop the relevant act, and subject to disciplinary actions; a claim for damages will be made by the Company if necessary through legal proceedings to maintain the Company's reputation and interests. The Company guarantees that the identity of the individuals lodging complaints or whistle-blowers, and the information provided by them will be kept in absolute confidentiality in accordance with the laws, and they will not be punished for reporting.</p>	

Evaluation Item	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Abstract Illustration	
			Contact information: Reporting mailboxes Chinese: 24199 三重郵局第 3-96 號信箱 English: P.O.BOX 3-96 Sanchong New Taipei City 24199 Taiwan (R.O.C.) E-Mail address : audit@clevo.com.tw Special line: (02)2995-0299	
IV. Enhancing Information Disclosure (I) Has the Company disclosed the contents and implementation effectiveness of the Ethical Corporate Management Best Practice Principles on its website and the Market Observation Post System?	V		The Company had disclosed the contents of the Ethical Corporate Management Best Practice Principles on its website and the Market Observation Post System. The status of implementation effectiveness is also disclosed in the annual report and corporate social responsibility report. Please refer to the Company's website for details: http://www.clevo.com.tw	No deviation.
V. If the Company has enacted the Ethical Corporate Management Best Practice Principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe the difference between its operation and the stipulated principles: No difference.				
VI. Other important information helpful for better understanding of ethical corporate management: (such as the review of and amendments to the Ethical Corporate Management Best Practice Principles, etc.):				
<ol style="list-style-type: none"> 1. The Company's "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" which were established on March 27, 2015 has been amended with the approval of the board of director dated on March 27, 2018, and have been reported to the shareholders' meeting according to laws. 2. The Company complies with the Company Act, Securities and Exchange Act, the relevant laws and regulations related to listing or other codes of business conduct as the basis for the implementation of ethical corporate management. 3. According to the systems for director's avoidance of conflict of interest set out in the "Procedural Rules of the Board of Directors Meetings," for proposals submitted to a meeting of the Board of Directors that are of interest to a director or the legal person he/she represents, the director may express his/her opinions and answer questions, but he/she shall not participate in the discussions for and voting on those proposals, nor shall he/she exercise his/her own vote or by proxy on behalf of another director if the aforesaid conflicts of interest impair the interest of the Company. 4. The "Procedures for Handling Major Internal Information Operation and Preventing Insider Trading" developed by the Company specifically stipulate that directors, managers and servants are not allowed to disclose the major internal information they are aware of to others, and may not inquire about or collect the unrevealed and major internal information irrelevant to personal duties from those who are aware of the major internal information within the Company. No unrevealed and major internal information acquired not through conduct of business shall be disclosed to others. 				

(VII) If the Company has established the Corporate Governance Best Practice Principles and the related regulations, it should disclose how to inquire about such principles:

1. In order to establish a good corporate governance system, the Company has established the Corporate Governance Best Practice Principles which shall be followed by all the members of the Company.
2. In order to align the Company's directors and managers with ethical standards, and to make the Company's stakeholders more aware of its ethical standards, the Company has stipulated the "Codes of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," and the "Procedures for Ethical Management and Guidelines for Conduct."
3. In order to establish a good mechanism for handling and disclosing major internal information of the Company, to avoid improper disclosure of information, to ensure the consistency and correctness of the information made publicly available by the Company, and to strengthen the prevention and management of insider trading, the Company has established the "Operating Procedures for Handling Major Internal Information and Prevention of Insider Trading" which shall be followed by all the employees.
4. Please visit <http://www.clevo.com.tw> for the related codes or management procedures.

(VIII) Other important information that is useful to better understand the corporate governance operations shall also be disclosed:

The information about corporate governance on the Company's website can be assessed at

https://www.clevo.com.tw/group_company.asp?id=51&lang=tw

(IX) Implementation Status of Internal Control Systems
1. Statement of Internal Control.

CLEVO CO.

