

Compensation to Directors and Management Executives

1. Compensation of directors

Unit: NT\$

Title	Name	Representative	Director's compensation								A+B+C+D as a % of net profit		Compensation as an employee								A+B+C+D+E+F+G as a % of net profit		Compensation from investees other than subsidiaries		
			Cash compensation (A)		Pension (B)		Director's remuneration (C)		Professional fee (D)				Performance-based salary (E)		Retirement pay of employees (F)		Earnings paid as bonus to employees (G)								
			Stand-alone	Consolidated	Stand-alone	Consolidated	Stand-alone	Consolidated	Stand-alone	Consolidated	Stand-alone	Consolidated	Stand-alone	Consolidated	Stand-alone	Consolidated	Stand-alone	Consolidated	Stand-alone		Consolidated			Stand-alone	Consolidated
																			Cash	Stock	Cash	Stock			
Chairman	Fu-Chi Investment Co., Ltd.	Daniel M. Tsai	41,668,272	57,081,522	-	-	45,936,816	45,936,816	1,910,000	2,252,000	0.6562%	0.7717%	18,381,957	18,381,957	108,000	108,000	6,831,583		6,831,583	0.8418%	0.9573%	-			
Director	Fu-Chi Investment Co., Ltd.	Richard M. Tsai																							
Director	Fu-Chi Investment Co., Ltd.	San-Cheng Chang																							
Director	TCC Investment Co., Ltd.	Howard Lin																							
Director	TCC Investment Co., Ltd.	James Jeng																							
Independent Director	Jack J.T. Huang																								
Independent Director	Hsueh-Jen Sung																								
Independent Director	Char-Dir Chung																								
Independent Director	Jamie Lin (Mr. Lin was elected on June 12, 2018 and resigned on February 11, 2019.)																								
Independent Director	Chung-Ming Kuan (Mr. Kuan resigned on January 12, 2018.)																								

Note 1: The figures in the table include expenses for company cars and gasoline reimbursement, but do not include compensation paid to company drivers which totaled NT\$1,059,524.

Note 2: In addition to the above table, remuneration paid to directors for their services to all consolidated entities (such as consultants who are not employees) totaled NT\$10,720,008. .

2. Range of compensation to directors

Range of compensation to directors	Name of directors			
	Director's compensation		Director's compensation + Compensation as an employee	
	On a stand-alone basis	On a consolidated basis	On a stand-alone basis	On a consolidated basis
NT\$0~NT\$1,999,999	San-Cheng Chang, Howard Lin, Chung-Ming Kuan, James Jeng	San-Cheng Chang, Chung-Ming Kuan, James Jeng	San-Cheng Chang, Howard Lin, Chung-Ming Kuan	San-Cheng Chang, Chung-Ming Kuan
NT\$2,000,000~NT\$4,999,999	Jamie Lin	Jamie Lin	Jamie Lin	Jamie Lin
NT\$5,000,000~NT\$9,999,999	TCC Investment Co., Ltd., Jack J.T. Huang, Hsueh-Jen Sung, Char-Dir Chung	TCC Investment Co., Ltd., Jack J.T. Huang, Hsueh-Jen Sung, Char-Dir Chung	TCC Investment Co., Ltd., Jack J.T. Huang, Hsueh-Jen Sung, Char-Dir Chung	TCC Investment Co., Ltd., Jack J.T. Huang, Hsueh-Jen Sung, Char-Dir Chung
NT\$10,000,000~NT\$14,999,999	—	—	—	—
NT\$15,000,000~NT\$29,999,999	Fu-Chi Investment Co., Ltd., Daniel M.Tsai, Richard M. Tsai	Fu-Chi Investment Co., Ltd., Daniel M.Tsai, Richard M. Tsai, Howard Lin	Fu-Chi Investment Co., Ltd., Daniel M. Tsai, Richard M. Tsai, James Jeng	Fu-Chi Investment Co., Ltd., Daniel M.Tsai, Richard M. Tsai, Howard Lin, James Jeng
NT\$30,000,000~NT\$49,999,999	—	—	—	—
NT\$50,000,000~NT\$99,999,999	—	—	—	—
NT\$100,000,000 and above	—	—	—	—
Total	12	12	12	12

