

Implementation of 2018 Corporate Governance:

1. Board of Directors operation

The Board of Directors had 8 meeting [A] in 2018, and the attendance of Directors and Supervisors at the meeting is as follows:

Title	Name	Attendance in Person 【 B 】	By Proxy	Attendance Rate (%) 【 B/A 】	Remark
Chairman	Eric Cheng	8	0	100%	Re-elected on June 3, 2016
Director	Kerry Hsu	3	5	38%	Re-elected on June 3, 2016
Director	John Cheng	8	0	100%	Re-elected on June 3, 2016
Director	Edmund Sun	3	2	60%	Resigned on July 6, 2017
Director	Margaret Kao	8	0	100%	Re-elected on June 3, 2016
Independent Director	Terry Cheng	7	1	88%	Newly elected on June 3, 2016
Independent Director	Elaine Kung	7	1	88%	Newly elected on June 3, 2016
Supervisor	Rita Hu	8	N.A.	100%	Newly elected on June 3, 2016
Supervisor	Representative of Tang Ye Investment Co., Ltd.: Chih-Hsiung Wu	5	N.A.	63%	Re-elected on June 3, 2016

The attendance of Independent Directors at the eight Board meetings in 2018:

Independent Director	2018							
	1 st meeting	2 nd meeting	3 rd meeting	4 th meeting	5 th meeting	6 th meeting	7 th meeting	8 th meeting
Terry Cheng	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance by proxy
Elaine Kung	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance in Person	Attendance by proxy	Attendance in Person

Other mentionable items:

1.If any of the following circumstances occurs in the operation of the Board of Directors, the date, period, content of the motions, the opinions of all Independent Directors, and the Company's handling of Independent Directors' opinions shall be stated:

a.Matters referred to in Article 14 -3 of the Securities and Exchange Act:

Board of Directors	The content of motions and the outcome of resolutions
The 14th meeting of the 8th Board of Directors on January 22, 2018	<p>Motions:◎Motion of the 2017 managerial officers' year-end and performance bonus payment.</p> <p>◎Motion of 2018 managerial officers' salary compensation payment.</p> <p>◎Motion of appointment of CPA and independence assessment.</p> <p>◎Motion of lending RMB 130 million to the subsidiary, WT Microelectronics (Shanghai) Co., Ltd.</p> <p>◎Motion for the Company to add new associated guarantees for the affiliated enterprises, WT Microelectronics (Hong Kong) Limited and WT Solomon QCE Limited, to obtain short-term trade credit line from banks.</p> <p>Independent Directors' opinions: No objections or reservations.</p> <p>The Company's handling of independent directors' opinions: Not applicable.</p> <p>Resolution outcome: It was passed without objection after the Chairman consulted with all attending Directors.</p>
The 15th meeting of the 8th Board of Directors on February 8, 2018	<p>Motions:◎Motion of the Company's intended donation to the "WT Education Foundation."</p> <p>◎Motion for the Company to continuing provide associated guarantees for</p>

	<p>the affiliated enterprises, WT Technology Korea Co., Ltd. and Wonchang Semiconductor Co., Ltd., to obtain financing facility from banks.</p> <p>Independent Directors' opinions: No objections or reservations. The Company's handling of independent directors' opinions: Not applicable. Resolution outcome: It was passed without objection after the Chairman consulted with all attending Directors.</p>
The 16th meeting of the 8th Board of Directors on March 26, 2018	<p>Motions:◎Motion for the Company to add new associated guarantees for the affiliated enterprise, WT Microelectronics (Shanghai) Co., Ltd. to obtain credit line from banks.</p> <p>Independent Directors' opinions: No objections or reservations. The Company's handling of independent directors' opinions: Not applicable. Resolution outcome: It was passed without objection after the Chairman consulted with all attending Directors.</p>
The 17th meeting of the 8th Board of Directors on May 11, 2018	<p>Motions:◎Motion of lending NT\$ 350 million to the subsidiary, Maxtek Technology Co., Ltd. ◎Motion of lending NT\$ 350 million to the subsidiary, Hongtech Electronics Co., Ltd. ◎Motion of lending US\$ 10 million to the subsidiary, Lacewood International Corp. ◎Motion for the Company to add new associated guarantee for the subsidiaries, WT Microelectronics (Shenzhen) Co., Ltd. and WT Microelectronics (Shanghai) Co., Ltd., to obtain credit line from banks.</p> <p>Independent Directors' opinions: No objections or reservations. The Company's handling of independent directors' opinions: Not applicable. Resolution outcome: It was passed without objection after the Chairman consulted with all attending Directors.</p>
The 18th meeting of the 8th Board of Directors on June 28, 2018	<p>Motions:◎Motion for the Company to provide endorsements and guarantees for the subsidiary, Maxtek Technology Co., Ltd., to obtain purchase credit line from suppliers. ◎Motion for the Company to add new associated guarantees for the subsidiaries, WT Microelectronics (Shanghai) Co., Ltd., WT Microelectronics (Shenzhen) Co., Ltd., Morrihan Singapore Pte. Ltd., and Lacewood International Corp., to obtain credit line from banks. ◎Motion for the Company to continuing provide associated guarantees for the subsidiaries, WT Microelectronics (Shanghai) Co., Ltd. and WT Microelectronics (Shenzhen) Co., Ltd., to obtain credit line from banks.</p> <p>Independent Directors' opinions: No objections or reservations. The Company's handling of independent directors' opinions: Not applicable. Resolution outcome: It was passed without objection after the Chairman consulted with all attending Directors.</p>
The 19th meeting of the 8th Board of Directors on July 9, 2018	<p>Motions:◎Motion of the remuneration distribution to the Company's Directors and Supervisors. ◎Motion for the Company to provide endorsements and guarantees for the subsidiary, Hongtech Electronics Co., Ltd., to obtain purchase credit line from suppliers. ◎Motion for the Company to continuing provide associated guarantees for the subsidiary, WT Microelectronics (Shanghai) Co., Ltd., to obtain credit line from banks.</p> <p>Independent Directors' opinions: No objections or reservations. The Company's handling of independent directors' opinions: Not applicable. Resolution outcome: It was passed without objection after the Chairman consulted with all attending Directors.</p>
The 20th meeting of the 8th Board of Directors on August 8, 2018	<p>Motions:◎Motion for the Company to provide endorsements and guarantees for the subsidiary, Maxtek Technology Co., Ltd., to obtain purchase credit line from suppliers. ◎Motion for the Company to continuing provide associated guarantees for the subsidiaries, WT Microelectronics (Shenzhen) Co., Ltd. and WT Microelectronics (Shanghai) Co., Ltd., to obtain credit line from banks. ◎Motion of lending RMB 70 million to the subsidiary, WT Microelectronics</p>

	(Shanghai) Co., Ltd. Independent Directors' opinions: No objections or reservations. The Company's handling of independent directors' opinions: Not applicable. Resolution outcome: It was passed without objection after the Chairman consulted with all attending Directors.
The 21st meeting of the 8th Board of Directors on November 8, 2018	Motions:◎Motion for the Company to continuing provide associated guarantees for the subsidiaries, WT Microelectronics (Hong Kong) Limited and WT Solomon QCE Limited, to obtain credit line from banks. Independent Directors' opinions: No objections or reservations. The Company's handling of independent directors' opinions: Not applicable. Resolution outcome: It was passed without objection after the Chairman consulted with all attending Directors.

b. In addition to the aforementioned matters, other Board meeting resolutions with Independent Directors' objections and reservation opinions in records or written statements: No such incident occurred.

2. The implementation of Directors' avoidance of motions in conflict of interest:

a. The 14th meeting of the 8th Board of Directors on January 22, 2018

- Content of motion: Motion of the 2017 managerial officers' year-end and performance bonus payment
- Directors recused due to conflict of interest: Eric Cheng and Kerry Hsu.
- Reasons for recusal due to a conflict of interest and participation in voting:

As the motion involved the individual managerial officer's year-end and performance bonus payments, the Directors with managerial officers' status recused themselves in accordance with the provisions of Article 17 of the Company's "Rules of Procedures for Board of Directors' Meetings" regarding Directors' recusal due to a conflict of interest.

Except for those Directors (Eric Cheng and Kerry Hsu) who recused themselves due to a conflict of interest and had not participated in the discussion and vote on the matter, it was passed without objection after the Chairman consulted with all attending Directors.

b. The 14th meeting of the 8th Board of Directors on January 22, 2018

- Content of motion: Motion of 2018 managerial officers' salary compensation payment.
- Directors recused due to a conflict of interest: Eric Cheng and Kerry Hsu.
- Reasons for recusal due to a conflict of interest and participation in voting:

As the motion involved the individual managerial officer's compensation content and amount, the Directors with managerial officers' status recused themselves in accordance with the provisions of Article 17 of the Company's "Rules of Procedures for Board of Directors' Meetings" regarding Directors' recusal due to a conflict of interest.

Except for those Directors (Eric Cheng and Kerry Hsu) who recused themselves due to a conflict of interest and had not participated in the discussion and vote on the matter, it was passed without objection after the Chairman consulted with all attending Directors.

c. The 15th meeting of the 8th Board of Directors on February 8, 2018

- Content of motion: Motion of the Company's intended donation to the "WT Education Foundation."
- Directors recused due to a conflict of interest: Eric Cheng and Kerry Hsu.
- Reasons for recusal due to a conflict of interest and participation in voting:

As the Chairman of the Board, Mr. Eric Cheng, and Director, Ms. Kerry Hsu, were Directors of the Foundation, in consideration of a conflict of interest, in addition to recusing themselves in accordance with the law, they shall not participate in the discussion and vote on the matter.