Statement of Internal Control System

Date: March 31, 2020

Based on the self-assessment of the Company's internal control system for 2019, we declare that:

- I. The establishment, implementation and maintenance of an internal control system are the responsibility of the Company's Board of Directors and management. The Company has established such a system, designed to provide reasonable assurance with respect to the effectiveness and efficiency of business operations (including profitability, performance and safeguarding of assets), the preparation of reliable, timely and transparent financial statements, and their compliance with the relevant rules and regulations.
- II. An internal control system, no matter how well designed, has inherent limitations and therefore can provide only reasonable assurance with respect to the accomplishment of the above goals. Furthermore, because of changing conditions and circumstances, the effectiveness of an internal control system may vary over time. Notwithstanding, the internal control system of the Company contains self-oversight mechanisms, and actions are taken to correct deficiencies as they are identified.
- III. The Company examined the design and effective implementation of its internal control system according to the criteria prescribed in the Regulations Governing Establishment of Internal Control Systems by Public Companies (called the Regulations below). The "Regulations" divide internal control into five constituents in line with the process of management control: 1. Control environment, 2. Risk assessment, 3. Control operation, 4. Information and communication, and 5. Supervision. Each constituent contains several criteria. Please refer to the "Regulations" for details.
- IV. The Company has evaluated the effectiveness of design and implementation of its internal control system in accordance with the above criteria.
- V. Based on the results of examination, the Company believes that the design and implementation of its internal control system dated December 31, 2019 (including supervising and managing its subsidiaries), consisting of the effectiveness and efficiency of business operations, the preparation of reliable, timely and transparent financial statements, and their compliance with the relevant rules and regulations, are effective, and reasonably assure the achievement of the aforementioned goals.
- VI. This Statement will be a major part of the Company's annual report and prospectus, and will be made publicly available. The Company shall be held liable for misrepresentation or nondisclosure in the above content, according to Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement has been approved by the Company's Board of Directors at the meeting held on March 31, 2020, at which this Statement was unanimously endorsed by all 7 attending directors without any opposing opinions.

CLEVO CO.

Chairman: Seal

General Manager: Seal

Note 1: If there is a major deficiency in the design and implementation of the internal control systems of public companies identified in the year, the explanatory paragraph should be added to Paragraph 4 of the Statement of Internal Control System to list and explain the major deficiency found in the self-assessment, the improvement actions taken by the Company by the balance sheet date, and improvements.

Note 2: The date of statement is the "end of the fiscal year."

2. If accountants are entrusted with review of the internal control system, the review report issued by the accountants shall be disclosed: None.

(X) In the most recent year and up to the date of publication of the annual report, if the Company and its internal personnel have been punished according to the laws, or the punishment has been imposed on internal personnel by the Company for violation of the internal control systems, if the result of the punishment may have a significant impact on shareholders' rights and interests or securities prices, the content of the punishment, major defects and improvement shall be listed: Not applicable.

(XI) Important resolutions passed at the meetings of shareholders and the Board of Directors in the most recent year and up to the date of publication of the annual report.

1. The significant resolutions passed at the general meeting of the Company held on June 18, 2019, and implementation are as follows:

(1) Reports on Company Affairs

Subject 1: Business Report for 2018

Subject 2: Report on the Final Statement for 2018 audited by the Board of Auditors

Subject 3: Report on payment of compensation to employees, directors and supervisors in 2018

Subject 4: Report on the Implementation of Treasury Stock of the Company

Subject 5: Report on Amendments to the Company's Regulations Governing Transfer of Repurchased Shares to Employees.

(2) Matters to be Ratified

Subject 1: Adoption of the final accounts of 2018 for the Company.

Progress: This proposal has come into effect after being passed at the shareholders' meeting.

Subject 2: Adoption of the Statement for Distribution of Earnings for 2018.

Progress: This case will take effect immediately upon the approval by the shareholders' meeting. The distribution of earnings in 2018 includes cash dividends of NTD 128,452,600 to shareholders and the distribution is expected to be completed on July 30, 2019.

(3) Discussions

Subject 1: Discussion about payment of cash out of capital reserves.

Progress: This proposal has come into effect after being passed at the shareholders' meeting. Cash was paid out of the capital reserves from the ordinary shares issued at a premium in excess of par value, equivalent to NTD 513,810,400 by July 30, 2019.

Subject 2: Discussion about the amendments to the Articles of Association of the Company.

Progress: This proposal has come into effect after being passed at the shareholders' meeting.

