

Wistron Corporation

2018 Annual General Shareholders' Meeting Meeting Agenda

<http://www.wistron.com> Held on Date June 14, 2018



DISCLAIMER

THIS IS A TRANSLATION OF THE AGENDA FOR THE 2018 ANNUAL SHAREHOLDERS' MEETING (THE "AGENDA") OF WISTRON CORPORATION (THE "COMPANY"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE AGENDA SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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Wistron Corporation

Rules and Procedures of Shareholders' Meeting

Article 1 The Shareholders' Meeting (the "Meeting") of Wistron Corporation ("Wistron") shall be conducted in accordance with these Rules and Procedures.

Article 2 The Company shall be set forth in the meeting notice the shareholder sign-in time, location of the meeting and other precautions.

The shareholder sign-in time should be at least thirty minutes prior to the start of the meeting; the reception post should be clearly marked and adequately qualified personnel sent to handle the sign-in.

Shareholders attending the Meeting shall sign in. The sign-in procedure is performed by submitting an attendance card. The number of shares represented by attending shareholders shall be calculated in accordance with the attendance card submitted by shareholders, plus the shares voted in writing or electronically.

Shareholders or their proxies (hereinafter referred to as "shareholders") with an attendance card shall be allowed to attend the Meeting; registered proxy solicitors shall also bring identification documents for verification.

Article 3 The presence of shareholders at the Meeting and their voting at the Meeting shall be calculated in accordance with the number of shares.

Article 4 The Meeting shall be held at the domicile of Wistron or at any other appropriate place that is convenient for the presence of shareholders. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.

Article 5 If the Meeting is called by the Board of Directors ("BOD"), the Board's Chairman shall preside at the Meeting. In case the Chairman is on leave of absence, or cannot exercise his powers and authority, the Vice Chairman shall act in his place. If there is no Vice Chairman, or the Vice Chairman is also on leave of absence, or cannot exercise his powers and authority, the Chairman shall designate a director to act in his place. If the Chairman does not designate a director, the directors shall elect one from among themselves to act in lieu of the Chairman. The director acting as Chairman of the Meeting shall have held office for more than six months and understand the financial and business conditions of the Company, likewise if the acting Chairman is a representative of a juristic person. If the Meeting is called by any person other than the BOD, who has the right to call the Meeting, said person shall preside at that Meeting.

Article 6 Wistron may appoint designated counsel, CPA or other related persons to attend the Meeting.

Article 7 The Company shall record the proceedings of the Meeting entirely in audio or video from the shareholders' sign-in through the meeting discussions and the vote counting process; this recording shall be continuous and uninterrupted and the Company shall retain the recording for at least one year. However, if a

shareholder lawsuit has been instituted in accordance with Article 189 of the Company Act, the proceedings of the meeting shall be preserved by the Company until the legal proceedings of the lawsuit have been concluded.

- Article 8 The Chairman shall call the Meeting to order at the time scheduled for the Meeting, provided, however, that if the shareholders present do not represent a majority of the total number of issued shares (“quorum”), the Chairman may postpone the Meeting, provided, however, that the postponement of the Meeting shall be limited to two times, and the total time of the overall postponement shall not exceed one hour. If the Meeting has been postponed twice, but the shareholders present still do not represent a quorum, a tentative resolution may be adopted by shareholders representing one-third of the total amount of issued shares, in accordance with Paragraph 1 of Article 175 of the Company Act. Before the close of the Meeting, if the shareholders present represent a quorum, the Chairman may present the tentative resolution so adopted to the Meeting for resolution in accordance with the provisions of Article 174 of the Company Act.
- Article 9 If the Meeting is convened by the BOD, the agenda of the Meeting shall be set by the BOD. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda. During the Meeting, the Chairman may, at his/her discretion, set time for intermission. Unless otherwise resolved at the Meeting, the Chairman may not announce adjournment of the Meeting before the Meeting is finished. If the Chairman announces the adjournment in violation of these Rules and Procedures, the shareholders may, by majority of the votes represented by the shareholder present at the Meeting, designate one person as the Chairman to continue the Meeting.
- Article 10 A shareholder wishing to speak at the Meeting shall first fill out a slip, specifying therein the major points of his speech, his serial number as a shareholder and his name, and the Chairman shall determine his order of giving a speech. A shareholder who submits his slip for a speech but does not actually speak shall be considered as not having given a speech. If the contents of his speech shall be different from those specified on the slip, the contents of his speech shall prevail. When a shareholder is giving a speech, the other shareholders shall not interrupt unless they have obtained the prior consent from the Chairman and the said shareholder, and the Chairman shall prevent others from interrupting.
- Article 11 A shareholder shall not speak more than two times for one motion, unless he has obtained the prior consent from the Chairman, and each speech shall not exceed 5 minutes. If a shareholder violates the above provisions or his speech exceeds the scope of the motion, the Chairman may prevent him from continuing.
- Article 12 Any legal entity designated as proxy by shareholder(s) to be present at the Meeting may appoint only one representative to attend the Meeting. If a corporate shareholder designates two or more representatives to attend the Meeting, only one of the representatives so designated may speak on any one motion.
- Article 13 After a shareholder has given a speech, the Chairman may respond personally or designate a relevant person to respond.

- Article 14 When the Chairman considers that the discussion for a motion has reached the extent for making a resolution, he may announce discontinuance of the discussion and submit the motion for resolution.
- Article 15 The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the Chairman, provided, however, that the person supervising the casting of votes shall be a shareholder. Voting counting or election ballots shall be conducted in public at the place of the Shareholders' Meeting. After the completion of the vote count, the voting results shall be announced on the spot, including the shares voted by Shareholders and recorded in the meeting minutes.
- In addition, in the case of the election of directors and independent directors, the Company shall announce the election results, including the number of directors elected and the number of ballots received by each.
- Article 16 Except otherwise specified in the Company Act or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting.
- Article 17 If there is an amendment to or substitute for a discussion item, the Chairman shall decide the sequence of voting for such discussion item and the amendment or substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary. The shareholders who voted in writing or electronically shall be deemed to have waived his/her/its voting power with respect to any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said Shareholders' Meeting.
- Article 18 The Chairman may direct disciplinary personnel (or security personnel) to maintain the order of the Meeting. For doing so they shall wear a badge bearing the words of "disciplinary personnel."
- Article 19 In case of incident of force majeure, the Chairman may decide to temporarily suspend the Meeting and announce, depending on the situation, when the Meeting will be resumed, or may, by resolution of shareholders present at the Meeting, resume the Meeting within five days without further notice or public announcement.
- Article 20 Any matter not provided in these Rules and Procedures shall be handled in accordance with the Company Act and the Article of Incorporation of Wistron.
- Article 21 This Procedure was enacted on June 7, 2002.
The 1st amendment was made on June 21, 2012.
The 2nd amendment was made on June 14, 2013.

Meeting Procedures

- (1) Declaration of the Commencement of the Meeting
- (2) The Chairman in Position
- (3) Opening Remarks by the Chairman
- (4) Report Items
- (5) Election Item
- (6) Ratification Items and Discussion Items

Note: After discussions on all ratification and discussion items are completed, every item shall be voted by ballot and tallied separately and simultaneously.

- (7) Extemporaneous Motion
- (8) Adjournment

Meeting Agenda

Time: 9:00a.m., June 14, 2018

Venue: Farglory International Convention Center
(4F., No.99, Section 1, Hsintai 5th Rd., Hsichih Dist., New Taipei City,
Taiwan, R.O.C.)

I. Report Items

1. Report the business of 2017.
2. Audit Committee's Review Report.
3. Report the compensation for employees and directors of 2017.
4. Report the amendments to the "Rules and Procedures of Board of Directors Meeting".

II. Election Item

Election of the 8th Directors, including Independent Directors.

III. Ratification Items and Discussion Items

1. Ratification of the Business Report and Financial Statements of 2017.
2. Ratification of the proposal for distribution of 2017 profits.
3. Discussion of the capitalization of part of 2017 profits through issuance of new shares.
4. Discussion of issuance no more than 260 million of new common shares for cash to sponsor issuance of GDR.
5. Discussion of amendments to the "Procedures of Asset Acquisition and Disposal".
6. Discussion of amendments to the "Procedures Governing Loaning of Funds".
7. Discussion of amendments to the "Procedures Governing Endorsements and Guarantees".
8. Discussion of the release of the prohibition on newly-elected directors and their corporate representatives from participation in competitive business.

IV. Extemporary Motions

V. Adjournment

Report Items

1. **Business Report of 2017.** (Please refer to Appendix 1, pages 21-24)
2. **Audit Committee's Review Report.** (Please refer to Appendix 2, page 41)
3. **Report the compensation for employees and directors of 2017.**

Description:

- (1) According to Article 16 of the "Articles of Incorporation":

If the Company has profit as a result of the yearly accounting closing (profit means the profit before tax, excluding the amounts of employees' and directors' compensation), such profit will be distributed in accordance with the following, once the Company's accumulated losses shall have been covered.

 - A. No less than five percent (5%) of profit as employees' compensation. The Company may distributed in the form of shares or in cash, and the qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive compensation shall be determined by the Board of Directors.
 - B. No more than one percent (1%) of profit as the compensation in cash to the Directors.
- (2) The Company's 3rd term 11th Compensation Committee Meeting and 2nd Board Meeting of 2018 resolved the employees' and directors' compensation of 2017 in accordance with the "Articles of Incorporation."
 - A. The employees' compensation was NT\$711,307,900, distributed by shares.
 - B. The directors' compensation was NT\$46,946,330, distributed in cash.
- (3) The amount of issued shares of employees' compensation with NT\$10 per share were 30,140,165 shares, which were calculated based on the closing price, NT\$23.60, prior to the date of 3rd Board Meeting of 2018. Employees' compensation of less than one share, equivalent to NT\$6, shall be distributed in cash.
- (4) The newly issued shares from the capital increase possess identical obligations and rights as the original shares. The Board of Directors is authorized to carry out the matter regarding the setting of the record date for new shares from capital increase.