3. Compensation of management executives

Unit: NT\$

Title and name	President, James Jeng; Executive Vice President and Chief Financial Officer, Rosie Yu; Senior Vice President and Chief Business Officer, Jeff Ku; Vice President and General Counsel, Ariel Hwang; Vice President and Chief Information Officer, James Chang; Vice President and Acting Chief Technology Officer, Tom Koh; Vice President and Chief Data Officer, Eddie Chan; Vice President, Jay Hong; Vice President, Iris Liu; Vice President, Naomi Lee; Vice President, C.H. Wu; Vice President, Steve Chou; Vice President, Daphne Lee; Vice President, David Lin; Vice President, Michael Teng <u>Resigned manager:</u> Senior Vice President and Chief Technology Officer, C.H. Jih	Total	
Salary (A)	Stand-alone	75,294,296	
	Consolidated	75,654,296	
Pension (B) *	Stand-alone	1,698,300	
	Consolidated	1,698,300	
Performance-based salary (C)	Stand-alone	39,972,772	
	Consolidated	40,014,383	
Earnings paid as bonus to employees (D)	Stand-alone	Cash	35,642,508
		Stock	—
	Consolidated	Cash	35,642,508
		Stock	—
A+B+C+D as a % of net profit	Stand-alone	1.1186%	
	Consolidated	1.1216%	
Compensation from investees other than subsidiaries		35,000	

* The Company's contribution to employee's pension account, not actual amount paid.

Note: Figures do not include compensation paid to company drivers which totaled NT\$3,118,000.

4. Range of compensation to management executives

Range of compensation to management executives	Name of management executives	
	On a stand-alone basis	On a consolidated basis
NT\$0~NT\$1,999,999		
NT\$2,000,000~NT\$4,999,999	C.H. Jih	C.H. Jih
NT\$5,000,000~NT\$9,999,999	Tom Koh, Ariel Hwang, Eddie Chan, Jay Hong, Iris Liu, Naomi Lee, C.H. Wu, Steve Chou, Daphne Lee, David Lin, Michael Teng	Tom Koh, Ariel Hwang, Eddie Chan, Jay Hong, Iris Liu, Naomi Lee, C.H. Wu, Steve Chou, Daphne Lee, David Lin, Michael Teng
NT\$10,000,000~NT\$14,999,999	Jeff Ku, James Chang	Jeff Ku, James Chang
NT\$15,000,000~NT\$29,999,999	James Jeng, Rosie Yu	James Jeng, Rosie Yu
NT\$30,000,000~NT\$49,999,999		
NT\$50,000,000~NT\$99,999,999		
NT\$100,000,000 and above		
Total	16	16

Note: Compensation paid to managers in the above table was based on tenure. Compensation paid to managers who also served as directors is detailed in the "Compensation to directors" table.

5. Compensation mix of management executives

Title and name	Salary and pension	Performance-based salary	Earnings paid as bonus to employees
President, James Jeng	43.4%	29.6%	27.0%
Executive Vice President and Chief Financial Officer, Rosie Yu	47.7%	25.8%	26.5%
Senior Vice President and Chief Business Officer, Jeff Ku	46.1%	27.6%	26.3%
Vice President and General Counsel, Ariel Hwang	55.5%	25.6%	18.9%
Vice President and Chief Information Officer, James Chang	50.4%	25.2%	24.4%
Vice President and Acting Chief Technology Officer, Tom Koh	50.7%	24.8%	24.5%
Vice President and Chief Data Officer, Eddie Chan	50.8%	26.7%	22.5%
Vice President, Jay Hong	51.9%	23.0%	25.1%
Vice President, Iris Liu	50.3%	26.8%	22.9%
Vice President, Naomi Lee	52.3%	24.3%	23.4%
Vice President, C.H. Wu	50.0%	25.8%	24.2%
Vice President, Steve Chou	50.1%	25.3%	24.6%
Vice President, Daphne Lee	54.5%	28.5%	17.0%
Vice President, David Lin	48.5%	29.5%	22.0%
Vice President, Michael Teng	56.5%	25.8%	17.7%
Senior Vice President and Chief Technology Officer, C.H. Jih *	87.2%	12.8%	0.0%

* Resigned

6. Manager and employee bonuses

Unit: NT\$
As of February 25, 2019

Title and name	Stock bonus	Cash bonus	Total	As a % of net profit
President, James Jeng Executive Vice President and Chief Financial Officer, Rosie Yu Senior Vice President and Chief Business Officer, Jeff Ku Vice President and General Counsel, Ariel Hwang Vice President and Chief Information Officer, James Chang Vice President and Acting Chief Technology Officer, Tom Koh Vice President and Chief Data Officer, Eddie Chan Vice President, Jay Hong Vice President, Iris Liu Vice President, Naomi Lee Vice President, C.H. Wu Vice President, Steve Chou Vice President, Daphne Lee Vice President, David Lin Vice President, Michael Teng	-	35,642,508	35,642,508	0.2613%