Except for those Directors (Eric Cheng and Kerry Hsu) who recused themselves due to a conflict of interest or not present in person and had not participated in the discussion and vote on the matter, it was passed without objection after the Chairman consulted with all attending Directors.

d. The 19th meeting of the 8th Board of Directors on July 9, 2018

- Content of motion: Motion of the remuneration distribution to the Company's Directors and Supervisors
- Directors recused due to a conflict of interest: Eric Cheng, Kerry Hsu, Margaret Kao, John Cheng, Terry Cheng, and Elaine Kung.
- Reasons for recusal due to a conflict of interest and participation in voting:

As the motion involved the remuneration distribution amount of individual Directors, Directors recused themselves in accordance with the provisions of Article 17 of the Company's "Rules of Procedures for Board of Directors" regarding Directors' recusal due to a conflict of interest.

Except for those Directors (Eric Cheng, John Cheng, Margaret Kao, Terry Cheng, Elaine Kung, and Kerry Hsu) who recused themselves due to a conflict of interest or not present in person and had not participated in the discussion and vote on the matter, it was passed without objection after the Chairman consulted with all

attending Directors.

3.The objectives of strengthening the functions of the Board of Directors and implementation assessment in the current year and the most recent year:

- a.In addition to providing relevant law and regulations to Directors and Supervisors whenever necessary, the Company shall report the Company's current business status to Directors and Supervisors at the time of the board meeting, and prepare the motion-related information and assign personnel for Directors' and Supervisors' inquiry.
- b.The Company actively provides information on various types of continuous education courses and encourages Directors and Supervisors to participate in various corporate governance courses, or the Company irregularly holds such courses, in order to strengthen the functions of the board members. In 2018, there were 8 Directors and Supervisors participating in such trainings for a total of 53 hours.
- c.The Company adheres to the operational transparency and safeguards shareholders's equity, and actively discloses relevant information such as important resolutions of the Board of Directors on the Company's website.
- d.In order to implement corporate governance and enhance the function of the Board of Directors for the purpose of establishing performance targets and strengthening the efficiency of the Board of Directors, the Company completed the enactment of the "Regulations Governing the Board performance Evaluation" on August 10, 2016, and performs the assessment at the beginning of each year. After evaluation, in 2018 the achievement rate was over 90% and the evaluation result is "Exceeding Standards;" it was reported to the board meeting on January 9, 2019.

2.Operation of the Audit Committee:

The Company has not yet established an Audit Committee, so it is not applicable.

3.Supervisor's participation in the operation of the Board of Director:

The Board of Directors had 8 meeting [A] in 2018, and the attendance at the meeting is as follows:

Title	Name	Attendance in Person 【B】	Attendance Rate in Person (%) 【B/A】	Remark
Supervisor	Rita Hu	8	100%	Newly elected on June 3, 2016
Supervisor	Representative of Tang Ye Investment Co., Ltd.: Chih-Hsiung Wu	5	63%	Re-elected on June 3, 2016

Other mentionable items:

1.The composition and responsibilities of supervisors:

The Company has two seats of Supervisors. For the operation of the Board of Directors, the Supervisors are invited to be in attendance and express their opinions, so as to keep grasp of the Company's operating conditions and supervise the operation of the Board.

a.Communication between the supervisors and the Company's employees and shareholders: Supervisors can communicate or discuss directly with employees or shareholders if needed.

b.Communication among Supervisors, the Company's chief internal auditor, and CPAs:

(1)In addition to briefing the internal audit business report at each Board meeting, after reviewing and approving the monthly audit report and the follow-up report, the chief internal auditor shall submit the reports to the Supervisors for review before the end of the next month following the completion of the audit items. In this year, the supervisors had no objections after reviewing the reports, and the communication condition is good.

(2)The Supervisors communicate irregularly with the CPAs about the Company's financial information in a face-to-face or written manner as needed, and the communication condition is good.

2.If the supervisor expressed opinions during his/her present at the Board of Directors meeting, the date of the meeting, sessions, contents of motion, resolutions of the directors' meetings and the company's response to the supervisor's opinion should be specified: None.

4. Corporate governance implementation status and deviations from the “ Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”:

Evaluation Item	Implementation Status		Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No		Abstract Illustration
a. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?”	✓		In order to establish a good corporate governance system, the Company’s Board of Directors passed the resolution of the “Corporate Governance Best Practice Principles” on December 1, 2014, and revised the Principles on July 11, 2016 and May 11, 2018. The Principles are disclosed on the Market Observation Post System and the Company's website (www.wtmec.com) for download.	Operate in accordance with the Best Practice Principles, and there is No difference.
b. Shareholding structure & shareholder’ rights				
(1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		(1) In addition to the agent for stock affairs, the Company also, in accordance with internal operating procedures, obliges investor relations (spokesperson or deputy spokesperson), stock affairs, legal and other relevant departments to properly handle matters such as shareholders’ suggestions, doubts, disputes and litigation and respond properly. In addition, the Company's website also has a stakeholder section and a shareholders' point of contact for shareholders/investors to make suggestions or ask questions.	No difference.
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) The Company keeps track of Directors, managerial officers and major shareholders with more than 10% of the shares, and keeps track of the list of major shareholders and their ultimate controllers through the previous register of shareholders as much as possible. In addition, the dedicated stock affairs and investor relation units shall maintain good interaction with major shareholders and pay attention to important issues that may cause changes in shares.	No difference.
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure ?	✓		(3) For the Company's supervision of affiliated enterprises, in accordance with regulations such as the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies,” “Regulations Governing Establishment of Internal Control Systems by Public Companies,” “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies ” and “Regulations Governing the Acquisition and Disposal of Assets by Public	No difference.

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No		
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		<p>Companies," etc., the Company formulated the relevant regulations such as the Group's "Corporate Governance Best Practice Principles," "Internal Control Systems," "Operation Procedures for Loaning of Funds and Making of Endorsements/Guarantees," "Procedures for Acquisition and Disposal of Assets," "Regulations Governing Monitoring of Subsidiaries," "Regulations Governing Subsidiaries' Operations," "Operation Procedures for Transactions between Group Enterprises, Related Parties and Specific Company," etc., in order to clearly define the duties and responsibilities of the Company and affiliated enterprises, construct appropriate firewalls based on risk assessment, and continue to implement and control them.</p> <p>(4) In addition to complying with the requirements of the Securities and Exchange Act, the Company's employees, managerial officers, Directors, Supervisors, etc., shall also follow the Company's "Code of Ethical Conduct," "Procedures for Handling Material Inside Information," "Procedures for Ethical Management and Guidelines for Conduct", etc. Relevant personnel shall not engage in insider trading using the undisclosed information they know, nor may they disclose it to others in order to prevent others from using the undisclosed information to engage in insider trading.</p>	No difference.
<p>c. Composition and Responsibilities of the Board of Directors</p> <p>(1) Does the Board develop and implement a diversified policy for the composition of its members?</p>	✓		<p>(1) The Company has established a diversification policy of board members in the "Corporate Governance Best Practice Principles", and has adopted a rigorous selection nomination procedure. Based on the scale of the Company's operations and major shareholders, in consideration of the practical operation needs, there were originally 7 seats of Directors, and currently there is one director vacancy. Among the current six-seat Directors, employees account for 33%, Independent Directors with the term of office of nearly 3 years account for 33%, and female Directors account for 50%. There are two Directors aged between 60 and 69 years old, and the remaining four are under 60 years old. The implementation of the diversification policy of all board members is as follows:</p>	No difference.

Evaluation Item	Implementation Status								Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																																																															
	Yes	No	Abstract Illustration																																																																					
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?			<table border="1"> <thead> <tr> <th>Diversification item Director's name</th> <th>Gender</th> <th>Operational judgment capability</th> <th>Operational and management capability</th> <th>Leadership/Decision-making capability</th> <th>Industry knowledge</th> <th>International market perspective</th> <th>Accounting and financial analysis capability</th> <th>Crisis management capability</th> </tr> </thead> <tbody> <tr> <td>Eric Cheng</td> <td>Male</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td></td> <td>V</td> </tr> <tr> <td>Kerry Hsu</td> <td>Female</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td></td> <td>V</td> </tr> <tr> <td>John Cheng</td> <td>Male</td> <td>V</td> <td>V</td> <td>V</td> <td></td> <td>V</td> <td>V</td> <td>V</td> </tr> <tr> <td>Margaret Kao</td> <td>Female</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td></td> <td>V</td> </tr> <tr> <td>Terry Cheng</td> <td>Male</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td></td> <td>V</td> </tr> <tr> <td>Elaine Kung</td> <td>Female</td> <td>v</td> <td>V</td> <td>V</td> <td></td> <td>V</td> <td>V</td> <td>V</td> </tr> </tbody> </table>						Diversification item Director's name	Gender	Operational judgment capability	Operational and management capability	Leadership/Decision-making capability	Industry knowledge	International market perspective	Accounting and financial analysis capability	Crisis management capability	Eric Cheng	Male	V	V	V	V	V		V	Kerry Hsu	Female	V	V	V	V	V		V	John Cheng	Male	V	V	V		V	V	V	Margaret Kao	Female	V	V	V	V	V		V	Terry Cheng	Male	V	V	V	V	V		V	Elaine Kung	Female	v	V	V		V	V	V	
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(3) Does the company establish a	✓		<p>(2) The Company has already established the Remuneration Committee, and will establish an Audit Committee after the complete re-election at the 2019 regular Shareholders' Meeting. In the future, the Company will establish other various functional committees according to business needs.</p> <p>(3) On August 10, 2016, the Board of Directors resolved to pass the “Rules for Board of Directors Performance Assessments”, with the evaluation scope including the performance evaluation of the overall Board of Directors, individual board members and functional committees. The</p>						<p>Evaluation is pending.</p> <p>No difference.</p>																																																															

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No		
standard to measure the performance of the Board, and implement it annually?			<p>evaluation method may include the internal evaluation of the Board of Directors, the self-evaluation of the board members, and entrusting external professional institutions and experts or using other appropriate methods for performance evaluation; the measurement items of the Board's performance evaluation include the following five aspects:</p> <p>(a)Participation in the Company operations. (b)Improving the decision quality of the Board of Directors. (c)Composition and structure of the Board of Directors. (d)Selection and continuing education of Directors. (e)Internal control.</p> <p>It is implemented by the Company's stock affairs unit to evaluate the intrernal performance of the overall Board of Directors at the end of a year, and the results will be used as a reference for future selection or nomination of Directors. At the beginning of 2019, the 2018 overall board evaluation was completed. The achievement rate was over 90% and the evaluation results was "Exceeding Standards", and the evaluation results were reported to the board meeting on January 9, 2019. In order to continuously improve the efficiency of the Board's operations, the Company will consider to expand performance evaluation on individual directors and functional members in the future to substantiate corporate governance and enhance Directors' participation in the Company's operations and communication channels.</p>	
(4)Does the company regularly evaluate the independence of CPAs	✓		<p>(4)The Company's independent registered public accounting firm is PricewaterhouseCoopers Taiwan. The firm's independence policy requires all employees to complete the annual statement of compliance with independence and risk management policies regularly each year, and they must also self-inspect for any violation before accepting entrustment. In addition, the Company has established an independence evaluation with reference to the independence of the Article 47 of the Certified Public Accountant Act and the content of "Integrity, Objectivity and Independence" in Bulletin No. 10 of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and assesses the independence of the accountant regularly once a year.</p> <p>For the current year, the Board of Directors resolved on January 9, 2019 to pass the appointment</p>	No difference.