4. Report of amendments to the “Rules and Procedures of Board of Directors Meeting”

Description:

In order to comply with government rules and regulations and to meet the operational needs, the Company approved the amendments of “Rules and Procedures of Board of Directors Meeting” at the 7th board meeting of 2017. Please refer to Appendix 3, pages 42-43 for the comparison between the original and the amendments, and Appendix 4, pages 44-50 for the amended version.

Election Item

ITEM: Election of Directors.

Proposal: Submission (by the Board of Directors, “BOD”) of the proposal for election of the Company’s seventh Board of Directors (including Independent Directors)

Details:

1. The Company’s 7th BOD, with 9 Directors (including 5 Independent Directors), has its term until June 25, 2018. In this connection, the election of the eighth BOD (including 5 Independent Directors) is scheduled in the 2018 Annual General Shareholders’ Meeting.
2. To implement corporate governance best practices, the Company has established the Compensation Committee and the Audit Committee pursuant to the Securities and Exchange Act and the Company Act. In this connection, 9 Directors (including 5 Independent Directors) will be elected at the Annual General Shareholders’ Meeting in accordance with the Articles of Incorporation, with their three-year term extending from June 14, 2018 to June 13, 2021. They may then be eligible for re-election. All the Independent Directors will constitute the Audit Committee.
3. The directors shall be elected by the candidate nomination system as specified in Article 192-1 of ROC Company Act. The below list of the candidates for the 9 Directors (including Independent Directors), approved by the third session of BOD meeting in 2018, is being submitted to the Annual General Shareholders’ Meeting to elect the 7th BOD (including Independent Directors).

Title	Name	Academic Qualifications and Major Past Positions	Current Positions (Note 1)	Shareholdings (Note 2)
Director	Simon Lin (Hsien-Ming Lin)	<ul style="list-style-type: none"> ▪ Bachelor Degree from National Chiao Tung University ▪ President of Acer Inc. 	<ul style="list-style-type: none"> ▪ Chairman & CSO of Wistron Corp. ▪ Chairman of Wistron Information Technology & Services Corp. ▪ Director of Gamania Digital Entertainment Co., Ltd. ▪ Independent Director of Taiwan IC Packaging Corp. ▪ Independent Director of Neo Solar Power Corp. ▪ Chairman of Wiwynn Corp. ▪ Independent Director of Elan Microelectronics Corp. ▪ Chairman of Wistron Medical Tech Holding Company ▪ Chairman of Wistron Digital Technology Holding Company 	41,210,239
Director	Robert Huang (Po-Tuan Huang)	<ul style="list-style-type: none"> ▪ Executive MBA Training Program at National Cheng-Chi University ▪ Bachelor Degree in Industrial Engineering from Ta-Tung Institute of Technology 	<ul style="list-style-type: none"> ▪ Director & President & CEO of Wistron Corp. ▪ Director of Global Lighting Technologies Inc. ▪ Chairman of Anwith Technology Corp. 	7,632,802

Title	Name	Academic Qualifications and Major Past Positions	Current Positions (Note 1)	Shareholdings (Note 2)
		<ul style="list-style-type: none"> ▪ Vice President of Acer Inc. 	<ul style="list-style-type: none"> ▪ Chairman of WiAdvance Technology Corp. ▪ Chairman of WiEdu Corp. ▪ Chairman of Wistron Medical Technology Company ▪ Director of Wistron Medical Tech Holding Company 	
Director	Legal Representative of Wistron NeWeb Corporation: Haydn Hsieh (Hong-Po Hsieh)	<ul style="list-style-type: none"> ▪ Bachelor Degree in electrical engineering from Ta-Tung Institute of Technology ▪ Senior Vice President of Acer Inc. 	<ul style="list-style-type: none"> ▪ Director of Wistron Corp. ▪ Chairman & CSO of Wistron NeWeb Corp. ▪ Director of aEnrich Technology Corp. ▪ Independent Director of Raydium Semi-conductor Corp. ▪ Director of Apacer Technology Inc. ▪ Director of WNC Holding Corp. ▪ Director of ANC Holding Corp. ▪ Director of NeWeb Holding Corp. ▪ Director of W-Neweb Corp. ▪ Director of WNC GmbH ▪ Director of Webcom Communication (Kunshan) Corp. ▪ Director of WNC (kunshan) Corp. ▪ Director of Wistron NeWeb (Kunshan) Corp. ▪ Director of NeWeb Service(KunShan) Corp. ▪ Director of NeWeb Communication (Kunshan) Corp. 	27,974,570
Director	Philip Peng (Chin-Bing Peng)	<ul style="list-style-type: none"> ▪ Executive MBA Training Program at National Cheng-Chi University ▪ Senior Vice President of Acer Inc. 	<ul style="list-style-type: none"> ▪ Director of Wistron NeWeb Corp. ▪ Director of Wistron Information Technology & Services Corp. ▪ Director of Acer Incorporated ▪ Director of AOPEN Inc. ▪ Independent Director of AU Optronics Corp. ▪ Chairman of Smart Capital Corp. ▪ Director of iD SoftCapital ▪ Director of Global Strategic Investment Management Inc. ▪ Director of Dragon Investment Fund I Corp. ▪ Supervisor of iD Innovation Inc. 	90,221
Independent Director	Jack Chen (YuLiang Chen)	<ul style="list-style-type: none"> ▪ Bachelor Degree in electrical engineering from National Taiwan University ▪ Chairman of Spirox Corp. ▪ Chairman of RDC Semiconductor Co., Ltd. 	<ul style="list-style-type: none"> ▪ Director of RDC Semiconductor Co., Ltd. ▪ Director of Spirox Corp. ▪ Director of Taiwan Oasis Technology Co., Ltd. ▪ Director of Browave Corp. 	0
Independent Director	S. J. Paul Chien (Shyur-Jen Chien)	<ul style="list-style-type: none"> ▪ Master Degree in Chemical Engineering from Massachusetts Institute of Technology ▪ Chairman of Vanguard International Semiconductor Corp. 	<ul style="list-style-type: none"> ▪ Independent Director of Neo Solar Power Corp. ▪ Chairman of FUCHU General Contractor Corp. 	0
Independent	C.H. Chen	<ul style="list-style-type: none"> ▪ Master Degree in Computer 	<ul style="list-style-type: none"> ▪ Director of Rafael Microelectronics, 	0

Title	Name	Academic Qualifications and Major Past Positions	Current Positions (Note 1)	Shareholdings (Note 2)
Director	(Che-Hsiung Chen)	Science from National Chiao Tung University ▪ President of ASML Taiwan ▪ Vice President of Phillips Taiwan	Inc. ▪ Director of ProLight Opto Technology Corp. ▪ Independent Director of Neo Solar Power Corp.	
Independent Director	Christopher Chang (Liang-Chi Chang)	▪ Bachelor Degree in college of law from National Chengchi University ▪ Chairman of Continental Development Corp.	▪ Director of Continental Holdings Corp. ▪ Chairman of Continental Development Corp. ▪ Chairman of CEC Commercial Development Corp. ▪ Director of Sanlien Educational Foundation	0
Independent Director	Sam Lee (Ming-Shan Lee)	▪ Master Degree in business administration from National Chengchi University ▪ Executive vice president of Yuanta Securities Co., Ltd. ▪ Managing Director of Citigroup Global Markets Securities	▪ Director of Nien Made Enterprise Co., Ltd. ▪ Director of Ta Liang Technology Co., Ltd. ▪ Independent Director of Dafeng TV Ltd. ▪ Independent Director of Newmax Technology Co., Ltd. ▪ Director of Bafang Yunji International Co., Ltd. ▪ Chairman of MagiCapital (Taiwan) Ltd. ▪ Chairman of MagiCap Venture Capital Co., Ltd. ▪ Chairman of Belos Investments Limited ▪ Chairman of Deus Investments Limited	0

Note1: As of the current position on April 27, 2018

Note2: As per the actual reported number of shares on April 16, 2018

Ratification Items and Discussion Items

ITEM 1: Ratification of the Business Report and Financial Statements of 2017

Proposal: Submission (by the BOD) of the Company's 2017 business report and financial statements for ratification.

Details:

Submission for ratification of the Company's business report and financial statements for 2017 (Appendix 1: including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows), which have all been adopted by the BOD with resolution and examined by the Audit Committee, and are hereby submitted for ratification. (Please refer to Appendix 1, pages 21-40.)

ITEM 2: Ratification of the proposal for distribution of 2017 profits

Proposal: Submission (by the BOD) of the proposal for 2017 earnings distribution for ratification.

Details:

1. The undistributed earnings at the beginning of the 2017 is NT\$9,950,335,886, after deducting remeasurements of the defined benefit liability of NT\$57,306,513 and decrease in loss on treasury stock transactions of NT\$41,923,866 and changes in ownership interests in subsidiaries of NT\$2,903,943, then adding up share-based payment transaction of NT\$1,686,198 and the net profit for 2017 is NT\$3,885,515,885 and deducting the legal reserve of NT\$388,551,589 and special reserve of NT\$4,010,254,593, therefore the total amount eligible for distribution earnings is NT\$9,336,597,465. The dividends and bonus proposed to be allocated to the shareholders amount to NT\$4,010,249,113, including NT\$802,049,830 in stock dividend (NT\$0.3 per share at par value) and NT\$3,208,199,283 in cash dividend (NT\$1.2 per share).
2. After the adoption of the resolution at the Shareholders' Meeting, the power with respect to setting the ex-rights and ex-dividend date and other relevant matters is reserved for the Board of Directors.
3. In the event that, before the ex-rights and ex-dividend date, the proposed earnings distribution plan is affected due to the revisions to relevant laws or regulations, or upon the request of the competent authorities, or the change to the Company's common shares (i.e. repurchasing the Company's shares for transfer or cancellation, unsecured convertible bonds converting into common shares, capital increase by cash, capital increase by issuance of GDR and capitalization of employees' compensation through issuance of new shares etc.), which results in changes in shareholders' allotment of shares or dividend-payout ratio, the Board of Directors is to be authorized to make necessary adjustments at its full discretion.
4. Please refer to Appendix 6, page 53 for the Profit Appropriation Statement for 2017.
5. Submission for ratification.