Subject 3: Discussion about the amendments to the Procedures for Acquisition or Disposal of Assets.

Progress: This proposal has come into effect after being passed at the shareholders' meeting.

Subject 4: Revise the discussion case of the Procedures for Transactions in Derivative Financial Products by the Company.

Progress: This proposal has come into effect after being passed at the shareholders' meeting.

Subject 5: Discussion about the amendments to the Procedures for Lending Funds to Others.

Progress: This proposal has come into effect after being passed at the shareholders' meeting.

Subject 6: Discussion about the amendments to the Procedures for Endorsement & Guarantee of the Company.

Progress: This proposal has come into effect after being passed at the shareholders' meeting.

(4) Election matters

Subject: By-election of one director of the Company.

The election results are as follows:

One director:

No.	Full name	Votes for election
F1XXXXX290	Lu, Jin-Zong	389,676,485

(5) Discussion item 2

Subject: Limitation on discharge of new directors and their representatives from non-compete obligations.

Progress: This proposal has come into effect after being passed at the shareholders' meeting.

2. Important resolutions passed at the Board of Directors meeting in the most recent year and up to the date of publication of the annual report:

Attendance of directors and supervisors: V =attendance, blank=absence

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Description of the case	Director			Independent Director			Attend meeting as a non-voting delegate
					Hsu, Kun-Tai	Tsai, Ming-Hsien	Chien, Yih-Long	Chou, Po-Chiao	Chen, Tsung-Ming	Fan, Kuang-Sung	
1	6	2019.03.18	2019.03.27	<ol style="list-style-type: none"> 1. Report on the implementation of the resolutions passed at the ninth meeting of the Board of Directors in 2018. 2. Report on internal audit of business. 3. Report on memorandum book for the Company's derivative commodity transactions. 4. Report on issuance and transfer of treasury shares. 5. Report on appraisal of performance of the Board of Directors in 2018 6. Report on implementation of ethical corporate management by the Company in 2018 7. Passed the Company's financial statements and business report for the year of 2018. 8. Adoption of and discussion about the distribution of remuneration to employees and directors for 2018 reviewed by the Company's Remuneration Committee. 9. Passed the appropriation of the Company's 2018 earnings. 10. Adoption of payment of cash out of capital reserves. 11. Adoption of a list of candidates for the directors nominated and review of the nominations by the Board of Directors. 12. Adoption of the appointment of the governance officer by the Company. 13. Passed the evaluation for the independence and professional qualifications of CPAs according to Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." 14. Adoption of amendments to the Articles of Association of the Company. 15. Passed the amendment to the Company's "Procedure for the Acquisition or Disposal of Assets." 16. Adoption of the amendments to the Procedures for Transactions in Derivative Financial Products by the Company. 17. Passed the amendment to the Company's "Procedure for the Lending Funds to Others." 18. Passed the amendment to the Company's "Procedure for the Endorsements and Guarantees." 19. Adoption of amendments to the Procedures for Transfer of Shares to Employees by Buyback of the Company. 20. Adoption of establishment of the Standard Operating Procedures for Handling Directors' Requirements. 21. Adoption of amendments to the Procedures for Appraisal of Performance of the Board of Directors. 22. Adoption of amendments to the Corporate Governance Best Practice Principles of the Company. 23. Passed the Company's 2018 internal control system, and the statement of internal control system issued upon the result of self-assessment. 24. Adoption of the endorsement & guarantee made by the Company. 25. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to 	V	V	V	V	V	V	Yu, Tien-Jung Wu, Mai Yi-Mei Liu Feng, Min-Juan

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Description of the case	Director			Independent Director			Attend meeting as a non-voting delegate
					Hsu, Kun-Tai	Tsai, Ming-Hsien	Chien, Yih-Long	Chou, Po-Chiao	Chen, Tsung-Ming	Fan, Kuang-Sung	
				financial institutions. 26. Adoption of the agenda for convening the general meeting for 2019, and the relevant operations.							
2	7	2019.04.26	2019.05.06	1. Report on the implementation of the resolutions passed at the first meeting of the Board of Directors in 2019. 2. Report on internal audit of business. 3. Report on memorandum book for the Company's derivative commodity transactions. 4. Approved the Company's first quarter financial statements in 2019. 5. Approved the loan of NTD 800 million to the CLEVO (CAYMAN ISLANDS) HOLDING COMPANY. 6. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions.	√	√	√	√	√	√	Yu, Tien-Jung Wu, Mai Yi-Mei Liu Feng, Min-Juan
3	8	2019.05.15	2019.05.24	1. Passed the disposal of real property for Shantou Buynow Mall Co., Ltd., a subsidiary of the Company. 2. Adoption of the proposed purchase of liability insurance for the Company's directors and important staff.	√	√	√	√	√	√	Yu, Tien-Jung Wu, Mai Feng, Min-Juan