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
			of the CPAs and the independence evaluation. The evaluation projects include reviewing whether the CPA and the person in charge of the Company or managerial officers have the relationship of spouses, lineal blood relatives, lineal affinity, collateral blood relatives within second degree; whether the CPA or his/her spouse, minor children and the Company have investment or shared financial interests; whether the CPA or his/her spouse, minor children are employed by the Company to work as a regular employee, or to receive a fixed salary or serve as Directors and Supervisors, etc. The evaluation results showed that the CPAs, Man-Yu Ruan-Lu and Han-Qi Wu, of PricewaterhouseCoopers Taiwan met all the Company’s evaluation criteria of independence, and can serve as the Company’s CPAs.	
d.Does the company set up a corporate governance unit or appoint personnel responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, handling work related to meetings of the board of directors and the shareholders' meetings, filing company registration and changes to company registration, and producing minutes of board meetings and shareholders' meetings)?	✓		<p>In order to substantiate corporate governance for the Board of Directors to play its due role to safeguard the rights and interests of investors, the Board of Directors passed the resolution on May 8, 2019 to appoint Senior Vice President Kerry Hsu as the Company’s head of corporate governance, which is the highest supervisor on the corporate governance related matters, and the stock affairs unit shall directly report to her. Senior Vice President Kerry Hsu is the Company’s managerial officer and has over 3 years of management experience in finance, stock affairs or meeting agenda in public companies. The main duties of the Corporate Governance Supervisor are to handle matters relating to meetings of the Board of Directors and the Shareholders' Meeting in accordance with the law, to prepare the minutes books of the Board of Directors and of the shareholders' meeting, to assist Directors and Supervisors in taking office, continuing education and complying with the law, and to provide the information required for Directors and Supervisors to execute their business.</p> <p>The 2019 business execution focuses are as follows:</p> <p>(1)It is the meeting affairs unit of the Board of Directors and the committee, including collating meeting agenda, stating the convening reasons, sending convening notices to Directors, Supervisors or members seven days prior to the meeting, and providing sufficient meeting materials for the participants to understand motion-related information. When the motions are related to the Directors’ self-interest or the interests of legal person represented, remind the Directors to recuse themselves due to a conflict of interest.</p>	No difference.

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
			<p>Finally, within 20 days after the meeting, the minutes book shall be sent to Directors, Supervisors or members.</p> <p>(2)Responsible for issuing material information or announcements of important resolutions after the meeting on the day of the board meeting to ensure the disclosure of the legality and correctness of the information to protect the information symmetry of investors’ trading.</p> <p>(3)Handling pre-registration of the date of the shareholders' meeting, and preparing and filing meeting notices, meeting proceedings and minutes books within the time limit in accordance with the law.</p> <p>(4)Handling the registration of changes in the issuance of new shares, converted from the Company's corporate bonds and amendments to the articles of association.</p> <p>(5)In order to strengthen the operational efficiency of the Board of Directors, an internal conducting performance evaluation on the overall operation of the Board at the beginning of a year, and reporting the results to the most recent board meeting.</p> <p>(6)Evaluating the purchase of the appropriate amount of Directors and officers liability Insurance, completing the insurance purchase matters, and reporting the insurance coverage to the Board of Directors.</p> <p>(7)Providing information on the relevant training to Directors and Supervisors irregularly, reminding them to complete the required hours of training in accordance with the provisions of the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies” and complete the relevant publicly disclosed.</p> <p>(8)Providing information on new laws or amendments to members of the Board of Directors irregularly concerning the exercising business, corporate governance or business operations.</p> <p>(9)Reviewing the compliance status of corporate governance assessment indicators on a item-by-item basis every year, and proposing improvement plans and response measures for those unscored indicators.</p> <p>(10)Providing operational information such as the Company’s business or finance according to</p>	

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
			the needs of the Directors, and maintaining smooth communication between Directors and each business executive.	
e.Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		(1)The Company obliges the departments including investor relations, stock affairs, etc., to communicate with stakeholders, depending on the situation, and provides contact information of the spokesperson and various related business departments on the Company's website (www.wtmec.com). In addition the Company's has established a stakeholders section to respond appropriately to the issues of concern to stakeholders (vendors/upstream suppliers, customers, shareholders/investors/banks, media, employees, suppliers/ outsourcers, government institutions/competent authorities, and community/non-government organizations), and the communication channel is smooth and open. (2)The Group has employee communication channels, and employees can reflect their opinions via emails or writing.	No difference.
f.Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has appointed the stock transfer agent service unit of the Grand Fortune Securities Co., Ltd. to handle the matters of its Shareholders' Meetings.	No difference.
g.Information Disclosure (1)Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(1)The Company has set up a company website (www.wtmec.com), and the Company's financial business and corporate governance status shall be disclosed there and updated irregularly for investors to review.	No difference.
(2)Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman	✓		(2)The Company has set up web pages in three languages: Traditional Chinese, Simplified Chinese and English, and provides dedicated email addresses for various businesses. In addition, the Company has established “Procedures for Handling Material Inside Information” for establish a good internal inside material information processing and disclosure mechanism, and indeed substantiate the spokesperson system. Usually investors relation and stock affairs units are responsible for the collection and disclosure of the Company's information. Besides release of	No difference.

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons												
	Yes	No														
system, webcasting investor conferences)?			the self-calculated monthly consolidated revenue , also release the self- calculated quarterly profits and losses, and regularly holds investor conferences. All of which are disclosed in the Company's website to improve the Company's information transparency.													
h.Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		<p>(1)For employee benefits and employee care, please refer to "V. Labor relations of Operational highlights" of the Company's annual report.</p> <p>(2)Investor relations, supplier relations, and rights of stakeholders: The Company has established the corporate social responsibilities related regulations such as "Corporate Governance Best Practice Principles", "Supplier Code of Conduct" , "Corporate Social Responsibility Best Practice Principles" , "Ethical Corporate Management Best Practice Principles" , "Procedures for Ethical Management and Guidelines for Conduct" etc.. In order to substantiate the implementation of corporate governance, other information could refer to " 6. Implementation of social responsibility, C. Implementation of corporate governance of III. Corporate governance report" in the Company's annual report.</p> <p>(3)Continuing education of Directors and Supervisors: The education items of the Company's Directors and Supervisors in this year are listed below, and they are in compliance with the provisions of "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies", for Directors and Supervisors to execute their business faithfully and to exercise the due care of a good administrator.</p> <table border="1" data-bbox="683 1129 1877 1353"> <thead> <tr> <th>Title</th> <th>Name</th> <th>Date</th> <th>Sponsoring Organization</th> <th>Course</th> <th>Hours</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>Eric Cheng</td> <td>2018/04/20</td> <td>Securities and Futures Institute</td> <td>The 2018 Advocacy Briefing on Prevention of Insider Trading</td> <td>3</td> </tr> </tbody> </table>	Title	Name	Date	Sponsoring Organization	Course	Hours	Chairman	Eric Cheng	2018/04/20	Securities and Futures Institute	The 2018 Advocacy Briefing on Prevention of Insider Trading	3	No difference.
Title	Name	Date	Sponsoring Organization	Course	Hours											
Chairman	Eric Cheng	2018/04/20	Securities and Futures Institute	The 2018 Advocacy Briefing on Prevention of Insider Trading	3											

Evaluation Item	Implementation Status						Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No	Abstract Illustration					
					2018/05/25	Taiwan Stock Exchange & Taipei Bar Association	FSC’s New Corporate Governance Blueprint Series-Corporate Governance Personnel	3
			Director	Kerry Hsu	2018/03/23	PricewaterhouseCoopers Taiwan	The 2018 Taxation Strategy Comprehensive Report	2
					2018/04/20	Securities and Futures Institute	The 2018 Advocacy Briefing on Prevention of Insider Trading	3
					2018/05/25	Taiwan Stock Exchange&Taipei Bar Association	FSC’s New Corporate Governance Blueprint Series-Corporate Governance Personnel	3

Evaluation Item	Implementation Status						Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons	
	Yes	No	Abstract Illustration					
			Director	John Cheng	2018/01/09	Taiwan Securities Association	Business M&A Act Analysis and Practice Seminar	3
					2018/03/21	Corporate Operation Association	Lecture Series on " Latest Amendments and Practice Analysis of Corporate Act "	3
					2018/08/27	Corporate Operation Association	Lecture Series on " Latest Amendments and Practice Analysis of Corporate Act "	3
			Director	Margaret Kao	2018/11/01	Taiwan Corporate Governance Association	Corporate Tax Management	3
					2018/11/01	Taiwan Corporate Governance Association	Taiwanese Entrepreneurs' Coping Strategies in the Face of Sino-US Trade War	3