ITEM 3: Discussion of the capitalization of part of 2017 profits through issuance of new shares

Proposal: Submission (by the BOD) for discussion of a resolution that the Company issues new shares through capitalization of the 2017 earnings.

Details:

1. For the future development of business, the Company is proposing to set aside shareholders' dividends and bonus of NT\$802,049,830 from distributable earnings in 2016 to increase the capital by issuing 80,204,983 shares.
2. Upon the approval for the aforesaid proposal from the competent authority, shareholders' dividends and bonus of NT\$802,049,830, each shareholder will be entitled to receive 30 surplus earning shares per 1,000 shares (tentative calculation) held by such shareholder based on the name and shares registered in the shareholder roster on the ex-rights date. Shareholders are advised to consolidate their fractional shares of less than one share to make up one share by their own means for registration within five days as of the ex-rights date; otherwise the fractional shares shall be paid in cash (rounding down to the nearest NT dollar) by the par value and purchased by persons designated by the Chairman as authorized.
3. The new issuing shares from the capital increase possess identical obligations and rights as the original shares.
4. After the adoption of the Shareholders' Meeting, the BOD is authorized to carry out the matter regarding the setting of the ex-rights date for new shares from capital increase.
5. In the event that, before the ex-rights date, the capitalization proposal is affected due to the revisions to relevant laws or regulations, or upon the request of the competent authorities, or the change to the Company's common shares(i.e. repurchasing the Company's shares for transfer or cancellation, unsecured convertible bonds converting into common shares, capital increase by cash, capital increase by issuance of GDR and capitalization of employees' compensation through issuance of new shares etc.), which results in changes in shareholders' allotment of shares, the Board of Directors is to be authorized to make necessary adjustments at its full discretion.
6. Please discuss.

ITEM 4: Discussion of issuance no more than 260 million of new common shares for cash to sponsor issuance of GDR.

Proposal: Submission (by the BOD) of a proposal to approve the issuance of new common shares to sponsor issuance of GDR up to 260 million common shares for capital increase in order to purchase overseas materials, or increase working capital, or repay bank loans or other needs for its future development and competitiveness enhancement.

Details:

1. Fund raising purpose and size:

For the purpose of fulfilling the funding needs of the Company to purchase overseas materials, or increase working capital, or repay bank loans or other needs for its future development and competitiveness enhancement, it is proposed to authorize the Board of Directors to issue up to 260 million common shares, depending on the market conditions and the Company's need, to choose appropriate timing and fund raising methods in accordance with the applicable laws and regulations, according to the following fund raising method and handling principles to issue new common shares to sponsor issuance of GDR.

2. Fund raising methods and handling principles:

(1) In accordance with the existing provisions of the "Disciplinary Rules for Securities Underwriters Assisting Issuing Company in the Offering and Issuance of Securities issued by the Taiwan Securities Association," the issue price of the new common shares for cash capital increase for the issuance of GDR may not be lower than the closing price of the Company's common shares on the Taiwan Stock Exchange or 90% of average closing price of the common shares of the Company in one, three, or five business days prior to the pricing date after adjustment for any distribution of stock and cash dividends or capital reduction. In case of any changes to the relevant domestic laws, the pricing method shall be adjusted accordingly. In view of the severe short-term fluctuations in domestic market price, it is proposed to authorize the Chair to determine the final issue price, within the scope of the said requirement under the Disciplinary Rules, after negotiation with the lead underwriter depending on international capital markets, domestic market price and the overall book building situations, to improve the subscription of international investors, so the pricing method should be reasonable.

(2) Upon the limit of 260 million common shares for the issuance of GDR through the issuance of new common shares by capital increase, the original shareholders' equity will be diluted by a maximum of 8.86%. The implementation of the fundraising plan will enhance the Company's competitiveness and benefit the shareholders; the determination of the issue price of the GDRs will be based on the fair trading price of common shares formed in the domestic market. Existing shareholders may still be able to purchase common stock in domestic stock market at the price closing to the issue price of GDR without bearing the exchange risks and liquidity risks, and may take into account their interests.

(3) Except for 10% to 15% of new common shares shall be allocated for the employees'

subscription in accordance with applicable law, it is proposed for the shareholders meeting to approve that the rights to the remaining 85% to 90% of the issuance shall be waived by the shareholders and should be offered to the public under Article 28-1 of Securities and Exchange Act as the underlying shares of GDR to be sold. It is proposed to authorize the Chairman, depending on the market needs, to allot the new common shares not subscribed by employees of the Company as underlying shares of GDR.

3. Use of proceeds, schedule and projected benefit:

The Company plans to use the fund raising from capital increase to purchase overseas materials, or increase working capital, or repay bank borrowings or other needs for its future development. The fund raising plan will strengthen our competitiveness, upgrade operating efficiency, and reinforce financial structure, which can benefit shareholders' equity.

4. It is proposed to authorize the Board of Directors to determine, proceed or revise the issuance plan of new common shares to be issued to sponsor the GDR, including issue price, shares, terms and conditions, plan items, amount, record date, projected progresses and benefits, and any other item related to the issuance plan, based on market conditions. It is also proposed to authorize Board of Directors to revise the issuance plan based on operation evaluation, environment changes or if receiving instructions from governmental authorities.
5. The new common shares to be issued to sponsor issuance of GDR will be issued in scripless form and will have the same rights and obligations as the Company's existing issued and outstanding common shares.
6. It is proposed to authorize the Chairman or the Chairman's designee, on behalf of the Company, to handle all matters relating to, and sign all agreements and documents in connection with, issuance of new common shares to sponsor issuance of GDR.
7. The Board is authorized to handle all matters which are not addressed herein in accordance with the applicable laws and regulations. The proposal will become effective only if the Company's current fund raising is not closed by the end of June 2018.
8. Please discuss.

ITEM 5: Discussion of amendments to the “Procedures of Asset Acquisition and Disposal”

Proposal: Submission (by the BOD) of a proposal to amend certain parts of the Company’s “Procedures of Asset Acquisition and Disposal”.

Details:

1. In order to comply with the operational needs of the Company, it is proposed to make amendments to the “Procedures of Asset Acquisition and Disposal”. (Please refer to Appendix 7, pages 54-57 for the comparison between the original and the amendments).
2. Please discuss.

ITEM 6: Discussion of amendments to the “Procedures Governing Loaning of Funds”

Proposal: Submission (by the BOD) of a proposal to amend certain parts of the Company’s “Procedures Governing Loaning of Funds”.

Details:

1. In order to comply with the operational needs of the Company, it is proposed to make amendments to the “Procedures Governing Loaning of Funds”. (Please refer to Appendix 9, pages 78-80 for the comparison between the original and the amendments).
2. Please discuss.

ITEM 7: Discussion of amendments to the “Procedures Governing Endorsements and Guarantees”

Proposal: Submission (by the BOD) of a proposal to amend certain parts of the Company’s “Procedures Governing Endorsements and Guarantees”.

Details:

1. In order to comply with the operational needs of the Company, it is proposed to make amendments to the “Procedures Governing Endorsements and Guarantees”. (Please refer to Appendix 11, pages 87-90 for the comparison between the original and the amendments).
2. Please discuss.

ITEM 8: Discussion of the release of the prohibition on newly-elected directors and their corporate representatives from participation in competitive business.

Proposal: Submission (by the BOD) of a proposal to release the prohibition on newly-elected directors and their corporate representatives from participation in competitive business.

Details:

1. Pursuant to Article 209 of the Company Act, “A director engaging, either for himself or on behalf of another person, in activities that are within the scope of the company's business, shall explain at the shareholder meetings the essential details of such activities and secure its approval.” It is hereby proposed to release the prohibition on newly-elected directors and their corporate representatives, who participate in the operations of another company that engages in the same or similar business scope as the Company, from participation in the competitive business.
2. Please refer to the table under Election Item (page 8) for the list of nominees and their outside directorships.
3. Please discuss.

Voting by Poll

Extemporary Motion

Adjournment

Appendix 1

Wistron Corporation Business Report

The global economy showed a steady recovery last year, including low inflation, low interest rates and relatively modest economic growth. Although the scale of the global PC market continues to shrink and consolidate, the competition among brands is also becoming severe, Wistron continued to optimize its operation and dispersion of operating risks. With investments in new ventures and efforts of employees, Wistron has achieved significant revenue growth. On behalf of all Wistron employees, we would like to express our sincere appreciation to our shareholders for your support for Wistron's continuous growth.

2017 Financial and Operation Results

In 2017, Wistron's consolidated annual revenue reached a new high of NT\$836.1 billion and consolidated operating profit was NT\$5.914 billion. The consolidated profit before tax reached NT\$6.158 billion and profit attributable to Owners of the Company was NT\$3.886 billion. Meanwhile, the earnings per share was NT\$1.48.

Overall revenue growth was about 27% versus the previous year. During the same period, the rising cost of raw materials and increased recruitment costs due to tough labor supply conditions in China resulted in a slightly lower gross profit margin than the previous year. However, due to well-controlled operating costs, the profit after tax (PAT) slightly increased from the previous year and the overall financials remained stable.

Regarding product performance in terms of shipments, key growth drivers were smartphones, rugged handhelds, smart appliances and (VOIP) Internet telephony, while the number of notebooks and servers shipped was similar to last year. Due to the overall decline in TV OEM related demand, the Company experienced a relative decrease in the number of shipments. Although the market has matured for monitors and desktops, these products demonstrated slight growth through continuous efforts to enhance competitiveness.

In response to the continued shrinkage of the global PC market, Wistron aimed to strengthen customer satisfaction, provide the best quality, enhance current customer relationships, optimize its existing customers and portfolio of products, and develop intelligent products (such as smart security, medical and home products and services). We also drove digital

transformation, adjusted the organization to promote more young talent to management levels, and continued to improve operational efficiency and increase capacity utilization to ensure continuous growth and reasonable profitability.