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Description of the case	Director				Independent Director			Attend meeting as a non-voting delegate	
					Hsu, Kun-Tai	Tsai, Ming-Hsien	Chien, Yih-Long	Lu, Jin-Zong	Chou, Po-Chiao	Chen, Tsung-Ming	Fan, Kuang-Sung		
4	9	2019.06.11	2019.06.18	<ol style="list-style-type: none"> Adoption of the proposed ex-dividend date for 2019 Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions. Adoption of the proposal to repurchase the Company's shares for transfer to employees for the first time in 2019 	√	√	√	√	√	√	√	Yu, Tien-Jung Wu, Mai Feng, Min-Juan	
5	10	2019.07.01	2019.07.08	<ol style="list-style-type: none"> Passed the director's remuneration distribution case for 2018. Passed the independent directors' remuneration case for 2018. Passed the employees' compensation distribution case for 2018. 	√	√	√	√	√	√	√	Yu, Tien-Jung Wu, Mai	
6	11	2019.07.15	2019.07.25	<ol style="list-style-type: none"> Report on the implementation of the resolutions passed at the second to the fifth meeting of the Board of Directors in 2019. Report on internal audit of business. Report on memorandum book for the Company's derivative commodity transactions. Approved the Company's disposal of real property in Japan. Approved the Company's plan to buy back the first secured common corporate bonds in 2015. Approved the Company's issuance of the first secured common corporate bonds in 2019. Adoption of the Company's application for credit extension to financial institutions. 	√	√	√	√	√	√	Chen, Tsung Ming Tai	Wu, Mai Yi-Mei Liu	
7	12	2019.08.02	2019.08.13	<ol style="list-style-type: none"> Report on the implementation of the resolutions passed at the sixth meeting of the Board of Directors in 2019. Report on internal audit of business. Report on memorandum book for the Company's derivative commodity transactions. Approved the Company's second quarter financial statements in 2019. 	√	√	√	√	√	Fan, Kuang-Sung	√	Yu, Tien-Jung Wu, Mai Yi-Mei Liu Feng, Min-Juan	
8	13	2019.10.23	2019.11.05	<ol style="list-style-type: none"> Report on the implementation of the resolutions passed at the seventh meeting of the Board of Directors in 2019. Report on internal audit of business. Report on memorandum book for the Company's derivative commodity transactions. Approved the land development project in the special zone C1/D1 (east half of the street) of Taipei Main Station for the investment in the gateway project of West District in Taipei City. Approved the proposed case of loan to subsidiaries. Passed the Company's proposal of endorsements and guarantees. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions. Passed the Company's 2020 audit plan. Adoption of the proposed changes to the Company's R&D supervisor. 	√	√	√	√	√	√	√	Yu, Tien-Jung Wu, Mai Yi-Mei Liu Feng, Min-Juan	
9	14	2019.11.05	2019.11.13	<ol style="list-style-type: none"> Approved the Company's third quarter financial statements in 2019. 	√	√	√	√	√	√	√	√	Yu, Tien-Jung Wu, Mai Yi-Mei Liu Feng, Min-Juan
10	15	2020.02.26	2020.02.27	<ol style="list-style-type: none"> Adoption of amendments to the Procedures for Transfer of Shares to Employees by Buyback of the Company. Adoption of the proposal to repurchase the Company's shares for transfer to employees for the first time in 2020. 	√	√	√	√	√	√	√	√	Yu, Tien-Jung Wu, Mai