Evaluation Item	Implementation Status							Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration					
			Independent Director	Terry Cheng	2018/05/08	Taiwan Stock Exchange	New Corporate Governance Blueprint Forum for Listed Companies	3
			Independent Director	Terry Cheng	2018/07/10	Securities and Futures Institute	Listed and Unlisted Public Companies’ Insider Equity Transaction Compliance Advocacy Briefing	3
			Independent Director	Elaine Kung	2018/05/29	Accounting Research and Development Foundation	Analysis of the Internal Control Practices of the Latest Labor Law Amendments and Recent Scams	6

Evaluation Item	Implementation Status						Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No	Abstract Illustration					
			Representative of legal person Supervisor	Chih-Hsiung Wu	2018/03/05	Taiwan Depository & Clearing Corporation	100% Electronic Voting and Company Value Promotion Forum	6
			Supervisor	Rita Hu	2018/04/20	Securities and Futures Institute	The 2018 Promotion Meeting on Prevention of Insider Trading	3
					2018/07/10	Securities and Futures Institute	Listed and Unlisted Public Companies’ Insider Equity Transaction Compliance Advocacy Briefing	3
<p>(4)Implementation of risk management policies and risk measurement standards:</p> <p>1.Risk management policy:</p> <p>(1)Market risk management: to manage the risks arising from market fluctuations and changes in the economy:</p> <p>a.Balance dispersion in customer base and industry: not only to achieve customer dispersion, but also to achieve multiple and complete product line layout.</p> <p>b.R&D and normal operation are separated: In order to ensure that the new requirements and new technologies required by the market can be continuously provided, the R&D</p>								

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
			<p>units are separated to avoid resource conflicts and unbalanced use so that professional technical support can be provided.</p> <p>(2)Credit risk management: Monitor cash flow at any time, separate short-term funds from long-term capital use, regularly check customer credits, and effectively manage the management of accounts receivable.</p> <p>(3)Operational risk management: Establish, correct and promote various standard operating procedures in a timely manner.</p> <p>(4)Enterprise-scale risk management: Implement profit center system and performance management indicators, and strictly review the economic scale of each product line.</p> <p>2.Risk management framework: The management of the Group's various operational risks is the responsibility of the relevant units according to the nature of its business, and the Auditing Office monitors the existing or potential risks of each operation, and formulates a risk-oriented annual audit implementation plan. The main management units of each risk are described as follows:</p> <p>(1)FIN: Responsible for the Group’s financial dispatching, application of fund, and establishment of hedging mechanism to reduce financial risks; responsible for planning and setting short, medium and long-term financial and investment strategies</p> <p>(2)Business: Responsible for marketing strategies, product promotion and market trends to reduce operational risk.</p> <p>(3)IT: Responsible for network planning, construction, operation and maintenance; continuously monitor network quality; assess various information risks and take appropriate and safe measures to reduce network operational risks.</p> <p>(4)Legal: In addition to being responsible for the legality review of the contract documents, it assists in controlling legal risks, complies with government regulatory policies, and handles contractual and litigation disputes to reduce legal risks.</p> <p>(5)Auditing Office: Responsible for the revision and promotion of the internal control system and the planning and execution of the auditing business to strengthen the internal control function and ensure its continued effectiveness to achieve the effectiveness and efficiency of the Group's operations; reporting reliability, timeliness, transparency and compliance to</p>	

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
			<p>relevant norms and related laws and regulations.</p> <p>(6)Board of Directors: The Board of Directors is the highest decision-making unit of the Group's risk management. In response to the Group's overall overall operational risk and operating environment, it has approved risk management policies to ensure effective control of operational risks and improve management efficiency.</p> <p>3.Risk analysis and assessment: Please refer to “F. Risk analysis and evaluation of VII. Review and analysis of the financial status, financial performance, and risk management” of the Company’s annual report for related description.</p> <p>(5)Customer policy implementation: The Company has established the " Ethical Corporate Management Best Practice Principles " and the " Procedures for Ethical Management and Guidelines for Conduct " to comply with the business activities of ethical management practices. Please refer to "A. Business activities of V. Operational highlights" of the Company's annual report.</p> <p>(6)The Company’s purchase of liability insurance for Directors and Supervisors: The Company has renewed its Directors and Officers Liability Insurance from Insurance Company of North America, Taiwan Branch for the insured amount of US\$12 million, and the important insurance content has been reported to the Board of Directors on May 8, 2019.</p>	

i. Specify the improvement of corporate governance with reference to the evaluation of corporate governance by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and the priority measures taken for issues pending on improvement

Improved Item of the 5th Corporate Governance Evaluation Indicators		
No.	Indicator Item	Improvement Method
2.15	Does the company disclose the communication between Independent Directors and the chief internal auditor and CPAs (such as the communication methods, matters and results of the company's financial reports and financial business conditions) on the company's website?	The communication methods, matters and results between Independent Directors and the chief internal auditor and CPAs have been detailed in the annual report and the Company's website for investors' reference.
Pending Improvement Item of the 5th Corporate Governance Evaluation Indicators for priority strengthening		
No.	Indicator Item	Priority Strengthening Matters and Measures
1.6	Does the company hold the regular shareholders' meeting before the end of May?	The feasibility of holding the regular shareholders' meeting before the end of May will be discussed with relevant departments.
1.11	Does the company upload the English version of the annual report 7 days prior to the regular shareholders' meeting?	The English version of the annual report will be prepared uploaded 7 days before the 2019 regular shareholders' meeting.
2.10	Does the company establish an Audit Committee that meets the regulations?	There will be a complete re-election of Directors at the 2019 regular shareholders' meeting, and an additional seat of Independent Director will be elected to reach 3 seats of Independent Directors in order to establish an Audit Committee.
2.12	Does the company has a Remuneration Committee with more than half of the members being Independent Directors?	The Remuneration Committee members will be re-appointed after the complete re-election of Directors at the 2019 regular shareholders' meeting, and more than half of the members will be Independent Directors.

5. Composition, Responsibilities and Operations of the Remuneration Committee:

The Company establishes the Remuneration Committee and formulates its organizational charter in accordance with the "Securities and Exchange Act " and the " Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter ". The responsibilities of the Remuneration Committee is to assess the remuneration policy and system for the Company's Directors, Supervisors and managerial officers in a professional and objective manner and make recommendations to the Board of Directors for reference.

There are three members in the Company's Remuneration Committee, consisting of Ms. Elaine Kung, Mr. Jack Yeh and Ms. Huei-Chung Lu. Each member meets the professional and independent qualifications required by the law. Among them, Ms. Elaine Kung was the convener and chairman of the meeting. The committee meets at least twice a year and actually met three times in 2018.

a. Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title	Conditions	Requirements, Together with at Least Five Years' Work Experience			Independence Criteria (Note)								Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remark	
		An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university	A judge, public prosecutor, attorney, Certified Public Accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Has 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			
Independent Director	Elaine Kung		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	None
Others	Jack Yeh		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	None
Others	Huei-Chung Lu	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	None

Note: For members, during the two years before being elected and during the term of office, meeting any of the following situations, please tick the appropriate corresponding boxes:

- Not an employee of the Company or any of its associates;
- Not a director or supervisor of affiliated companies. Not applicable in cases where the person is an independent director of the parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary;
- 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;
- Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three sub-paragraphs ;
- 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;
- Not a director, supervisor, officer, 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 ;
- Not a professional individual, who is an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof;
- Not a person of any conditions defined in Article 30 of the Company Act;

b. Attendance of Members at Remuneration Committee Meetings :

(1) There are three members in the Company's Remuneration Committee.

(2) Tenure of current members: From June 3, 2016 to June 20, 2019. The Remuneration Committee met three times [A] in 2018, and the members' qualifications and attendance are as follows:

Title	Name	Attendance in Person 【B】	By Proxy	Attendance Rate in Person(%) 【B/A】 (Note)	Remark
Convener	Elaine Kung	3	0	100%	Re-appointed on June 3, 2016
Committee Member	Jack Yeh	3	0	100%	Re-appointed on June 3, 2016
Committee Member	Huei-Chung Lu	3	0	100%	Re-appointed on June 3, 2016

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg. the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): No such incident occurred in this year.
2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: No such incident occurred in this year.
3. The motion and resolution of the Remuneration Committee meetings and the Company's handling of the members' opinions in the most recent year:

Remuneration Committee	The content of motions and the outcome of resolutions
The 6th meeting of the 3rd Remuneration Committee on January 22, 2018	Motions: ① Motion of the 2017 managerial officers' year-end and performance bonus payment. ② Motion of 2018 managerial officers' salary compensation payment.
	Members' opinions: No objections or reservations. Resolution outcome: It was passed without objection after the Chairman consulted with all attending members. The Company's handling of the opinions of the Remuneration Committee: It was submitted to the Board of Directors and was approved by all attending Directors.
The 7th meeting of the 3rd Remuneration Committee on March 26, 2018	Motions: ① Motion of the 2017 employee compensation and remuneration distribution to Directors and Supervisors.
	Members' opinions: No objections or reservations. Resolution outcome: It was passed without objection after the Chairman consulted with all attending members. The Company's handling of the opinions of the Remuneration Committee: It was submitted to the Board of Directors and was approved by all attending Directors.
The 8th meeting of the 3rd Remuneration Committee on July 9, 2018	Motions: ① Motion of the remuneration distribution to the Company's Directors and Supervisors
	Members' opinions: No objections or reservations Resolution outcome: It was passed without objection after the Chairman consulted with all attending members. The Company's handling of the opinions of the Remuneration Committee: It was submitted to the Board of Directors and was approved by all attending Directors.