At Wistron, corporate governance structures, sustainability, and social responsibility are as important as business growth. For the fourth consecutive year, Wistron was certified by the Taiwan Stock Exchange as being in the top 20% among all listed companies with best corporate governance practices. These achievements fully demonstrate the level of recognition we have been able to receive from domestic and foreign institutions for our performance in corporate governance, our response to climate changes, and our efforts in the disclosure of CSR information.

2018 Business and Operation Focus

For 2018, Wistron's major operation focuses are still the same as last year's three main axes: (1)reinvigorate the core businesses, (2)scale new businesses, and (3)drive digital transformation.

With the continuously growing trend toward cloud computing and artificial intelligence, we are in a favorable position in the industry. We offer innovative products, services and systems, connecting hardware such as personal computers, servers, mobile devices, and cloud data systems while enabling close integration with software services. We will continue to strengthen our technology leadership, quality reliability, and innovative services, while optimizing operational performance to achieve revenue and profit growth.

For core businesses, Wistron will focus on growth opportunities in the personal computer, server, and display markets through customer/product portfolio adjustment, and new technology investments for gross profit rate improvement. We will enhance internal operational efficiency and core competitiveness by strengthening the digital transformation of data applications and by providing more transparent, timely, effective and forward-looking information to manufacturing, materials and R&D teams in order to optimize the quality and speed of decision-making.

For new businesses, Wistron also accelerated investment into new areas. Our development will focus on solutions related to enterprise cloud services, Internet of Things, medical equipment and electric vehicles. In addition, we will find partners through venture capital investment to deepen our product and services portfolio.

The primary goal of Wistron's digital transformation drive is to establish high-performance teams and achieve healthy business growth of business. By mastering big data and artificial intelligence technologies, we adopt Industry 4.0 into manufacturing management, and accelerate decision-making process in R&D management.

"Professional," "Care," and "Value" represent three focus areas for our management teams' mindset, behavior, and outcome that we are emphasizing to deliver this year. We continue to emphasis and strengthen upon our "corporate beliefs" of customer focus, integrity, innovation, and pursuit of excellence. We aim to instill these beliefs in a practical way into our operations to shape a company that radiates positive energy and positive business values.

Outlook for the Future

Looking forward toward the tremendous changes in the global economy and technology, Wistron will accelerate the pace of its transformation. Although the major international financial forecast agencies are optimistic about the current global economic climate, we still need to pay attention to whether trade protectionism will affect future global economic development. Furthermore, economic and environmental topics like U.S. currency and exchange rate policy, cross-strait economic and trade trends, and global climate change issues are also the challenges and opportunities that we must keep watching and facing.

As to the trend of smart technology in the era of the digital economy, the mode of industrial smart production and the discussion of how artificial intelligence and machine learning penetrate into the Internet will become the main battlefield for science and technology manufacturers in the next few years. Therefore, the Internet of Things application and Smart Technology will rapidly infiltrate the industry and inevitably lead to changes in the application of technology. All such directions deserve our continued attention.

In the long-term planning of corporate sustainability, Wistron follows the philosophy of "altruism" and adopts the vision of "using science and technology to enhance the quality of life and environment" as a corporate vision to steadily take during every step of its sustainable development. Furthermore, internally at all stages of our operations, we intend to reduce our impact on the environment; meanwhile, externally we provide products and services that have a positive impact on the quality of life and environment.

“Think Great and Act Smart” is the main theme of our core attitude that we emphasize for our digital transformation. To achieve business goals we adopt the strategy of diversification planning and will continue to improve the quality of technology and services allowing customers to continuously feel confident of the value that we can provide now and in the future. Technologies utilized within our sustainable business operations are also supporting the future for both our society and the environment while building long-term value for our shareholders. On behalf of Wistron employees, we wish to thank all our shareholders for your continued support and confidence.

Chairman: Simon Lin

President: Robert Hwang

Controller: Stone Shih



安侯建業聯合會計師事務所
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Independent Auditors' Report

To the Board of Directors of Wistron Corporation :

Opinion

We have audited the parent-company-only financial statements of Wistron Corporation (“the Company”), which comprise the balance sheets as of December 31, 2017 and 2016, and the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2017 and 2016, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years ended December 31, 2017 and 2016 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the “Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants” and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Provision of sales return and allowance

Please refer to Note 4(q), Note 5(a), and Note 6(k) of the consolidated financial statements.

Description of key audit matter

Provision of sales return and allowance is one of the key judgmental areas for our audit, particularly in respect of the estimates made for rebates, discounts and returns under contractual requirements which valuated sales return and allowance.



How the matter was addressed in our audit

Our principal audit procedures included testing the Company controls surrounding the revenue recognition for key manual and systems based controls, tracing general ledger to sales systems and reconciling the differences, and assessing the appropriateness in applying accounting policies to revenue recognition process; our audit work, in respect of the accrual for rebates and returns, involved testing key management controls over the claims and credits. In order to assess the reasonableness of the estimates for such accruals, we considered the appropriateness of the calculation, imputed parameters, key assumptions, and the historical experience.

2. Inventory valuation

Please refer to Note 4(g), Note 5(b), and Note 6(d).

Description of key audit matter

Inventories are stated at the lower of cost or net realizable value. With the rapid development of technology, the advance of new electronic products may significantly change consumer demands, which leads to product obsolescence that may result in the cost of inventory to be higher than the net realizable value. Consequently, the valuation of inventories has been identified as another key audit matter.

How the matter was addressed in our audit

In relation to the key audit matter above, our audit procedures include selecting samples to examine their net realizable values to verify the accuracy of inventory aging report; evaluating the reasonableness of the Company's inventory valuation policy and the management's assumption used when measuring allowance for inventory valuation and obsolescence losses; performing a retrospective review of the Company's historical accuracy of judgments with reference to inventory valuation and comparing them with the current year's calculation to evaluate the appropriateness of the estimation and assumption used for inventory valuation; and evaluating the adequacy of the Company's disclosure for inventories.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent-company-only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent-company-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent-company-only financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent-company-only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Lily Lu and Chia-hsin Chang.

KPMG

Taipei, Taiwan (Republic of China)

March 13, 2018

Notes to Readers

The accompanying financial statements are intended only to present the statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
WISTRON CORPORATION
Statements of Comprehensive Income
For the years ended December 31, 2017 and 2016
(Expressed in Thousands of New Taiwan Dollars , except for earnings per common share)