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Description of the case	Director				Independent Director			Attend meeting as a non-voting delegate
					Hsu, Kun-Tai	Tsai, Ming-Hsien	Chien, Yih-Long	Lu, Jin-Zong	Chou, Po-Chiao	Chen, Tsung-Ming	Fan, Kuang-Sung	
11	16	2020.03.23	2020.03.31	<ol style="list-style-type: none"> 1. Report on the implementation of the resolutions passed at the eighth and the ninth meeting of the Board of Directors in 2019, and at the first meeting thereof in 2020. 2. Progress report of the Company's investment in "Taipei Twin Towers Limited." 3. Report on internal audit of business. 4. Report on memorandum book for the Company's derivative commodity transactions. 5. Report on issuance and transfer of treasury shares. 6. Report on assessment of performance for the Board of Directors and functional committee in 2019 7. Report on implementation of ethical corporate management by the Company in 2019 8. Report on the Company's capability of financial report preparation. 9. Approved the Company's financial statements and business report for the year of 2019. 10. Adoption of and discussion about the distribution of remuneration to employees and directors for 2019 reviewed by the Company's Remuneration Committee. 11. Passed the appropriation of the Company's 2019 earnings. 12. Adoption of payment of cash out of capital reserves. 13. Adoption of a list of candidates for the independent directors nominated and review of the nominations by the Board of Directors. 14. To cooperate with the accountant rotation policy of PwC Taiwan, the proposed case for changing the CPAs who issue financial reports to the Company was approved. 15. Approved the proposed changes to the Company's financial officer and accounting officer. 16. Subject: Passed the evaluation for the independence and professional qualifications of CPAs according to Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." 17. Passed the amendment to the Company's "Procedure for the Acquisition or Disposal of Assets." 18. Adoption of amendments to the Corporate Governance Best Practice Principles of the Company. 19. Passed the Amendments to the Company's "Corporate Social Responsibility Best Practice Principles" 20. Adoption of the proposed amendments to the Procedures for Ethical Management and Guidelines for Conduct made by the Company. 21. Passed the following amendment to the internal control system of the Company according to the provisions of the "Regulations for the Internal Control System of a Publicly Listed Company" by the Financial Supervisory Commission. 22. Passed the Company's 2019 internal control system, and the statement of internal control system issued upon the result of self-assessment. 23. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions. 24. Adoption of the agenda for convening the general meeting for 2020, and the discussion for relevant operations. 	V	V	V	V	V	V	V	<p>Yu, Tien-Jung Wu, Mai Yi-Mei Liu Feng, Min-Juan Wu, Han-Qi Bo-Wei Lin</p>

Number of Meetings	Number of Meetings This Term	Date of Notification	Date of Meeting	Explanation of Subject	Director				Independent Director		Attendance Without Voting Rights
					Hsu, Kun-Tai	Tsai, Ming-Hsien	Chien, Yih-Long	Lu, Jin-ZONG	Chou, Po-Chiao	Chen, Tsung-Ming	
12	17	2020.05.05	2020.05.14	1. Report on the implementation of the resolutions passed at the second meeting of the Board of Directors in 2020. 2. Report on internal audit of business. 3. Report on memorandum book for the Company's derivative commodity transactions. 4. Report on the implementation of Treasury Stock 5. Report on the implementation status of Taipei Twin Towers Limited 6. Report on the implementation of corporate governance 7. Approved the Company's first quarter financial statements in 2020. 8. Approved the new investment of USD 90 million in the YouJing Diverse Chinese Strategic Fund. 9. Adoption of the application for credit extension, and trade credit for transactions in derivative financial products to financial institutions.	V	V	V	V	V	V	Wu, Mai Yi-Mei Liu Wu, Han-Qi Shujuan Qiu

(XII) In the most recent year and up to the date of publication of the annual report, the major contents of the opposition expressed by directors or supervisors about the significant resolutions passed by the Board of Directors that has been noted in the records or declared in writing: None.