6. Implementation of social responsibility: The Company's systems and measures adopted and implementation of environmental protection, community participation, social contribution, social services, public interests, consumer rights, human rights, safety and health and other social responsibility activities:

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
a. Corporate Governance Implementation				
(1) Does the company declare its corporate social responsibility policy and examine the results of the implementation?	✓		(1) The Company's Board of Directors resolved to formulate the "Corporate Social Responsibility Best Practice Principles" on December 1, 2014, and this Best Practice Principles were disclosed on the Market Observation Post System and the Company's website (www.wtmec.com), in order to implement the principles of promoting corporate governance, developing a sustainable environment, maintaining public interests, and strengthening corporate social responsibility information disclosure. The CEO of the WT Education Foundation regularly reports to the Board of Directors on implementation and operational results every year.	No difference.
(2) Does the company provide educational training on corporate social responsibility on a regular basis?	✓		(2) The Company not only discloses the "Corporate Social Responsibility Best Practice Principles" on internal and external websites, but also strengthens the advocacy to new employees. It also conducts safety and health education training for employees irregularly, and strives to improve employees' health awareness. The Company held several workplace health promotion seminars and invited doctors to provide employee health consultation. In addition, energy conservation and carbon reduction activities were held in offices. It is expected that corporate social responsibility will be implemented in routine management through various educational advocacy activities.	No difference.
(3) Does the company establish exclusively (or concurrently) dedicated first-line managers	✓		(3) The Group has established the WT Education Foundation in December 2014. The Foundation's Board of Directors consists of	No difference.

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?			<p>seven Directors, and it has a CEO to lead the public interest business. Its aim is to fulfill corporate social responsibility and promote cultural and educational activities to give back to the society, and it sponsors or promotes various public interest activities, and calls on all employees to participate. The implementation situation and operational results is reported to the Board of Directors by the CEO of the Foundation regularly each year. The 2018 implementation was reported to the Board of Directors on January 9, 2019. The total amount of donations amounted to NT\$7.548 million and the number of beneficiaries reached 34,573. The sponsored items mainly consist of four categories:</p> <p>(a) Supporting multicultural education: The Alliance Cultural Foundation – “2018 Sharestart Asia Conference” and Junyi Experimental High School “Creative Experimental Course” Program, Cheng Zhi Education Foundation - Zheng-Min Elementary School, Yunlin County KIST Private Management of Public School, National Tsing Hua University- Science Luck Bags for the 2018 International Women and Girls Science Day Series, New Taipei Municipal Tur Ya Kar Elementary & Junior High School- Ecosystem guide acrossing the Dahan River, and Nanhu Elementary School, Dahu Township, Miaoli County- Art and Culture Society “Exploring the Place to Create a New Life Project” Visits.</p> <p>(b) Caring for education for the disadvantaged: Teach For Taiwan(TFT) Education Foundation- Two-Year Full-Time Teaching Project, Vox Nativa Association, Taiwan - 2018 Academic Year Online Course Counseling Program, Zheng-Min Elementary School, Yunlin County - Track and Office Renovation</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(4)Does the company declare a reasonable salary remuneration policy, and integrate the employee performance appraisal system with its corporate social responsibility policy, as well as establish an effective reward and disciplinary system?	✓		<p>Project, and Silver Grass Cultural and Creative Association - Theatrical Group Rural Tour.</p> <p>(c)Cultivating elites: Yanxing Taiwan Association – scholarship and College of Social Sciences, Fu Jen Catholic University - Student self-learning reward program.</p> <p>(d)Respecting life: Taiwan Premature Baby Foundation - "Support with Hearts, Hug with Love - Let Premature Infants Get Complete Care" Plan, and Taiwan Kidney Foundation- "Rich Kidney Cafeteria" Kidney Disease Nutrition Control Series.</p> <p>For the detailed implementation situation and specific results of the aforementioned 15 organizations or projects, please refer to the 2018 Corporate Social Responsibility Report after it is released.</p> <p>(4)The Company has a Remuneration Committee. Combined with the Company's personnel management regulations, a reasonable compensation policy and a clear reward and punishment system are established, and employees' performance is regularly evaluated.</p>	No difference.
b.Sustainable Environment Development (1)Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		<p>(1)In view of global warming, energy conservation and carbon reduction are global sustainability issues, and the Group has also begun to establish various energy conservation and carbon reduction measures to cope with the impact of climate change.</p> <p>(a)Using energy-saving equipment for carbon reduction management</p> <p>The Company gradually replaces lights with the power-saving LED lamps at locations, and the human body sensors were installed in public areas or function rooms to effectively reduce</p>	No difference.

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(2)Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the	✓		<p>the power consumption. The Company promotes power-saving behavior, sticks warning labels, encourages employees to save energy, and installs timers in air conditioners and lighting equipment, effective controlling electricity consumption to be reduced by 2%. Faucet water-saving devices were installed in tea rooms to reduce water consumption and reduce the impact on the environment.</p> <p>(b)Office resource reuse The office recycled resources are donated to the social welfare group for recycling, including IT computer equipment and parts, and the waste resources are properly disposed to avoid waste of resources and make full use of recycling to reduce the global environmental load. The Company promotes the double-sided printing of paper, recycles the blank side of the paper for reuse, and encourages the repeated-use of manila envelopes. It also promotes the electronic operation of the office and adopts electronic signature to reduce paper usage.</p> <p>(c)Packaging material recycling and green packaging materials The Company has regulations for the classification and recycling of packaging materials, and manages them according to their characteristics to avoid environmental pollution. In addition, empty carton boxes after the purchase are recycled for use in shipping packaging, which greatly reduces the demand for new carton boxes.</p> <p>(2)The company and the Hong Kong warehouse industry have obtained ISO14001 environmental management system certification to effectively prevent and control environmental</p>	No difference.

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
<p>environment?</p> <p>(3)Does the company establish proper environmental management systems based on the characteristics of their industries?</p>	✓		<p>pollution and improve the utilization of resources and energy.</p> <p>(3)The Group is committed to energy conservation and carbon reduction initiatives to fulfill its global citizenship and corporate social responsibility. It also actively promotes its own greenhouse gases inventory system and issues the Greenhouse Gas Inventory Management Report to grasp its own greenhouse gas emissions. The greenhouse gas emissions increased from 490.44 metric tons (t-CO2e) in 2017 to 565.658 metric tons (t-CO2e) in 2018, which was due to the increase in the inspection scope from having more office floors and number of employees this year. In the future, the Company shall continue to promote the strategy of energy conservation, carbon reduction and greenhouse gas reduction, and it is expected to have a reduction of 2% for the Company to become a low-carbon enterprise with sustainable development.</p>	No difference.
<p>c.Preserving Public Welfare</p> <p>(1)Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	✓		<p>(1)The Company follows the principles disclosed by the International Bill of Human Rights such as “Enforcement Act of Convention on the Elimination of All Forms of Discrimination against Women,” “Implementation Act of the Convention on the Rights of the Child,” and “Act to Implement the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights,” together with the Labor Standards Act and related laws and regulations, to set various internal management regulations and " Corporate Social Responsibility Best Practice Principles," in order to protect the basic human rights of all colleagues, customers and stakeholders, and to safeguard public interests. In addition, when signing a transaction contract with a customer, it is also committed to comply with the Electronic</p>	No difference.

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(2)Has the company set up an employee hotline or grievance mechanism to handle complaints with appropriate solutions?	✓		<p>Industry Code of Conduct (EICC), ensuring a safe working environment, well-respected and dignified employees, environmentally friendly business operations, and ethical conduct.</p> <p>(2)The Group’s employees can directly report to their units, the chief internal auditor, the head of the human resources department, etc., and can also report via the internally set up employee complaint channel or the stakeholder section established on the Company’s website. The responsible personnel shall properly and timely handle the employees’ opinions or whistle-blowing matters.</p>	No difference.
(3)Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		<p>(3)The Group’s most valued asset is the employees, so creating a friendly and warm working environment is the Group’s primary management task.</p> <p>(a)Creating a healthy workplace environment: Work environment disinfection and air-conditioning cleaning is regularly conducted in various office locations to maintain a clean and comfortable workplace environment. The Company regularly carries out various safety inspections and maintenance in accordance with the law and regulations, and entrusts professional fire technicians to conduct fire inspections. The Company provides automatic blood pressure monitor for employees to measure and regularly track blood pressure, and give a sphygmomanometer to each employee on Father's Day this year to remind colleagues to pay attention to their health. The Company also prepares cozy and comfortable lactation rooms for breastfeeding mother employees.</p> <p>(b)Environmental safety education training and advocacy: New employees are required to participate in the labor safety</p>	No difference.

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>and health curriculum, strengthen the employees’ safety, health and environmental protection concepts, and promote environmental safety from time to time. They are required to comply with safety and health operation standards. The Group regularly implements fire drills every year to ensure employee safety.</p> <p>(c)Health management: The Company provides employee health checkups every year, has full-time health managers, and invites physicians to provide employee health counseling services on site of the Company: In addition, the Company organizes health seminars from time to time to enhance employees’ medical knowledge, to strengthen self-health management concepts, to implement care, and to support employees' physical and mental health.</p> <p>(d)Promoting various sports activities: The Company encourages employees to participate in sports courses organized by the Company and sports center, and sponsors employees to set up various types of clubs, such as running basketball, softball, badminton, cooking, floral, etc.. The Company wants its employees to participate in fitness and talent activities, and to enhance the friendship among colleagues.</p>	
(4)Does the company setup a communication channel with employees on a regular basis, as well as reasonably inform employees of any significant changes in operations that may have an impact on them?	✓		(4)The Group regularly convenes supervisor meetings and related department meetings, and notifies the operational changes that may have a significant impact on employees through methods such as announcements, etc.	No difference.
(5)Does the company provide its employees with	✓		(5)The Group's Training & Development Roadmap is developed by	No difference.