	2017		2016	
	Amount	%	Amount	%
4000 Operating revenue (notes 6(k)(r) and 7)	\$ 765,438,943	100	613,214,569	100
5000 Cost of sales (notes 6(d)(g)(h)(i)(l)(m)(o)(p)(s), 7 and 12)	<u>745,603,066</u>	<u>97</u>	<u>589,217,765</u>	<u>96</u>
5900 Gross profit	<u>19,835,876</u>	<u>3</u>	<u>23,996,804</u>	<u>4</u>
5910 Realized (unrealized) inter-company profits	<u>(134,440)</u>	<u>-</u>	<u>220,777</u>	<u>-</u>
5950 Realized gross profit	<u>19,701,436</u>	<u>3</u>	<u>24,217,581</u>	<u>4</u>
Operating expenses (notes 6(c)(g)(h)(i)(l)(m)(o)(p)(s), 7 and 12):				
6100 Selling	2,579,863	-	3,659,548	1
6200 Administrative	2,192,499	-	2,213,758	-
6300 Research and development	<u>11,531,810</u>	<u>2</u>	<u>11,999,847</u>	<u>2</u>
Total operating expenses	<u>16,304,172</u>	<u>2</u>	<u>17,873,153</u>	<u>3</u>
Operating income	<u>3,397,264</u>	<u>1</u>	<u>6,344,428</u>	<u>1</u>
Non-operating income and expenses:				
7010 Other income (notes 6(l)(r) and 7)	306,847	-	264,103	-
7020 Other gains and losses (notes 6(r) and 12)	430,094	-	(195,318)	-
7050 Finance costs (note 6(r))	(1,682,720)	-	(1,123,119)	-
7070 Recognized share of subsidiaries, associates and joint ventures accounted for equity method (note 6(e))	<u>1,532,313</u>	<u>-</u>	<u>(1,843,632)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>586,534</u>	<u>-</u>	<u>(2,897,966)</u>	<u>(1)</u>
7900 Profit before tax	3,983,798	1	3,446,462	-
7950 Less: income tax expenses (note 6(n))	<u>98,282</u>	<u>-</u>	<u>485,361</u>	<u>-</u>
8200 Net profit	<u>3,885,516</u>	<u>1</u>	<u>2,961,101</u>	<u>-</u>
8300 Other comprehensive income (notes 6(e)(m)(n)(o)):				
8310 Components of other comprehensive income that will not be reclassified to profit or loss:				
8311 Remeasurements of the defined benefit liability	(71,738)	-	(171,708)	-
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	2,237	-	(2,385)	-
8349 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>(12,195)</u>	<u>-</u>	<u>(29,190)</u>	<u>-</u>
	<u>(57,306)</u>	<u>-</u>	<u>(144,903)</u>	<u>-</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss:				
8361 Exchange differences on translation of financial statements	(4,456,411)	(1)	(1,585,768)	-
8362 Unrealized losses on valuation of available-for-sale financial assets	(716,022)	-	(32,278)	-
8380 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	353,668	-	(679,993)	-
8399 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>(58,383)</u>	<u>-</u>	<u>(13,617)</u>	<u>-</u>
	<u>(4,760,382)</u>	<u>(1)</u>	<u>(2,284,422)</u>	<u>-</u>
8500 Other comprehensive income, net of tax	<u>(4,817,688)</u>	<u>(1)</u>	<u>(2,429,325)</u>	<u>-</u>
Total comprehensive income	<u>\$ (932,172)</u>	<u>-</u>	<u>531,776</u>	<u>-</u>
Earnings per share (in dollars), after tax (note 6(q)):				
9750 Basic earnings per share	<u>\$ 1.48</u>		<u>1.16</u>	
9850 Diluted earnings per share	<u>\$ 1.45</u>		<u>1.13</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
WISTRON CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2017 and 2016
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings			Other equity interest			Total equity			
	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Retained earnings subtotal	Exchange differences on translation of foreign financial statements		Unrealized gains (losses) on available-for-sale financial assets	Others unearned compensation for restricted employee shares of stock	Treasury shares
Balance at January 1, 2016	20,707,328	7,161,606	1,394,277	13,606,494	22,162,377	3,442,745	-	(22,389)	3,012,160	68,715,506
Net profit	-	-	-	2,961,101	2,961,101	-	-	-	-	2,961,101
Other comprehensive income	-	-	-	(144,903)	(144,903)	(2,241,318)	(43,104)	-	(2,284,422)	(2,429,325)
Total comprehensive income	-	-	-	2,816,198	2,816,198	(2,241,318)	(43,104)	-	(2,284,422)	-
Appropriation and distribution of retained earnings	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	133,409	-	(133,409)	-	-	-	-	-	-
Special reserve	-	(1,394,277)	(1,394,277)	1,394,277	-	-	-	-	-	-
Cash dividends	-	-	-	(2,905,344)	(2,905,344)	-	-	-	-	(2,905,344)
Stock dividends	726,336	-	-	(726,336)	(726,336)	-	-	-	-	-
New share issued through employees' compensation	-	-	-	-	-	-	-	-	-	-
Changes in equity of associates and joint ventures	240,202	-	-	-	-	-	-	-	-	496,015
Changes in equity of associates and joint ventures accounted for using equity method	103,833	-	-	(1,739)	(1,739)	-	-	-	-	102,094
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	-
Treasury stock transferred to employees	-	-	-	(3,019)	(3,019)	-	-	-	(533,236)	(533,236)
Changes in ownership interests in subsidiaries	(18,197)	-	-	(596)	(596)	-	-	-	662,141	669,644
Share-based payments	279,704	-	-	2,035	2,035	-	-	-	-	(3,615)
Balance at December 31, 2016	21,353,585	7,295,015	-	14,049,157	21,344,172	1,201,427	(451,300)	(91,332)	656,406	67,245,050
Net profit	-	-	-	3,885,516	3,885,516	(3,942,392)	-	-	-	3,885,516
Other comprehensive income	-	-	-	(57,306)	(57,306)	(3,942,392)	(817,990)	-	(4,760,382)	(4,817,688)
Total comprehensive income	-	-	-	3,828,210	3,828,210	(3,942,392)	(817,990)	-	(4,760,382)	-
Appropriation and distribution of retained earnings:	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	296,110	-	(296,110)	-	-	-	-	-	-
Cash dividends	-	-	-	(3,042,169)	(3,042,169)	-	-	-	-	(3,042,169)
Stock dividends	760,542	-	-	(760,542)	(760,542)	-	-	-	-	-
New share issued through employees' compensation	234,900	-	-	-	-	-	-	-	-	615,440
Changes in equity of associates and joint ventures	38,934	-	-	-	-	-	-	-	-	38,934
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	-	-	-	-	-	-
Treasury stock transferred to employees	-	-	-	(41,924)	(41,924)	-	-	-	839,273	773,958
Changes in ownership interests in subsidiaries	-	-	-	(2,904)	(2,904)	-	-	-	-	(1,951)
Share-based payments	(11,727)	-	-	1,686	1,686	-	-	113,721	-	429,384
Balance at December 31, 2017	22,076,225	7,591,125	-	13,735,404	21,326,529	(2,740,965)	(1,269,290)	(4,010,255)	(1,753,005)	65,126,574

Note: The appropriations for 2017 and 2016, directors' compensation amounted to \$46,946 and \$40,619, employees' compensation amounted to \$711,308 and \$615,440, respectively, were recognized and accrued in the 2017 and 2016 earnings.

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
WISTRON CORPORATION

Statements of Cash Flows
For the years ended December 31, 2017 and 2016
(Expressed in Thousands of New Taiwan Dollars)

	2017	2016
Cash flows from (used in) operating activities:		
Profit before tax	\$ 3,983,798	3,446,462
Adjustments:		
Adjustments to reconcile net income to net cash generated from operating activities:		
Depreciation expense	1,092,762	1,627,693
Amortization expense	274,517	350,495
Bad debt expense (reversal of bad debts)	(43,095)	411,256
Net loss on financial assets or liabilities at fair value through profit or loss	443,290	578,303
Interest expense	1,682,720	1,123,119
Interest income	(98,522)	(113,057)
Dividend income	(132,225)	(106,123)
Compensation cost arising from shares based payments	427,935	170,582
Recognized share associates and joint ventures accounted for equity method	(1,532,313)	1,843,632
Gain on disposal of property, plant and equipment, net	(422)	(22,811)
Property, plant and equipment reclassified as expenses	7	206
Other assets reclassified as expense	3,285	-
Gain on disposal of intangible assets	-	(12,191)
Loss (gain) on disposal of investments	(288,310)	35,038
Unrealized (realized) inter-company profits	134,440	(220,777)
Other investments loss	13,521	35,653
Impairment loss on assets	98,682	223,530
Total adjustments to reconcile profit	2,076,272	5,924,548
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in notes and accounts receivable	4,121,960	2,359,867
Increase in accounts receivable-related parties	(70,185,524)	(26,768,024)
Decrease in other receivable-related parties	47,266	215,781
Increase in inventories	(6,479,280)	(1,663,376)
Increase in other current assets	(3,675,755)	(1,855,878)
Total changes in operating assets	(76,171,333)	(27,711,630)
Changes in operating liabilities:		
Increase in notes and accounts payable	5,075,272	10,185,790
Increase in accounts payable—related parties	30,212,004	54,289,910
Increase (decrease) in other payable—related parties	66,374	(1,693,836)
Increase (decrease) in provisions	(340,806)	74,669
Increase in other current liabilities	3,248,406	5,384,131
Decrease in other non-current liabilities	(22,732)	(231,395)
Total changes in operating liabilities	38,238,518	68,009,269
Net changes in operating assets and liabilities	(37,932,815)	40,297,639
Total changes in operating assets and liabilities	(35,856,543)	46,222,187
Cash generated from operating activities	(31,872,745)	49,668,649
Interest received	103,240	107,847
Dividends received	523,960	471,718
Interest paid	(1,611,117)	(1,126,275)
Income taxes paid	(1,500,472)	(1,550,295)
Net cash generated from (used in) operating activities	(34,357,134)	47,571,644
Cash flows used in investing activities:		
Decrease in other receivable-related parties	3,109,048	667,192
Increase in available-for-sale financial assets	(723,731)	(485,534)
Proceeds from disposal of available-for-sale financial assets	292,377	385,021
Increase in financial assets at cost	(186,788)	(302,571)
Return of capital of financial assets at cost	28,366	52,615
Increase in equity-accounted investees	(1,404,757)	(2,925,132)
Proceeds from disposal of equity-accounted investees	111,681	266,619
Proceeds from capital reduction of equity-accounted investees	1,813,038	332,855
Increase in property, plant and equipment	(283,830)	(531,748)
Proceeds from disposal of property, plant and equipment	105,839	31,611
Increase in intangible assets	(113,097)	(188,417)
Proceeds from disposal of intangible assets	-	12,191
Increase in other non-current assets	(48,580)	(359,431)
Net cash flows generated from (used in) investing activities	2,699,566	(3,044,729)
Cash flows used in financing activities:		
Increase of short-term borrowings	447,252,812	455,949,184
Repayment on short-term borrowings	(414,408,568)	(481,733,496)
Increase in long-term borrowings	10,872,489	6,348,022
Repayments on long-term borrowings	(15,014,093)	(7,557,347)
Decrease in deposits received	(269,207)	(186,501)
Cash dividends to shareholders	(3,040,820)	(2,903,716)
Purchase of treasury stock	-	(533,236)
Treasury stock transferred to employees	773,958	669,644
Net cash flows generated from (used in) financing activities	26,166,571	(29,947,446)
Net increase (decrease) in cash and cash equivalents	(5,490,997)	14,579,469
Cash and cash equivalents at beginning of year	38,416,842	23,837,373
Cash and cash equivalents at end of year	\$ 32,925,845	38,416,842

See accompanying notes to financial statements.



安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors of Wistron Corporation:

Opinion

We have audited the consolidated financial statements of Wistron Corporation and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2017 and 2016, the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2017 and 2016, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2017 and 2016, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Provision of sales return and allowance

Please refer to Note 4(p), Note 5(a), and Note 6(k) of the consolidated financial statements.

Description of key audit matter

Provision of sales return and allowance is one of the key judgmental areas for our audit, particularly in respect of the estimates made for rebates, chargebacks and returns under contractual requirements which valuated sales return and allowance.



How the matter was addressed in our audit

Our principal audit procedures included testing the Group's controls surrounding the revenue recognition for key manual and systems based controls, tracing general ledger to sales systems and reconciling the differences, and assessing the appropriateness in applying accounting policies to revenue recognition process; our audit work, in respect of the accrual for rebates and returns, involved testing key management controls over the claims and credits. In order to assess the reasonableness of the estimates for such accruals, we considered the appropriateness of the calculation, imputed parameters, key assumptions, and the historical experience.

2. Inventory valuation

Please refer to Note 4(h) "Inventories", Note 5(b) , and Note 6(d).

Description of key audit matter

Inventories are stated at the lower of cost or net realizable value. With the rapid development of technology, the advance of new electronic products may significantly change consumer demands, which leads to product obsolescence that may result in the cost of inventory to be higher than the net realizable value. Consequently, the valuation of inventories has been identified as another key audit matter.