(XIII) Summary of the resignation and removal of the Company's chairman, general manager, chief accountant, treasurer, internal audit officer, corporate governance officer and R&D supervisor in the most recent year and up to the date of publication of the annual report:

Date: 2020.04.30

Title	Full name	Appointment date	Dismissed date	Reasons for Resignation or Dismissal
Supervisor in R&D department	Cheng, Wen-Pin		2019.12.01	Retired
Supervisor in R&D department	Lin, Nan-Sheng	2019.12.01		
Financial and accounting officer	Yu, Tien-Jung		2020.04.01	Job adjustment in the Group
Financial and accounting officer	Wu, Mai	2020.04.01		

Note: The "Relevant Persons of the Company" refer to chairperson, president, chief of accounting, chief of finance, chief internal auditor, corporate governance officer and chief of research and development etc.

V. Information about Certification Fees for CPAs

Range of Certification Fees for CPAs (Please check the matching range or fill in the amount)

Name of accounting firms	Name of CPAs		Audit Period	Remark
PwC Taiwan	Feng, Min-Juan	Wu, Han-Qi	2019.01.01~2019.12.31	None

Note: If the Company has CPAs or the accounting firm replaced during the year, please list the audit period, and describe the reasons for replacement in the remarks column.

Unit: NTD /thousand dollars

Range of amount		Item of fees	Audit fees	Non-audit fees-business registration	Total
1	Below NTD 2,000,000				
2	NTD 2,000,000 (inclusive) ~ NTD 4,000,000		4,100	130 (Note)	4,230
3	NTD 4,000,000 (inclusive) ~ NTD 6,000,000				
4	NTD 6,000,000 (inclusive) ~ NTD 8,000,000				
5	NTD 8,000,000 (inclusive) ~ NTD 10,000,000				
6	Over NTD 10,000,000 (inclusive)				

Note: Go through the procedures for changes to registration of capital decrease for cancellation of treasury shares.

- (I) If the non-audit fees paid to the CPAs, the accounting firms the CPAs work for and their affiliated companies accounting for more than one fourth of the audit fees, the amount of audit and non-audit fees, and non-audit services shall be disclosed: None.
- (II) If the audit fees paid during the year when the accounting firm is replaced are less than the previous year, the amount of the audit fees before and after the replacement, and the reasons for reduction shall be disclosed: None.
- (III) If the audit fees are reduced by more than 10% compared with the previous year, the amount, proportion and reasons for the reduction in the audit fees shall be disclosed: None.

VI. Information about Replacement of CPAs:

(I) Former CPAs

Date of replacement	2020.03.31		
Reasons for Replacement	Due to the rotation policy of PwC Taiwan, the Company has replaced the former CPA, Feng, Min-Juan, with the CPA, Liang,Hua-Ling, from the first quarter of 2020.		
The term of office for the appointer or accountant is terminated or he/she does not accept the appointment	Parties	CPAs	Appointer
	Status		V
	Voluntary termination of appointment		
	No further acceptance (continuation) of appointment		
Comments and reasons for review reports without qualified opinions issued within the period of most recent two years	No unqualified opinions expressed in 2018 No unqualified opinions expressed in 2019		
Is there any disagreement with the issuer?	Yes		Accounting principles or practices
			Disclosure of financial reports
			Verification scope or steps
			Others
	None	V	
	Description: not applicable		
Other disclosures (The matters referred to in Articles 10.6(1)-4 to 7 of these Principles shall be disclosed)	<p>(1) If the former CPA has informed the Company that a lack of a sound internal control system rendered its financial reports untrusted: None.</p> <p>(2) If the former CPA has informed the Company that he/she could not rely on the Company's statement or was unwilling to have any connection with the Company's financial reports: Non.</p> <p>(3) If the former CPA has informed the Company that it was necessary to expand the scope of audit, or the information indicated that the expansion of the scope of the audit would impair the credibility of the previously issued or forthcoming financial reports, however, the former CPA did not expand the scope of the audit due to replacement or other reasons: None.</p> <p>(4) If the former CPA has informed the Company that the credibility of the previously issued or forthcoming financial reports may be impaired based on the information gathered, however, the former CPA did not deal with such matters due to replacement or other reasons: None.</p>		

(II) Successive CPAs

Name of accounting firm	PwC Taiwan
Name of CPAs	CPA, Wu,Han-Qi and CPA, Liang,Hua-Ling
Date of appointment	2020.03.31
Accounting treatment methods or accounting principles for specific transactions, and advisory matters and results that may be issued for financial reporting prior to appointment	None
Written opinions of the successive accountants different from those of the former accountants	None

(III) Replies from the former accountants to the matters referred to in Article 10, paragraph 6(1) and (2)-3 of these Principles: Not applicable.