Compensation of directors and management executives as a percentage of net income over the past two years and guiding principles

1. Compensation of directors

Unit: NT\$

Type	Year	Compensation of directors	Net income	As a % of net income
On a stand-alone basis	2017	117,810,217	14,192,175,846	0.8301%
	2018	114,836,628	13,642,172,236	0.8418%
On a consolidated basis	2017	123,786,563	14,192,175,846	0.8722%
	2018	130,591,878	13,642,172,236	0.9573%

Guiding principles for compensation of directors

Remuneration policies, standards and package

- (1) Directors' (including independent directors) remuneration and compensation are paid according to the Company's Articles of Incorporation and Rules for Setting Director's Remuneration as approved by the board. Remuneration or other equivalent allowance for directors is based on their involvement in the Company's operations, contribution to the Company, and industry norms. Compensation paid to directors is pursuant to the ratio specified in the Company's Articles of Incorporation, when the company makes a profit.
- (2) Transportation allowances are paid based on attendance in board meetings and for services rendered as the chairman or a member of the Audit Committee or Remuneration and Nomination Committee.

Procedures for setting remuneration

- (1) In accordance with the Company's Articles of Incorporation, compensation paid to directors shall not exceed 0.3% of the Company's annual profit after deducting losses from previous years.
- (2) Directors' remuneration and transportation allowances are determined in accordance with the Rules for Setting Director's Remuneration.

Performance factor

According to the Company's Articles of Incorporation, directors' remuneration shall be based on the Company's operating profit. Each director's remuneration is assessed based on his/her contribution to the operations of the Company and the board. The Remuneration and Nomination Committee reviews the compensation mechanism periodically, taking future operating risks, environmental conservation and corporate social responsibility into consideration.

2. Compensation of management executives

Unit: NT\$

Type	Year	Compensation of management executives	Net profit	As a % of net profit
On a stand-alone basis	2017	172,003,497	14,192,175,846	1.2120%
	2018	152,607,876	13,642,172,236	1.1186%
On a consolidated basis	2017	172,388,497	14,192,175,846	1.2147%
	2018	153,044,487	13,642,172,236	1.1218%

Guiding principles for compensation of management executives

Remuneration policies, standards and package

- (1) Compensation paid to the president and vice presidents comprises a fixed monthly salary and performance bonus.
- (2) Performance bonuses are determined based on the president's or the vice president's contribution to the Company and the results of an annual performance appraisal. The above-mentioned bonuses have been proposed by the Remuneration and Nomination Committee for approval at the board meeting.

Procedures for setting performance bonuses

- (1) In accordance with the Company's Articles of Incorporation, employee profit sharing shall come from a pool of 1% to 3% of the Company's annual net income after deducting losses from previous years.
- (2) Year-end bonuses are set based on the Company's performance and the annual budget approved by the board and the chairman.

Performance factor

- (1) Variable compensations in the form of employee profit sharing and performance-based bonuses account for approximately 50% of the remuneration and are determined based on the president's or vice president's contribution to the Company's operations. The Company shall review the compensation mechanism periodically, taking future operating risks, environmental conservation and corporate social responsibility into consideration.
- (2) The Human Resources Division is tasked with preparing the annual compensation for the president and vice presidents, and submitting a report to the Remuneration and Nomination Committee.

Corporate Governance

Board of Directors attendance

1. The Board of Directors convened seven meetings in 2018

Title	Name	Attendance in person	By proxy	Attendance ratio	Remarks
Chairman	Fu Chi Investment Co., Ltd. Representative: Daniel M. Tsai	7	0	100%	None
Director	Fu Chi Investment Co., Ltd. Representative: Richard M. Tsai	7	0	100%	None
Director	Fu Chi Investment Co., Ltd. Representative: San-Cheng Chang	7	0	100%	None
Director	TCC Investment Co., Ltd. Representative: Howard Lin	7	0	100%	None
Director	TCC Investment Co., Ltd. Representative: James Jeng	7	0	100%	None
Independent Director	Jack J.T. Huang	7	0	100%	None
Independent Director	Hsueh-Jen Sung	7	0	100%	None
Independent Director	Char-Dir Chung	7	0	100%	None
Independent Director	Jamie Lin	4	0	100%	Jamie Lin, who was elected on June 12, 2018 and resigned on February 11, 2019, was required to attend four board meetings.

Note: Attendance by all independent directors reached 100% in 2018.