How the matter was addressed in our audit

In relation to the key audit matter above, our audit procedures include selecting samples to examine their net realizable values to verify the accuracy of inventory aging report; evaluating the reasonableness of the Company's inventory valuation policy and the management's assumption used when measuring allowance for inventory valuation and obsolescence losses; performing a retrospective review of the Company's historical accuracy of judgments with reference to inventory valuation and comparing them with the current year's calculation to evaluate the appropriateness of the estimation and assumption used for inventory valuation; and evaluating the adequacy of the Company's disclosure for inventories.

Other Matter

Wistron Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2017 and 2016, on which we have issued an unqualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Lily Lu and Chia-Hsin Chang.

KPMG

Taipei, Taiwan (Republic of China)

March 13, 2018

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
WISTRON CORPORATION AND ITS SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2017 and 2016

(expressed in Thousands of New Taiwan Dollars , except for earnings per common share)

	2017		2016	
	Amount	%	Amount	%
4000 Net revenues (notes 6(k)(r) and 7)	\$ 836,081,023	100	659,908,231	100
5000 Cost of sales (notes 6(d)(g)(h)(l)(m)(o)(p)(s), 7 and 12)	804,441,620	96	628,263,714	95
5900 Gross profit	31,639,403	4	31,644,517	5
Operating expenses (notes 6(c)(g)(h)(l)(m)(o)(p)(s), 7 and 12):				
6100 Selling	8,181,473	1	8,883,365	1
6200 Administrative	2,843,082	-	2,954,205	1
6300 Research and development	14,701,037	2	13,794,877	2
Total operating expenses	25,725,592	3	25,632,447	4
Operating income	5,913,811	1	6,012,070	1
Non-operating income and expenses:				
7010 Other income (notes 6(l)(r) and 7)	1,314,145	-	1,167,000	-
7020 Other gains and losses (note 6(r))	1,378,642	-	(369,899)	-
7050 Finance costs (note 6(r))	(2,756,041)	-	(1,981,651)	-
7060 Recognized share of associates and joint ventures accounted for equity method (note 6(e))	307,854	-	(70,420)	-
	244,600	-	(1,254,970)	-
7900 Profit before tax	6,158,411	1	4,757,100	1
7950 Less: income tax expense (note 6(n))	1,796,920	-	1,764,096	-
8200 Net profit	4,361,491	1	2,993,004	1
8300 Other comprehensive income (notes 6(e)(m)(n)(o)):				
8310 Components of other comprehensive income that will not be reclassified to profit or loss:				
8311 Remeasurements of the defined benefit liability	(69,331)	-	(170,254)	-
8320 Share of other comprehensive income of associates and joint ventures accounted for using equity method	96	-	(3,654)	-
8349 Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(11,929)	-	(29,005)	-
	(57,306)	-	(144,903)	-
8360 Components of other comprehensive income that will be reclassified to profit or loss:				
8361 Exchange differences on translation of foreign financial statements	(3,932,360)	(1)	(2,062,812)	(1)
8362 Unrealized losses on valuation of available-for-sale financial assets	(836,636)	-	(103,294)	-
8370 Share of other comprehensive income of associates and joint ventures accounted for equity method	(84,862)	-	(150,702)	-
8399 Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	(90,091)	-	(30,725)	-
	(4,763,767)	(1)	(2,286,083)	(1)
Total other comprehensive income, net of tax	(4,821,073)	(1)	(2,430,986)	(1)
8500 Total comprehensive income	\$ (459,582)	-	562,018	
Net profit attributable to:				
8610 Owners of parent	\$ 3,885,516	1	2,961,101	1
8620 Non-controlling interests	475,975	-	31,903	-
	\$ 4,361,491	1	2,993,004	1
Comprehensive income attributable to:				
8710 Owners of parent	\$ (932,172)	-	531,776	-
8720 Non-controlling interests	472,590	-	30,242	-
Total comprehensive income	\$ (459,582)	-	562,018	-
Earnings per share (in dollars), after tax (note 6(q))				
9750 Basic earnings per share	\$ 1.48		1.16	
9850 Diluted earnings per share	\$ 1.45		1.13	

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
WISTRON CORPORATION AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the years ended December 31, 2017 and 2016
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										Total equity attributable to owners of parent	
	Capital stock					Retained earnings			Other equity			
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Other unearned compensation for restricted employee share of stock	Treasury stock	Non-controlling interests	Total equity
Balance at January 1, 2016	\$ 25,554,824	20,707,328	7,161,606	1,394,277	13,606,494	22,162,377	3,442,745	(408,196)	(22,389)	(2,721,183)	501,707	69,217,213
Net profit	-	-	-	-	2,961,101	2,961,101	(2,241,318)	(43,104)	-	-	31,903	2,993,004
Other comprehensive income	-	-	-	-	(144,903)	(144,903)	(2,284,422)	(43,104)	-	-	(1,661)	(2,430,986)
Total comprehensive income	-	-	-	-	2,816,198	2,816,198	(2,241,318)	(43,104)	-	-	30,242	562,018
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	133,409	-	(133,409)	-	-	-	-	-	-	-
Reversal at special reserve	-	-	-	(1,394,277)	1,394,277	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,905,344)	(2,905,344)	-	-	-	-	-	(2,905,344)
Stock dividends	726,336	-	-	-	(726,336)	-	-	-	-	-	-	-
New share issued through employees' compensation	240,202	-	-	-	(726,336)	(726,336)	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	103,833	-	-	(1,739)	(1,739)	-	-	-	-	-	496,015
Purchase of treasury stock	-	-	-	-	(1,739)	(1,739)	-	-	-	-	-	102,094
Treasury stock transferred to employees	-	-	-	-	-	-	-	-	-	(633,236)	-	(633,236)
Changes in ownership interests in subsidiaries	-	7,503	-	-	-	-	-	-	-	662,141	-	669,644
Share-based payment transactions	(18,197)	(596)	-	-	(3,019)	(3,019)	-	-	-	-	-	(3,615)
Changes in non-controlling interests	-	279,704	-	-	2,035	2,035	-	-	(91,332)	-	-	172,210
Balance at December 31, 2016	26,503,165	21,353,585	7,295,015	-	14,049,157	21,344,172	1,201,427	(451,300)	(113,721)	(2,592,278)	191,450	67,968,449
Net profit	-	-	-	-	3,885,516	3,885,516	(3,942,392)	(817,990)	-	-	475,975	4,361,491
Other comprehensive income	-	-	-	-	(57,306)	(57,306)	(3,942,392)	(817,990)	-	-	(3,385)	(4,821,073)
Total comprehensive income	-	-	-	-	3,828,210	3,828,210	(3,942,392)	(817,990)	-	-	(3,385)	(459,582)
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	296,110	-	(296,110)	-	-	-	-	-	-	-
Cash dividends	-	-	-	(1,394,277)	(1,394,277)	-	-	-	-	-	-	(1,394,277)
Stock dividends	760,542	-	-	-	(760,542)	-	-	-	-	-	-	-
New share issued through employees' compensation	234,900	380,540	-	-	(760,542)	(760,542)	-	-	-	-	-	615,440
Changes in equity of associates and joint ventures accounted for using equity method	-	38,934	-	-	-	-	-	-	-	-	-	38,934
Treasury stock transferred to employees	-	(23,391)	-	-	(41,924)	(41,924)	-	-	-	839,273	-	773,958
Changes in ownership interests in subsidiaries	-	953	-	-	(2,904)	(2,904)	-	-	-	-	-	(1,951)
Share-based payments transactions	(11,727)	325,604	-	-	1,686	1,686	-	-	113,721	-	-	429,284
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	98,699	98,699
Balance at December 31, 2017	\$ 27,486,880	22,076,225	7,591,125	-	13,735,404	21,326,629	(2,740,965)	(1,269,290)	(4,010,255)	(1,753,005)	1,294,688	66,421,062

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
WISTRON CORPORATION AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows
For the years ended December 31, 2017 and 2016
(expressed in Thousands of New Taiwan Dollars)