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
career development and training sessions?			dedicated units to develop annual training programs, and courses developed are based on functional attributes and grades to enhance the employees’ professional competence and knowledge.	
(6) Does the company establish any consumer protection mechanisms and appealing procedures regarding research development, purchasing, producing, operating and service?	✓		(6) The Group cares the opinions of its customers. Besides individual visits, it also provides point of contact and e-mail addresses for products on the Company's website. It also sets up a stakeholder section on the Company's website to provide a channel for customer questions, complaints, or suggestions. The Company shall handle them and give feedback on the principle of good faith to protect customers’ rights and interests.	No difference.
(7) Does the company advertise and label its goods and services according to relevant regulations and international standards?	✓		(7) The Group complies with the law, regulations and international standards such as Fair Trade Act, Foreign Trade Act, Regulations Governing Export and Import Of Strategic High-tech Commodities, Export Administration Regulations of the United States of America, Regulations Governing Permission of Trade Between Taiwan Area and Mainland Area, etc., and all products comply with the international safety standards, international environmental regulations and import and export regulations.	No difference.
(8) Has the Company assessed whether the suppliers have a record of impacting the environment and society before conducting businesses with such suppliers?	✓		(8) The Group has established a standard supplier evaluation process and the Supplier Code of Conduct, and require suppliers to comply with the issues of labor rights, health and safety, environmental protection and ethics, etc. The Group works with suppliers to commit to the development and application of green technologies, to solve the environmental problems of the Earth’s gradually exhausting energy, and to promote corporate social responsibility together. When purchasing goods, the Group always complies to	No difference.

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(9)Do the contracts between the company and its major suppliers include termination clauses which come into force once the suppliers breach the corporate social responsibility policy and cause appreciable impact on the environment and society?	✓		the industrial regulations on environmental regulations, conflict minerals, etc. In addition, on the official website of those large international suppliers that the Company conducts transactions with, statements that their products comply with relevant environmental regulations are also disclosed. (9)The Group has established the “Supplier Code of Conduct” which has been disclosed on the Company's website so that suppliers can understand and comply with the Company's product safety and ethical requirements, in order to enhance social and environmental responsibility. In case of violation, the Company may immediately terminate the cooperation with the supplier and may claim damages.	No difference.
d.Enhancing Information Disclosure Does the company disclose relevant and reliable information regarding its corporate social responsibility on its website and the Market Observation Post System (MOPS)	✓		The Company's website (www.wtmec.com) has a corporate social responsibility section. The Company also discloses the Company's rules and regulations governing corporate governance on Market Observation Post System, and updates the information on corporate social responsibility as needed to enhance information transparency.	No difference.
e.If the Company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation: The Company has established “Corporate Social Responsibility Best Practice Principles” to promote the implementation of various social responsibilities. There is no difference between the actual operation and the Company's best practice principles.				
f.Other important information to facilitate better understanding of the company’s corporate social responsibility practices: (1)Public interest: (a)It is the Group's commitment to fulfill corporate social responsibility, in addition to expanding its operations and creating maximum value for its shareholders. The Group has established the "WT Education Foundation," to promote non-profit cultural and educational activities, via the five pillars of " supporting multicultural education ", "inspiring students to create", "caring for education for the disadvantaged", "cultivating elites " and " respecting life". By promoting caring to all corners of the society, the Company can do our part as a corporate citizen in order to realize corporate				

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
<p>responsibility for social welfare, environmental sustainability and corporate governance. For information on the Company’s corporate social responsibility, please refer to the Company’s 2017 Corporate Social Responsibility Report on the Company’s website (http://www.wtmec.com/WT/?page_id=12183).</p> <p>(b)The Group responds to government decrees and employs employees with physical and mental disabilities in accordance with the People with Disabilities Rights Protection Act.</p> <p>(2)Environmental protection: The Company is an electronic component distributor with no manufacturing factory, and thus offices and warehouses are the main focus to promote environmental protection. The warehouses in both Taiwan and Hong Kong have obtained ISO 14001 environmental management system certification. The Company uses green packaging materials and recycles empty containers from purchase to reduce the needs for new carton boxes. The electronic signature operation is promoted in offices, and the handheld PDAs are used in logistics system for paperless operations, reducing paper usage with the goals of accelerating paperlessness. Office equipment and resources are recycled and reused to reduce waste generation. Through plans such as donating used office furniture to social welfare groups, recycling information computer equipment and parts, and recycling packaging materials, the Company can avoid waste of resources. The Company also has preferential procurement for products with Green Mark in order to reduce the damage to our natural ecological environment.</p> <p>(3)Human rights: The Group values the stakeholders’ interests and sets up a stakeholder section on the Company’s website to provide a good communication platform, in order to understand the reasonable expectations and needs of stakeholders. Whether the internal or external issues are questions, complaints, or suggestions in the economic, social and environmental aspects, the Group shall always uphold the principle of good faith to properly handle and provide feedback or improvement plans to achieve effective communication.</p> <p>g.A clear statement shall be made below if the corporate social responsibility reports were verified by external certification institutions: None.</p>				

7.Ethical Corporate Management:

Substantiating ethical management and policies

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>a.Establishment of ethical corporate management policies and programs</p> <p>(1)Does the company declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?</p>	✓		(1)The Company's Board of Directors resolved on December 1, 2014 to formulate the “Ethical Corporate Management Best Practice Principles”, and its amendment was passed by the Board of Directors resolution on July 11, 2016. They are disclosed on the Market Observation Post System and the Company’s website (www.wtmec.com). In addition, on December 28, 2018, the Company's first corporate social responsibility report was released, which conveyed the Company's efforts and contributions in fulfilling its social responsibilities to stakeholders. The Group’s management and members of the Board of Directors are committed to upholding their responsibility of supervising based on the ethical concepts in the execution of their business in order to create a sustainable business environment.	No difference.
<p>(2)Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies?</p>	✓		(2)The Company engages in commercial activities based on the principles of fairness, honesty, trustworthiness and transparency. In order to implement the ethical management policy, in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”, the Board of Directors passed the resolution on April 28, 2016 to formulate the “Procedures for Ethical Management and Guidelines for Conduct”, specifying the matters the Company's personnel shall be minded of when performing business. It includes clear operating procedures	No difference.

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish appropriate precautions against high-potential unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		and guidelines for each program, disciplinary for violations and grievance systems. It is applicable to all of the Group’s companies and organizations such as the Company and its subsidiaries, foundations with the Company directly or indirectly contributing accumulate more than 50% of the funds, and other institutions or legal persons which the Company has substantial control. In addition to strengthening the advanced to new employees, the Company has actually implemented it in the operation. (3) The Company explicitly prohibits unethical conduct such as offering and receiving bribery, providing or accepting improper interests, providing or promising facilitation payment, providing illegal political contributions, engaging in unfair competition, providing improper charitable donations or sponsorships, disclosing trade secrets and damages to the interests of stakeholders, , etc., in the " Procedures for Ethical Management and Guidelines for Conduct". The Company has taken preventive measures and conducted educational advocacies to substantiate the ethical management policy.	No difference.
b. Fulfill operations integrity policy (1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	✓		(1) After the evaluation, the Company shall sign contracts including the ethical clauses with the transaction counterparties as needed. The ethical clauses include the transaction counterparties covenant not to accept or request the improper benefits such as bribery, gift money, gift cards, etc., and covenant to conduct all business activities based on the principles of fairness, justice, openness and honesty. In addition, the financial institutions to which the Company conducts transactions with are all legally	No difference.

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
(2) Does the company establish an exclusively (or concurrently) dedicated unit supervised by the Board to be in charge of corporate integrity?	✓		<p>registered well and known commercial banks or bills finance companies. The rights and obligations of both parties and the terms of the transaction are clearly set out in the credit contract. The Company also established the “Supplier Code of Conduct” on April 12, 2016 to specify relevant ethics.</p> <p>(2) In order to improve the ethical management, the HR, Legal and Audit Office jointly form an Ethical Management Promotion Task Group, decentralizing the formulation and supervision of the ethical management policies and preventive measures, according to the work responsibility and scope of each unit, to ensure the implementation of the Ethical Corporate Management Best Practice Principles.</p> <p>In addition, the task group reports the implementation of last year to the Board of Directors every year, to assist the Board of Directors in assessing whether the ethical management measures established by the Company is operating effectively. On January 9, 2019, the Board of Directors completed the 2018 annual reporting on the implementation of ethical management.</p> <p>In addition to promoting ethics and integrity as the core values of the Company to all employees, the task group also provides education and training to new employees to advocate the matters which require attention when conducting business. Employees can also respond to and communicate with management and the HR unit through multiple channels (including the Company’s website, internal email system, etc.). In addition, there is a whistleblowing platform for any violation of code of conduction the Company's official website, providing a channel for whistleblowers to report</p>	No difference.

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No		
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		<p>illegal activities of the Company's personnel. The Ethical Management Promotion Task Group is responsible to accept the reported cases, forward these cases to the highest supervisors of the relevant units for investigation, and track the final result of each cases. The identity of the whistleblower and the contents of the report shall be kept confidential, and a complete record of the acceptance, investigation process and results of the case shall be retained. In 2018, there were 2 valid cases reported by external whistleblowers and 0 case directly reported by employees. For those valid cases, the truth has been found, which did not involve major unethical conduct, and appropriate improvement measures have been taken.</p> <p>(3) The Company's " Ethical Corporate Management Best Practice Principles " and "Procedures for Ethical Management and Guidelines for Conduct" have clearly specified policies for preventing conflicts of interest and required all units to implement them. Open channels are provided internally and on the Company's website for employees to present their opinions. In addition, the Company's personnel presenting on the Board of Directors recused themselves for those proposals listed by the Board of Directors which have interests to them on the dates of the board meetings (January 22, 2018; February 8, 2018; July 9, 2018; January 9, 2019; and February 19, 2019) in accordance with the provisions of Article 17 of the Company's "Rules of Procedure for Board of Directors' Meetings" on Directors' recusal due to conflict of interest.</p>	No difference.