VII. If the chairman, general manager, or the manager responsible for financing or accounting affairs, who has worked for the accounting firm to which CPAs belong or the affiliated enterprises in the past year, his/her name, title and the period working for the accounting firm or the affiliated enterprises: None. The affiliated companies of the accounting firm to which CPAs belong refer to the companies or institutions in which the accounts of the accounting firm CPAs work for hold more than 50% of the shares, or hold positions of more than half of the directors, or which are called affiliated companies in the information published or printed by the accounting firm: None.

VIII. Information about the shares transferred by and changes to the shares pledged by the directors, supervisors, managers and the shareholders holding more than 10% of shares in the most recent year and up to the date of publication of the annual report

(I) Changes to the shares held by directors, supervisors, managers and majority shareholders:

Title (Note 1)	Full name	2019		Up to April 21 in the current year	
		Increase/decrease number of shares held	Increase/decrease number of shares pledged	Increase/decrease number of shares held	Increase/decrease number of shares pledged
Chairman	Hsu, Kun-Tai	-	-	-	-
Vice Chairperson and President	Tsai, Ming-Hsien	-	-	-	-
Director and Executive Vice President	Chien, Yih-Long	-	-	-	-
Director	Lu, Jin-Zong (Appointment Date: 2019.06.18)	-	-	-	-
Independent Director	Chou, Po-Chiao	-	-	-	-
Independent Director	Chen, Tsung-Ming	-	-	-	-
Senior Vice President	Zhang, Fu-Ming	-	-	-	-
Vice President, Chief of Finance/Accounting and Officer of Corporate Governance	Wu, Mai	-	-	-	-
Vice President	Fan, Kuang-Hui	-	-	-	-
Vice President	Li, Wen-Hua	(22,000)	-	(7,000)	-
Vice President	Chen, Hsueh-Wen	-	-	-	-
Vice President	Lin, Nan-Sheng	-	-	-	-
Senior Assistant Vice President	Zhang, Wen-Song	-	-	-	-

Title (Note 1)	Full name	2019		Up to April 21 in the current year	
		Increase/decrease number of shares held	Increase/decrease number of shares pledged	Increase/decrease number of shares held	Increase/decrease number of shares pledged
Senior Assistant Vice President	Wang, Feng-Zhu	-	-	-	-
Senior Assistant Vice President	Chung, Wen-Chin	-	-	-	-
Senior Assistant Vice President	Zheng, Yu-Ming	-	-	-	-
Senior Assistant Vice President	Lin, Sheng-Xiang	(20,000)	-	-	-
Senior Assistant Vice President	Lin, Liang-Shih	(16,000)	-	-	-
Senior Assistant Vice President	Lin, Guan-Yen	-	-	-	-
Assistant Vice President	Chen, Tsung-Chih	-	-	-	-
Assistant Vice President	Wang, Zhen-Xiong	-	-	-	-
Independent Director	Fan, Kuang-Sung (Dismissed date: 2020.04.01)	-	-	-	-
Senior Vice President and Chief of Finance/Accounting	Yu, Tien-Jung (Dismissed date: 2020.04.01)	-	-	-	-
Vice President	Cheng, Wen-Pin (Dismissed date: 2019.12.01)	(35,000)	-	-	-

Note 1: Shareholders holding more than 10% of the Company's shares should be indicated as major shareholders, and listed separately.

Note 2: if the transferee or pledgee of shares is a related party, the following form shall be filled out.

(II) Information about share transferring: None.

(III) Information about pledge of stock rights: None.