	2017	2016
Cash flows from operating activities:		
Profit before tax	\$ 6,158,411	4,757,100
Adjustments to reconcile net income to net cash generated from operating activities:		
Depreciation expense	7,592,580	7,657,414
Amortization expense	315,209	392,107
Bad debt expense (reversal at bad debts)	(42,378)	200,115
Net loss on financial assets or liabilities at fair value through profit or loss	404,559	1,028,106
Interest expense	2,756,041	1,981,651
Interest income	(1,078,725)	(933,695)
Dividend income	(137,054)	(108,650)
Compensation cost arising from shares-based payment	443,049	173,179
Recognized share of associates and joint ventures accounted for equity method	(307,854)	70,420
Loss on disposal of property, plant and equipment	80,668	383,549
Property, plant and equipment reclassified as expenses	6,162	511
Other assets reclassified as expense	56,585	46,977
Gain on disposal of intangible assets	-	(72,753)
Loss (gain) on disposal of investments	(351,953)	9,317
Impairment loss on non-financial assets	54,876	377,110
Other investments loss	14,049	40,611
	<u>9,805,814</u>	<u>11,245,969</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in notes and accounts receivable	(7,574,170)	(135,849)
Decrease (increase) in accounts receivable-related parties	(105,200)	514,100
Decrease (increase) in other receivable-related parties	(144,784)	17
Decrease (increase) in inventories	(30,823,106)	487,616
Increase in other current assets	(5,407,885)	(747,195)
Total changes in operating assets	<u>(44,055,145)</u>	<u>118,689</u>
Changes in operating liabilities:		
Increase in notes and accounts payable	14,528,775	25,518,957
Decrease in accounts payable-related parties	(871,283)	(907,250)
Decrease in other payable-related parties	(184,507)	(22,845)
Increase (decrease) in provisions	(199,958)	52,514
Increase in other current liabilities	5,339,079	8,024,709
Increase (decrease) in other non-current liabilities	41,395	(322,041)
Total changes in operating liabilities	<u>18,653,501</u>	<u>32,344,044</u>
Net changes in operating assets and liabilities	<u>(25,401,644)</u>	<u>32,462,733</u>
Total changes in operating assets and liabilities	<u>(15,595,830)</u>	<u>43,708,702</u>
Cash generated from (used in) operations	<u>(9,437,419)</u>	<u>48,465,802</u>
Interest received	1,175,540	999,360
Dividends received	505,361	500,167
Interest paid	(2,710,909)	(2,074,827)
Income taxes paid	(2,671,559)	(2,532,228)
Net cash generated from (used in) operating activities	<u>(13,138,986)</u>	<u>45,358,274</u>
Cash flows generated from (used in) investing activities:		
Decrease in other receivable-related parties	1,859	11,020
Increase in available-for-sale financial assets	(14,237,984)	(7,101,721)
Proceeds from disposal of available-for-sale financial assets	14,341,468	6,194,401
Increase in financial assets at cost	(198,112)	(357,662)
Return of capital of financial assets at cost	35,558	61,204
Increase in equity-accounted investees	(360,427)	(529,648)
Proceeds from disposal of equity-accounted investees	18	371,535
Increase in property, plant and equipment	(7,411,710)	(6,493,097)
Proceeds from disposal of property, plant and equipment	118,694	452,293
Increase in of intangible assets	(126,666)	(443,013)
Proceeds from disposal of intangible assets	-	293,141
Decrease in refundable deposits	17,102	23,058
Increase in other financial assets-current	(25,250)	(267,366)
Increase in other non-current assets	(2,337,614)	(2,874,447)
Net cash outflow from business combination	-	(124,820)
Net cash flows used in investing activities	<u>(10,183,064)</u>	<u>(10,785,122)</u>
Cash flows generated from (used in) financing activities:		
Increase of short-term loans	590,436,868	533,423,556
Repayments of short-term loans	(550,538,763)	(564,627,844)
Increase in long-term loans	10,872,489	6,348,022
Repayments of long-term loans	(15,014,094)	(7,565,957)
Decrease in deposits received	(263,782)	(185,444)
Cash dividends to shareholders	(3,040,820)	(2,903,716)
Retirement of treasury stock	-	(533,236)
Treasury stock transferred to employees	773,958	669,644
Change in non-controlling interests	194,622	429,599
Net cash flows generated from (used in) financing activities	<u>33,420,478</u>	<u>(34,945,376)</u>
Effect of exchange rate changes	<u>(1,673,361)</u>	<u>(626,480)</u>
Net increase (decrease) in cash and cash equivalents	<u>8,425,067</u>	<u>(998,704)</u>
Cash and cash equivalents at beginning of year	<u>57,561,050</u>	<u>58,559,754</u>
Cash and cash equivalents at end of year	<u>\$ 65,986,117</u>	<u>\$ 57,561,050</u>

See accompanying notes to financial statements.

Appendix 2

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2017 Business Report, Financial Statements, and proposal for allocation of profits. The CPA firm of KPMG was retained to audit Wistron's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee of Wistron Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this report.

Wistron Corporation

Convener of the Audit Committee :



March 13, 2018

Appendix 3

**Comparison between Original and Amendments to
“Rules and Procedures of Board of Directors Meeting”**

Items	Original Version	Amended Version	Reason
Article 12	<p>The following items shall be submitted for the discussion by Wistron’s BOD:</p> <p>.....</p> <p>3. Internal control mechanism set forth or revised in accordance with Article 14-1 of the Securities and Exchange Act (“SEA”)</p> <p>.....</p> <p>The independent directors shall attend the BOD meeting in person for items subject to BOD approval according to Article 14-3 of SEA; no proxy shall be assigned. If an independent director has any objection or reservation opinions, they shall be recorded in the meeting minutes of the BOD meeting. If an independent director may not attend the BOD meeting in person to express his objection or reservation opinions, he shall present a written opinion to be written into the meeting minutes of BOD meeting except for reasonable excuses.</p>	<p>The following items shall be submitted for the discussion by Wistron’s BOD:</p> <p>.....</p> <p>3. Internal control mechanism set forth or <u>amended revised</u> in accordance with Article 14-1 of the Securities and Exchange Act (“SEA”), <u>and an assessment of the effectiveness of the internal control system.</u></p> <p>.....</p> <p><u>At least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each</u> The independent directors shall attend the BOD meeting in person for items subject to BOD approval according to Article 14-3 of SEA; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. no proxy shall be assigned. If an independent director has any objection or reservation opinions, they shall be recorded in the meeting minutes of the BOD meeting. If an independent director may not attend the BOD meeting in person to express his objection or reservation opinions, he shall present a written opinion to be written</p>	To comply with the Regulation update.

Items	Original Version	Amended Version	Reason
Article 12		into the meeting minutes of BOD meeting except for reasonable excuses.	To comply with the Regulation update.
Article 16	<p>.....</p> <p>The journal shall be filed as an important document for Wistron and be permanently preserved well while Wistron is in existence.</p> <p>.....</p>	<p>.....</p> <p>The journal shall be filed as an important document for Wistron and be permanently preserved well <u>during the existence of the company</u> while Wistron is in existence.</p> <p>.....</p>	To comply with the Regulation update.
Article 17	<p>Except for the matters required to be submitted for discussion in accordance with Paragraph 1 of Article 12 of the Rules, during the BOD recess, BOD shall authorize and designate its duty according to relevant laws or Wistron’s Articles of Incorporation. The authorization level, content and matters should be clear instead of overall authorization.</p>	<p>Except for the matters required to be submitted for discussion in accordance with Paragraph 1 of Article 12 of the Rules, during the BOD recess, BOD shall authorize and designate its duty according to relevant laws or Wistron’s Articles of Incorporation <u>or other related regulations</u>. The authorization level, content and matters should be clear instead of overall authorization.</p>	To comply with the Company’s operational needs.
Article 19	<p>.....</p> <p>The 6th amendment was made on October 30, 2012.</p>	<p>.....</p> <p>The 6th amendment was made on October 30, 2012.</p> <p><u>The 7th amendment was made on November 10, 2017.</u></p>	Correspondence to the amendment date.

Appendix 4

Wistron Corporation

Rules and Procedures of Board of Directors Meeting

Article 1 To establish Board of Directors (“BOD”) management system, strengthen supervising mechanism, and enhancing managing mechanism, the Rules and Procedures have been regulated in accordance with Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 2 The procedures for Wistron’s BOD, including discussion items, working procedures, items required to be recorded in the journal, publication, and other matters, should be followed in accordance with the Rules and Procedures of BOD Meeting (“Rule”).

Article 3 BOD meeting should be called one time every three months.

The reasons for calling BOD meeting should be recorded and every Directors and Supervisors should be notified 7 days prior to the meeting. However, in case of emergency, the BOD meeting can be called anytime.

Every item listed in Paragraph 1 of Article 12 of the Rule, except under the emergency circumstances or with justified reasons, shall be recorded in the meeting notice and may not be presented by extemporary motion.

The Meeting notice may be prepared in either written or electronic format.

Article 4 Wistron has appointed the Chairman of Board’s office as the business discussion unit.

The business discussion unit shall prepare the BOD’s discussion content and provide sufficient meeting information and deliver the data with the calling notice.

If Directors find the discussion information insufficient, they can ask for supplement from the business discussion unit or with BOD’s resolution, postpone the BOD’s meeting.

Article 5 For record-keeping purposes, Wistron shall prepare a sign-up book for the Directors to register their attendance when the BOD meeting is held.

Directors shall attend the BOD meeting in person; otherwise, they may authorize another director to represent him in the BOD meeting in accordance with the Articles of Incorporation of Wistron. The Directors are regarded as present in the BOD’s meeting if they join the BOD meeting by videoconference.

If any director shall assign another director to represent him in the BOD meeting, he shall present the proxy and specify the scope of authorization each time.

The above-mentioned representatives may not represent more than one director at once.

Article 6 The BOD meeting shall be called in the principal office and within the office hours of Wistron or at other appropriate location and timing for the convenience of the Directors.

Article 7 The BOD of Wistron shall be called and presided by the Chairman of Board. However, the first BOD meeting for the term shall be called by the Director representing the most voting rights from the shareholder votes. The BOD meeting shall be chaired by the said Director. If two or more Directors qualify to be Chairman of Board, one of them shall be elected as Chairman.

If the Chairman of Board is absent or unable to attend the BOD meeting for some reason, the Chairman of Board shall appoint one Director to act as his proxy. If no proxy is appointed by the Chairman, the Directors shall elect one Director to be the proxy of the Chairman.

Article 8 When Wistron holds a BOD meeting, it may notify the personnel of relevant departments or subsidiaries to attend the meeting in accordance with the proposals for resolution. Accountants, lawyers or other professional may be invited to attend the BOD meeting and make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place if deemed necessary.

The Chairman of the Board meeting shall commence the meeting if the time for the BOD meeting is due and more than half of the Directors are present. If the time for BOD meeting is due but more than half of the All Directors are not present, the Chairman of Board may postpone the meeting; provided that the meeting shall not be postponed more than twice or for more than one hour in aggregate. After the second stay, if the number of All Directors in attendance still falls below the minimum requirement, the Chairman shall reconvene the BOD meeting in accordance with the procedures set forth in Paragraph 2 of Article 3.

“All Directors” mentioned in the above paragraph and Sub-paragraph 2 of Paragraph 2 of Article 16 shall mean those in their term of office.

Article 9 The entire proceedings for Wistron’s BOD meeting shall be recorded or videotaped for file as evidence and be kept for at least five years. The records and videos may be kept electronically.

Prior to the expiration of record-keeping period, in the event that any litigations arises in relation to the BOD resolutions, the relevant portion of records or videos in file shall continue to be preserved notwithstanding of the stipulations in the preceding paragraph.

If the BOD meeting is conducted by way of videoconference, the recording and videos of the meeting shall be preserved permanently as part of meeting minutes.

Article 10 The content of the resolution in the BOD meetings shall include at least the following items:

1. Items to be reported:

- (1) The minutes of last BOD meeting and the status of enforcement.
- (2) Important financial and business report.
- (3) Internal audit report.
- (4) Other important items.