Evaluation Item	Implementation Status			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?	✓		(4) The Group has established a complete and effective control mechanism in the accounting system and internal control system for business activities and operating procedures that have potentially high levels of unethical conduct. Internal auditors shall include high-risk operations as the primary audit items of the annual audit plan based on risk assessment to strengthen preventive measures and report the actual implementation of the audit plan to each regular Board of Directors meeting. In addition, through the Company's annual self-assessment operation of the internal control, all departments and subsidiaries of the Company are required to self-examine the internal control system to ensure the effectiveness of the design and implementation of the system.	No difference.
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		(5) The "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" established by the Company are disclosed in the "Corporate Governance" section of the official website, as well as advocated on the internal website and during the new employee training. In 2018, the total number of training hours was 13 hours, and the number of trainees was 190. It is expected that each new employee can understand and abide by the Best Practice Principles. In addition, relevant personnel are also appointed to participate in seminars and symposiums organized by public associations or professional organizations to strengthen the Group's ethical management policy.	No difference.
c. Operation of the integrity channel (1) Does the company establish both a reward/punishment system and an integrity	✓		(1) In accordance with the provisions of Article 18 of the Company's Ethical Corporate Management Best Practice Principles and Article	No difference.

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>hotline? Can the accused be reached by an appropriate person for follow-up?</p> <p>(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?</p> <p>(3) Does the company provide proper whistleblower protection?</p>	<p>✓</p> <p>✓</p>		<p>23 of the Procedures for Ethical Management and Guidelines for Conduct on whistle-blowing system, If members of the Group suspect or discover any violations, they shall report to Supervisors, managerial officers, chief internal auditor or other suitable personnel. In addition, there is an professional ethics violation reporting channel on the Company's website for the relevant personnel to report wrongdoings; there has been no major internal or external reporting this year.</p> <p>(2) In accordance with the provisions of Article 18 of the Company's Ethical Corporate Management Best Practice Principles and Article 21 of the Procedures for Ethical Management and Guidelines for Conduct, the record of the acceptance of whistle-blowing, investigation process and results shall be kept and retained, and the identity of the whistle-blower and the content of the whistle-blowing shall be kept confidential. If a material violation has been discovered by the investigation or the Group shall probably suffer significant losses, a report shall immediately be made and Supervisors shall be notified in writing; there was no such occurrence this year.</p> <p>(3) In accordance with the provisions of Article 18 of the Company's Ethical Corporate Management Best Practice Principles and Article 21 of the Procedures for Ethical Management and Guidelines for Conduct, the identity of the whistle-blower and the content of the whistle-blowing shall be kept confidential, and whistle-blowers shall not be subject to improper treatment due to whistle-blowing.</p>	<p>No difference.</p> <p>No difference.</p>

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
d.Strengthening information disclosure (1)Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	✓		(1)The Company has disclosed these Best-Practice Principles and its implementation on the Company’s website, Market Observation Post System, annual reports, corporate social responsibility reports and prospectus in accordance with the provisions of Article 20 of the Ethical Corporate Management Best Practice Principles. Integrity is the Company's most important core values and business philosophy. Employees must abide by clear ethical standards and moral charactercharacter ethics. The Company keeps its commitment to vendors, customers, employees, shareholders and society, and also does its utmost to ensure the interests and rights of all stakeholders.	No difference.
e.If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-PracticePrinciples for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: The Company has established the “Ethical Corporate Management Best Practice Principles” to establish a corporate culture of ethical management and to have sound development. There is no difference between the actual operation and the Company's Best Practice Principles.				
f.Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies): The Company shall pay attention to the development of relevant domestic and international ethical management regulations, and encourage Directors, Supervisors, managerial officers and employees to make suggestions for improvement. The Company's Ethical Corporate Management Best Practice Principles have been reported to the Board of Directors for review and amendment on July 11, 2016 to improve the effectiveness of the Company's ethical management in response to the establishment of Independent Directors and amendments to the law.				

8.If the Company has the corporate governance best practice principles enacted and the relevant regulations, the inquiry approaches should be disclosed:

As of the present date, the Company has formulated regulations such as the " Articles of Incorporation", " Rules of Procedure for

Shareholders' Meetings", " Rules of Procedure for Board of Directors' Meetings", " Rules for Election of Directors and Supervisors", " Remuneration Committee Charter", " Procedures for Acquisition or Disposal of Assets", " Procedures for Lending Funds and Endorsement & Guarantee", " Procedures for Handling Material Inside Information", " Corporate Governance Best Practice Principles", " Corporate Social Responsibility Best Practice Principles", " Ethical Corporate Management Best Practice Principles", " Codes of Ethical Conduct", "Supplier Code of Conduct", " Procedures for Ethical Management and Guidelines for Conduct", " Rules for Board of Directors Performance Assessments" etc., and those regulations can be found on the Company's website (website: <http://www.wtmec.com>), the Market Observation Post System or the Company's annual reports.

9. Other important information that can facilitate the understanding of the Company's operation of corporate governance:

- (1) In addition to disclosing in the Corporate Governance section of the Market Observation Post System, the Company also discloses the corporate governance related operations in the format of material information to investors in a timely manner, depending on the materiality.
- (2) The Company regularly holds investor conferences, and the relevant materials of the investor conferences are published on the Company's website and the Market Observation Post System.
- (3) Continuing education for the Company's managerial officers in 2018 :

Title	Name	Date	Organizer	Course	Number of Hours Completed
President	Eric Cheng	2018/04/20	Securities and Futures Institute	The 2018 Advocacy Briefing on Prevention of Insider Trading	3
		2018/05/25	Taiwan Stock Exchange&Taipei Bar Association	FSC's New Corporate Governance Blueprint Series- Corporate Governance Personnel	3
Senior Vice President	Kerry Hsu	2018/03/23	PricewaterhouseCoopers Taiwan	The 2018 Taxation Strategy Comprehensive Report	2
		2018/04/20	Securities and Futures Institute	The 2018 Advocacy Briefing on Prevention of Insider Trading	3
		2018/05/25	Taiwan Stock Exchange&Taipei Bar Association	FSC's New Corporate Governance Blueprint Series- Corporate Governance Personnel	3
Vice President and CFO	Cheryl Yang	2018/03/23	PricewaterhouseCoopers Taiwan	The 2018 Taxation Strategy Comprehensive Report	2
		2018/12/10-11	Accounting Research and Development Foundation	Continuing Training of Accounting Supervisors	12

(4) Communication between Independent Directors and chief internal auditor and CPAs :

- (a) Independent Directors and chief internal auditor may contact each other at normal times by e-mail, telephone or meeting as needed. If there are material abnormal events, they can also convene a meeting at any time, and the communication channels are diverse and open. The Company's chief internal auditor will submit the audit report or follow-up report of the previous month to Independent Directors for

review. Independent Directors shall give responses or opinions based on the necessity of the report. There were no material abnormalities in the 2018 audit results, and Independent Directors had no objections. The total number of communications was 8 times in this year, and the summary of those communications are as follows:

Meeting Date	Nature and communication content	Independent Directors' Opinions
January 22, 2018	●Internal Audit Implementation Report	Independent Directors had no opinions and suggestions.
February 8, 2018	●Internal Audit Implementation Report	Independent Directors had no opinions and suggestions.
March 26, 2018	●Internal Audit Implementation Report ●Discussing the 2017 effectiveness assessment of the internal control system and the " Internal Control System Statement "	Independent Directors had no opinions and suggestions.
May 11, 2018	●Internal Audit Implementation Report	Independent Directors had no opinions and suggestions.
June 28, 2018	●Internal Audit Implementation Report	Independent Directors had no opinions and suggestions.
July 9, 2018	●Internal Audit Implementation Report	Independent Directors had no opinions and suggestions.
August 8, 2018	●Internal Audit Implementation Report	Independent Directors had no opinions and suggestions.
November 8,2018	●Internal Audit Implementation Report ●Discussing the 2019 audit plan	Independent Directors had no opinions and suggestions.

(b)In addition to reporting to Independent Directors for the audit or review of financial reports, the Company's CPAs hold at least one legal advocacy briefing at the Company each year to update the financial and taxation laws and the response measures for the corresponding impacts. In normal times, Independent Directors and CPAs can communicate with each other by e-mail, telephone or meeting at any time as needed. The Company's Independent Directors communicated well with CPAs. The communication records in 2017 were summarized as follows:

Date	Communication focus	Independent Directors' Opinions
March 26, 2018	●Explaining the findings and results of the review of the 2017 consolidated and standalone financial reports and communicating key review matters ●Responding to and discussing the issues raised by the participants.	Independent Directors had no opinions and suggestions.
May 11, 2018	●Explaining the findings and results of the review of the 2018 Q1 consolidated financial report ●Responding to and discussing the issues raised by the participants.	Independent Directors had no opinions and suggestions.
August 8, 2018	●Explaining the findings and results of the review of the 2018 Q2 consolidated financial report ●Responding to and discussing the issues raised by the participants.	Independent Directors had no opinions and suggestions.

Date	Communication focus	Independent Directors' Opinions
November 8, 2018	<ul style="list-style-type: none"> ● Explaining the findings and results of the review of the 2018 Q3 consolidated financial report ● Responding to and discussing the issues raised by the participants. 	Independent Directors had no opinions and suggestions.

