

Communication between Walsin Lihwa’s Independent Directors and Chief Audit Executive in 2018

I. Policy for communication between Walsin Lihwa’s Independent Directors and Chief Audit Executive

- a. The chief audit executive and independent directors shall, through the Audit Committee, convene at least once quarterly to report how internal audit and control at the company are implemented. They may call ad hoc meetings anytime if any major abnormality or irregularity is identified.
- b. In addition to what is dealt with at the aforementioned regular meetings, the Audit Committee convener and the chief audit executive shall discuss how internal control at the company is implemented on an as-needed basis quarterly.

II. Summary of communication between Independent Directors and Chief Audit Executive

Date	Key Points of Communication	Independent Directors’ Advices	Follow-ups and Results
February 13, 2018, Audit Committee	<ol style="list-style-type: none"> 1. Report on audit implementation in the 4th quarter of 2017 2. Report on compliance with relevant laws and regulations in the 4th quarter of 2017 	Nil	Nil
April 23, 2018, Audit Committee	<ol style="list-style-type: none"> 1. Report on audit implementation in the 1st quarter of 2018 2. Report on compliance with relevant laws and regulations in the 1st quarter of 2018 	Nil	Nil
July 25, 2018, Audit Committee	<ol style="list-style-type: none"> 1. Report on audit implementation in the 2nd quarter of 2018 2. Report on compliance with relevant laws and regulations in the 2nd quarter of 2018 3. Report on how issues raised by stakeholders have been processed 	Supervision of hazardous waste filing and outsourced waste processing to be strengthened by relevant business divisions	<ol style="list-style-type: none"> 1. Audit of waste control at individual sites on a regular basis 2. Follow-ups for improvement and inclusion of improvement results into management performance benchmarking

<p>October 24, 2018, Audit Committee</p>	<ol style="list-style-type: none"> 1. Report on audit implementation in the 3rd quarter of 2018 2. Report on compliance with relevant laws and regulations in the 3rd quarter of 2018 3. Discussion of the 2019 audit plan 	<ol style="list-style-type: none"> 1. Management accountability for industrial safety and environmental protection issues to help prevent such issues from recurring 2. Examination of shortcomings, and management subject to penalty for recurring industrial safety and environmental protection issues 3. Effective follow-ups for implementation required in addition to existing assessment and management systems, according to notification from regulatory authorities 	<ol style="list-style-type: none"> 1. A reward-penalty system to strengthen environmental protection, industrial safety, and occupational health, supported by onsite audits on a regular basis to follow up with improvement of shortcomings 2. Management subject to penalty for recurring industrial safety, environmental protection, and occupational health issues 3. Document dispatch and receipt principles amended with document dispatch and receipt system optimization to strengthen follow-ups and assessment
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