IX. Information about the Relationships among Top Ten Shareholders, Such as Related Parties, Spouses or Relatives within the Second-degree of Kinship

April 21, 2020

Name (Note 1)	Number of shares held in person		Shares held by spouse and minor children		Total number of shares held in the name of others		Name of a related party, spouse or second-grade relative, and relationships among top ten shareholders (Note 3).		Remark
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Company name (or personal name)	Relationship	
Hsu, Kun-Tai	51,701,335	7.72%	16,371,784	2.44%	0	0%	Feng Chu Lin Fu-Chia Hsu Li-Hsin Hsu Cheng-Hsin Hsu	Spouse First-degree relative First-degree relative First-degree relative	-
Huatai Investment Co., Ltd. Person in charge: Hsu Kun Tai	37,326,144	5.57%	0	0%	0	0%	Hsu, Kun-Tai Feng Chu Lin Fu-Chia Hsu Li-Hsin Hsu Cheng-Hsin Hsu	Person in charge of the Company Spouse of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative	-
Fu-Chia Hsu	32,989,454	4.93%	5,453,196	0.81%	0	0%	Hsu, Kun-Tai Yueh-Yuan Hsu Feng Chu Lin Li-Hsin Hsu Cheng-Hsin Hsu	First-degree relative First-degree relative First-degree relative Second-degree relative Second-degree relative	-
Hongwell Co., Ltd. Person in charge: Hsu Kun Tai	32,542,888	4.86%	0	0%	0	0%	Hsu, Kun-Tai Feng Chu Lin Fu-Chia Hsu Li-Hsin Hsu Cheng-Hsin Hsu	Person in charge of the Company Spouse of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative	-
Li-Hsin Hsu	18,061,568	2.70%	0	0%	0	0%	Hsu, Kun-Tai Feng Chu Lin Cheng-Hsin Hsu	First-degree relative First-degree relative Second-degree relative	-
KAPOK COMPUTER Person in charge: Hsu Kun Tai	16,966,596	2.53%	0	0%	0	0%	Hsu, Kun-Tai Feng Chu Lin Fu-Chia Hsu Li-Hsin Hsu Cheng-Hsin Hsu	Person in charge of the Company Spouse of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative	-
Youkang Electronics Co., Ltd. Person in	16,730,000	2.50%	0	0%	0	0%	-	-	-

charge: Lu, Jin-Zong									
Feng Chu Lin	16,371,784	2.44%	51,701,335	7.72%	0	0%	Hsu, Kun-Tai Fu-Chia Hsu Yueh-Yuan Hsu	Spouse First-degree relative Second-degree relative	-
Cheng-Hsin Hsu	14,626,156	2.18%	0	0%	0	0%	Hsu, Kun-Tai Feng Chu Lin Li-Hsin Hsu	First-degree relative First-degree relative Second-degree relative	-
Jing Yuan Investment Co., Ltd. Person in charge: Hsu Kun Tai	14,172,356	2.12%	0	0%	0	0%	Hsu, Kun-Tai Feng Chu Lin Fu-Chia Hsu Li-Hsin Hsu Cheng-Hsin Hsu	Person in charge of the Company Spouse of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative First-degree relatives of the Company's representative	-

Note 1: All the top ten shareholders should be listed. The name of corporate shareholders (if any) and the representatives of corporate shareholders should be listed separately.

Note 2: The calculation of the shareholding ratio refers to the calculation of the ratio of shareholdings in the name of a shareholder, his/her spouse, minor children or another person.

Note 3: The relationship among the shareholders listed above, including legal persons and natural persons, shall be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

X. Investment by Directors, Supervisors, Managers, Groups of Direct or Indirect Control in the Investment Business, and to Calculate the Combined Shareholding Percentage

Unit: number of shares; %

March 31, 2020

Invested business (Note)	The Company's investment		Invested by directors, supervisors, managers and the enterprises directly or indirectly controlled		Composite investment	
	Number of Shares	% of shareholding	Number of Shares	% of shareholding	Number of Shares	% of shareholding
1. KAPOK COMPUTER	8,000,000	100%	0	0 %	8,000,000	100%
2. CLEVO Investment Co., Ltd.	14,000,000	100%	0	0 %	14,000,000	100%
3. CLEVO COMPUTER SINGAPORE PTE LTD.	27,544,070	100%	0	0 %	27,544,070	100%
4. CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	369,370,000	100%	0	0 %	369,370,000	100%
5. KAPOK COMPUTER(SAMOA) CORPORATION	7,000,000	100%	0	0 %	7,000,000	100%
6. BUYNOW ON-LINE HOLDING CORPORATION	1,100,000	100%	0	0 %	1,100,000	100%