10. Internal Control System Execution Status:

a. Internal Control System Statement

**WT Microelectronics Co., Ltd.
Internal Control System Statement**

Date : March 22, 2019

Based on the findings of a self-assessment, WT Microelectronics Co., Ltd. states the following with regard to its internal control system during the year 2018:

- I. The Company has confirmed that it is the responsibility of the Board of Directors and management to establish, implement, and maintain an adequate internal control system. The Company has established such a system, and the goal is to provide reasonable assurance over the achieving of objectives such as effectiveness and efficiency of the operations (including profitability, performance, safeguarding of assets, etc.); reliability, timeliness, transparency, and conformity with relevant specifications of our reporting; and compliance with applicable rulings, regulations and bylaws.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three aforementioned objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to changes in environment and circumstances. Nevertheless, the Company's internal control system contains self-monitoring mechanisms, and the Company shall take immediate remedial actions in response to any identified deficiencies.
- III. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The criteria adopted by the Regulations, based on the process of management control, divide the internal control system into five constituent elements: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communications, and (5) monitoring activities. Each constituent element also includes several items. Please refer to the "Regulations" for those items.
- IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforementioned criteria.
- V. Based on the findings of such evaluation, the Company believes that, on December 31, 2018, it has an effective internal control system (that includes the supervision and management to the subsidiaries), including the understanding of the effectiveness of the operation and the degree of achieving the efficiency objectives; the reporting is reliable, timely, transparent and in conformity with relevant specifications; and the design and implementation of the internal control system related to the compliance with the relevant laws and regulations; and it can provide reasonable assurance over achieving the aforementioned objectives.
- VI. This Statement is an integral part of the Company's annual report and prospectus, and shall be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement was passed by the Board of Directors in their meeting held on March 22, 2019, with none of the six attending Directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

WT Microelectronics Co., Ltd.

Chairman and President : Eric Cheng

b.If the internal control system is entrusted to CPAs for project review, the CPA's review report shall be disclosed: None.

11.The Company and its internal personnel had been disciplined in accordance with the law, the disciplinary action had been brought against the internal personnel for violating internal control system, major deficiencies, and the improvement action in the most recent year and as of the printing date of the annual reports: None.

12.Major resolutions of the shareholders' meeting and board meeting in the most recent year and as of the printing date of the annual report:

a.Major resolutions of the Board of Directors:

Date	Major resolutions
January 22, 2018	<ol style="list-style-type: none"> 1. Passed the proposal for the 2018 business plan. 2. Passed the proposal for the 2017 managerial officers' year-end bonuses and performance bonuses. 3. Passed the proposal for the 2018 managerial officers' salary compensations. 4. Passed the proposal for changing the attest CPAs. 5. Passed the proposal for the appointment and independence assessment of CPAs. 6. Passed the proposal for setting the record date for capital increase from stock conversion of the Company's fifth unsecured convertible corporate bonds. 7. Passed the proposal for Lending RMB 130 million to the subsidiary, WT Microelectronics (Shanghai) Co., Ltd.
February 8, 2018	<ol style="list-style-type: none"> 1. Passed the proposal for the donation to the WT Education Foundation. 2. Passed the proposal for the 2018 first-quarter summary consolidated financial forecast.
March 26, 2018	<ol style="list-style-type: none"> 1. Passed the proposal for the 2017 distribution remuneration to employees and Directors and Supervisor. 2. Passed the proposal for the 2017 Business Report and Financial Statements. 3. Passed the proposal for the Company's 2018 effectiveness assessment of internal control system and internal control system statement. 4. Passed the proposal for related matters of convening the Company's 2018 regular shareholders' meeting.
May 11, 2018	<ol style="list-style-type: none"> 1. Passed the proposal for the 2018 second-quarter summary consolidated financial forecast. 2. Passed the proposal for the 2017 earnings distribution. 3. Passed the proposal for setting the record date for capital increase from issuing new shares converted from the Company's fifth unsecured convertible corporate bonds. 4. Passed the proposal for the amendment to the "Corporate Governance Best Practice Principles". 5. Passed the proposal on the amendment to the "Articles of Incorporation". 6. Passed the proposal for Lending NT\$ 350 million to the

Date	Major resolutions
	subsidiary, Maxtek Technology Co., Ltd. 7. Passed the proposal for Lending NT\$ 350 million to the subsidiary, Hongtech Electronics Co., Ltd. 8. Passed the proposal for Lending US\$ 10 million to the subsidiary, Lacewood International Corp.
June 28, 2018	1. Passed the proposal for providing endorsements/guarantees of NT\$ 200 million to the subsidiary, Maxtek Technology Co., Ltd. 2. Passed the proposal for providing associated guarantee for the subsidiaries, WT Microelectronics (Shanghai) Co., Ltd., WT Microelectronics (Shenzhen) Co., Ltd., Morrihan Singapore Pte. Ltd., and Lacewood International Corp., to obtain credit line from banks.
July 9, 2018	1. Passed the proposal for the record date for dividend entitlement and ex-dividend date of the 2017 cash dividend from earnings. 2. Passed the proposal for the remuneration to Directors and Supervisors. 3. Passed the proposal for setting the record date for capital increase from issuing new shares converted from the Company's fifth unsecured convertible corporate bonds. 4. Passed the proposal for providing endorsements/guarantees for the subsidiary, Hongtech Electronics Co., Ltd., to obtain purchase credit line of US\$ 5 million from the supplier. 5. Passed the proposal for providing associated guarantee for the subsidiary, WT Microelectronics (Shanghai) Co., Ltd., to obtain credit line from the banks.
August 8, 2018	1. Passed the proposal for the 2018 third-quarter summary consolidated financial forecast. 2. Passed the proposal for the 2017 annual financial statements of the Hong Kong branch. 3. Passed the proposal for providing endorsements/guarantees for the subsidiary, Maxtek Technology Co., Ltd., to obtain purchase credit line of NT\$ 50 million from the supplier. 4. Passed the proposal for providing associated guarantee for the subsidiaries, WT Microelectronics (Shenzhen) Co., Ltd. and WT Microelectronics (Shanghai) Co., Ltd., to obtain credit line from banks. 5. Passed the proposal for Lending RMB 70 million to the subsidiary, WT Microelectronics (Shanghai) Co., Ltd.
November 8, 2018	1. Passed the proposal for the 2018 fourth-quarter summary consolidated financial forecast. 2. Passed the proposal for the 2019 audit plan. 3. Passed the proposal for setting the record date for capital increase from issuing new shares converted from the Company's fifth unsecured convertible corporate bonds.

Date	Major resolutions
	4. Passed the proposal for providing associated guarantee for the subsidiaries, WT Microelectronics (Hong Kong) Limited and WT Solomon QCE Limited, to obtain credit line from banks.
January 9, 2019	<ol style="list-style-type: none"> 1. Passed the proposal for the 2019 business plan. 2. Passed the proposal for the 2018 managerial officers' year-end bonuses and performance bonuses. 3. Passed the proposal for the 2019 managerial officers' salary compensations. 4. Passed the proposal for changing the attest CPAs. 5. Passed the proposal for the appointment and independence assessment of CPAs. 6. Passed the proposal for setting the record date for capital increase from issuing new shares converted from the Company's fifth unsecured convertible corporate bonds. 7. Passed the proposal for providing endorsements/guarantees for the subsidiary, Maxtek Technology Co., Ltd., to obtain purchase credit line of NT\$ 12 million from the supplier.
February 19, 2019	<ol style="list-style-type: none"> 1. Passed the proposal for the donation to the WT Education Foundation. 2. Passed the proposal for the 2019 first-quarter summary consolidated financial forecast. 3. Passed the proposal for continuously providing associated guarantee for the subsidiaries, WT Technology Korea Co., Ltd., Wonchang Semiconductor Co., Ltd., and WT Microelectronics (Shanghai) Co., Ltd., to obtain credit line from the banks.
March 22, 2019	<ol style="list-style-type: none"> 1. Passed the proposal for the 2018 distribution remuneration to employees and Directors and Supervisor. 2. Passed the proposal for the 2018 Business Report and Financial Statements. 3. Passed the proposal for the amendment to the "Articles of Incorporation". 4. Passed the proposal for the amendment to the "Rules for Election of Directors and Supervisors". 5. Passed the proposal for election of the 9th Board Directors. 6. Passed the proposal for the formulation of the "Audit Committee Charter". 7. Passed the proposal for the amendment to the "Procedures for Acquisition or Disposal of Assets". 8. Passed the proposal for related matters of convening the Company's 2018 regular shareholders' meeting. 9. Passed the proposal for the Company's 2018 effectiveness assessment of internal control system and internal control system statement.
May 8, 2019	1. Passed the proposal for the 2019 second-quarter

Date	Major resolutions
	<p>summary consolidated financial forecast.</p> <ol style="list-style-type: none"> 2. Passed the proposal for the 2017 earnings distribution. 3. Passed the proposal for the amendment to the “Articles of Incorporation”. 4. Passed the proposal for the amendment to the “Procedures for Lending Funds and Endorsement & Guarantee”. 5. Passed the proposal for nominating Directors (including Independent Directors) candidates. 6. Passed the proposal for Exemption of non-competition limitation for directors of the Company. 7. Passed the proposal for issuing the sixth domestic unsecured convertible corporate bonds. 8. Passed the proposal for setting the record date for capital increase from issuing new shares converted from the Company’s fifth unsecured convertible corporate bonds. 9. Passed the proposal for appointing the Company Secretary. 10. Passed the proposal for protocoling “procedures for responding to requests from directors”. 11. Passed the proposal for providing associated guarantee for the subsidiaries, WT Microelectronics (Shenzhen) Co., Ltd. to obtain credit line from banks.

b. Major resolutions and implementation of the shareholders' meeting:

Date	Major resolutions
June 28, 2018	<ol style="list-style-type: none"> 1. Adoption of the proposal for the 2017 Business Report and Financial Statements. 2. Adoption of the proposal for the 2017 earning distribution. Implementation: The 2017 earning distribution has been fully allocated. August 12, 2018 is set as the record date for dividend entitlement and August 31 of the same year is set as the cash dividend distribution date. The cash dividend is NT\$ 2.5 per share. 3. Passed the proposal on the amendment to the “Articles of Incorporation”. Implementation: It was approved by the Ministry of Economic Affairs with registration on July 13, 2018.

13. Directors or Supervisors have different opinions with records or written statements to the important resolutions of the Board of Directors in the most recent year and as of the printing date of the annual report: None.

14. The summary of the resignation and discharge of the Company's Chairman and President, accounting officer, finance officer, chief internal audit, and R&D officer in the most recent year and as of the printing date of the annual report: None.