2. Items to be discussed:

- (1) The preserved items from last BOD meeting.
- (2) The planned items for discussion in this BOD meeting.

3. Extemporary Motions

Article 11 Wistron's BOD meeting shall proceed in accordance with the content of the meeting notice; provided that the content may be changed by the agreement/consent of the majority of the Directors present at the meeting.

The Chairman may not announce adjournment unilaterally without the consent of the majority of the Director present at the meeting while the discussion items of the BOD meeting and the Extemporary Motion have not been go through.

While the BOD meeting is in process, if the number of Directors actually present at the meeting is less than one-half of Directors signed-up for attendance, the Chairman of Board may announce adjournment per the request of the Directors actually present in the meeting *mutatis mutandis* Paragraph 2 of Article 8.

Article 12 The following items shall be submitted for the discussion by Wistron's BOD:

1. The annual operation plan of Wistron.
2. Annual financial report and the semi-annual financial reports, with the exception

of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA).

3. Internal control mechanism set forth or amended in accordance with Article 14-1 of the Securities and Exchange Act (“SEA”), and an assessment of the effectiveness of the internal control system.
4. The processing procedures for acquiring assets, engaging in transactions for derivatives, extending loans to third parties, endorsing checks for third parties, providing guarantee or engaging in other material financial or business conducts, which are regulated by Article 36-1 of the SEA.
5. To conduct raise, issuance or private placement of securities with the rights of shares.
6. The hiring or termination of chief executives of finance, accounting or internal audit
7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
8. Other items which shall be submitted for the approval by shareholder meeting or BOD meeting in accordance with Article 14-3 of SEA, other laws or Articles of Incorporations or other material items regulated by the Competent Authority.

The term “related party“ in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term “major donation to a non-related party” means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term “within a 1-year period” in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

At least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent directors shall attend in

person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director has any objection or reservation opinions, they shall be recorded in the meeting minutes of the BOD meeting. If an independent director may not attend the BOD meeting in person to express his objection or reservation opinions, he shall present a written opinion to be written into the meeting minutes of BOD meeting except for reasonable excuses.

Article 13 If the Chairman deemed the discussion of a proposal is sufficient for voting, he may stop the discussion and submit the proposal for voting.

With respect to the procedures for the BOD resolution, a proposal shall be deemed approved if the Chairman has consulted those Directors present at the meeting and no objection is presented. If any Director raises objection against a proposal after consulted by Chairman, the proposal shall be submitted for voting. The method for resolution is by raising hands or casting votes if necessary and agreed by the Directors present at the BOD meeting.

Directors present at the meeting referred to in the previous 2 paragraphs shall not include directors without voting rights pursuant to paragraph 1 of Article 15.

Article 14 The resolution of the BOD meeting shall be passed with a quorum of a majority of Directors present in the meeting and by the approval of a majority of vote by Directors present at the BOD meeting.

If a proposal has amendment or substitute proposals, the Chairman shall arrange the sequence for resolution in addition to the original proposals. However, if one of the proposals is passed, the remaining the proposals shall be deemed abolished and no further resolution shall be necessary.

If it is necessary to have any person supervise or calculate the votes in a resolution for a proposal, such person shall be appointed by the Chairman, provided that the person supervising voting shall be a director of Wistron.

The result of the resolution shall be reported on the spot and written into records/meeting minutes.

Article 15 A director shall not participate in the discussion or resolution about one proposal nor represent other directors to exercise voting rights if he or the juridical person he represents is interested in such a proposal and the director shall state the important aspects of the interested party relationship at the respective meeting and his participation has the possibility of hindering the interest of Wistron.

With regard to the interested Directors unable to exercise the voting rights in the resolution of Wistron's BOD meeting, Wistron shall deal with the situation pursuant to Paragraph 3 of Article 206 of the Company Act and apply *mutatis mutandis* Paragraph 2 of Article 180 of the same Act.

Article 16 The BOD meeting shall be recorded in meeting minutes. The following items shall be recorded in the minutes:

1. The number (or year) of the meeting, time and place;
2. The name of the Chairman;
3. The attendance of the directors, including the name and number of the attending, leave, or absence;
4. The name and title of the attending directors;
5. The name of the secretary;
6. The report items;
7. The discussion items: the manner for resolution and result for every proposal, the speech summary of directors, supervisors, experts, and other personnel; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; objection or reserved option with record or written declaration, and the written opinion issued by independent directors according to Section 4 of Article 12;
8. Extemporary motion: the name of the proposing person, the manner for resolution and result for such proposal, the speech summary of directors, supervisors, experts, and other personnel; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; objection or reserved option with record or written declaration;
9. Other items that is necessary to be recorded.
10. If any of the following happens, the resolution of BOD, other than recorded in the meeting minutes shall be announced in Market Observation Post System designated by the competent authority within two days:

- (1) the objection or reserved opinion issued by independent directors with record or written declaration;
- (2) the item that has not been approved by audit committee but approved by more than two-thirds of all directors.

The Chairman of the meeting and recorder shall sign or chop on the journal, which will be delivered to every Director and Supervisor respectively after 20 days from the meeting.

The journal shall be filed as an important document for Wistron and be permanently preserved well during the existence of the company.

The producing and delivery of the said journal can be done electronically.

Article 17 Except for the matters required to be submitted for discussion in accordance with Paragraph 1 of Article 12 of the Rules, during the BOD recess, BOD shall authorize and designate its duty according to relevant laws or Wistron's Articles of Incorporation or other related regulations.

Article 18 The Rules will be taken into effect after the BOD adopts the resolution, same as amendment, and be submitted to shareholder's meeting for report.

Article 19 The Rules were enacted on March 24, 2003.

The 1st amendment was made on February 17, 2005.

The 2nd amendment was made on October 27, 2006 and taken into effect on January 1, 2007.

The 3rd amendment was made on March 28, 2008.

The 4th amendment was made on March 25, 2009 and taken into effect after the shareholder's meeting of the same year.

The 5th amendment was made on March 22, 2010 and taken into effect after the shareholder's meeting of the same year.

The 6th amendment was made on October 30, 2012.

The 7th amendment was made on November 10, 2017.

Appendix 5

Wistron Corporation

The Election Regulations of Directors

- Article 1. Unless otherwise prescribed by relevant rules, the Company Act or the Company's Articles of Incorporation, these Regulations shall govern the election of the Company's directors.
- Article 2. Company's directors shall be elected by a candidate nomination system whereby the shareholders elect directors from the nominees listed in the roster of director candidates that announced in a public notice by the Company.
- Article 3. The Company's directors shall be elected through cumulative voting. Each share shall be entitled to one vote for each director to be elected. The holder of the shares may cast all votes for one candidate, or may distribute the votes among several candidates.
- Article 4. Unless otherwise prescribed by the Regulations, the Company's directors shall be elected from a roster of director candidates according to the quota of the directors to be elected. Candidates to whom the vote casts represent a prevailing number of votes shall be deemed directors elect.
- Article 5. The elections of independent directors and non-independent directors shall proceed as one election and number of the elected shall be calculated separately. The candidates who receive the most votes for the position will be elected independent directors and non-independent directors. In the event two or more candidates receive the same number of votes beyond a quota, the winner shall be determined by drawing lots. One lot may be drawn by the chairman for each of the absentees. In the event none of the elected of the independent directors possess accounting or finance expertise, the votes of the candidates who possess accounting or finance expertise shall be calculated separately. The one who receive the most votes shall be elected. The other headcounts of the elected shall proceed as prescribed in the preceding paragraph.
- Article 6. (Deleted)
- Article 7. The board of directors shall, upon preparing the ballots, have the ballots numbered in a series and enter the voting power on each ballot.
- Article 8. During the election, the chairman shall appoint vote inspectors and vote counters from among the shareholders in attendance to take charge of inspecting and counting the votes.
- Article 9. A ballot box shall be provided by the board of directors and shall be kept in public view by the monitor before the vote.

- Article 10. Voters shall fill in candidate's name and shareholder's account number on the ballot, and if candidate is not a shareholder, the candidate's ROC Identification Card Number (or for foreigner candidates, the candidate's passport number); voters shall drop the ballots into the ballot box. In the event a legal entity is a candidate, both the full registered name of the legal entity and the name of its legal representative shall be entered on the ballot.
- Article 11. A ballot shall be null and void if such ballot:
- a. Is not dropped into the ballot box,
 - b. Is not on a ballot prepared by the Company,
 - c. Is not filled out by voter or is blank,
 - d. Contains the name of a candidate who is a shareholder, but his or her shareholder's account number and the name under which the shares are registered, do not comply with the register of shares,
 - e. Contains any words or notations other than the candidate's name or the shareholder's account number,
 - f. Contains any alteration to the candidate's name, shareholder's account number, or voting power,
 - g. Contains words or marks which are illegible or unrecognizable, or
 - h. Contains the name of a candidate, but fails to list the shareholder's account number, or his or her ROC Identification Card Number (or Passport Number) so as to identify such person.
- Article 12. The vote inspector and vote counter shall monitor the opening of the ballots, and the chairman shall announce the results immediately thereafter.
- Article 13. These Regulations and any amendments hereto shall enter into force when approved by a resolution at a Shareholders' Meeting.
- Article 14. This Procedure was enacted on June 7, 2002.
The 1st amendment was made on June 23, 2009.
The 2nd amendment was made on June 21, 2012.

Appendix 6

Wistron Corporation
Profit Appropriation Statement for 2017

Unit: NT\$

Undistributed Earnings at the Beginning of the year		9,950,335,886
Plus(Minus):		
Remeasurements of the defined benefit liability	(57,306,513)	
Loss on treasury stock transactions	(41,923,866)	
Changes in ownership interests in subsidiaries	(2,903,943)	
Share-based payment transactions	1,686,198	
Net Profit	3,885,515,885	
Minus:		
Legal Reserve	(388,551,589)	
Special Reserve	(4,010,254,593)	
Distributable Earnings		9,336,597,465
Distribution Items:		
Stock Dividends to Common Shareholders	(802,049,830)	
Cash Dividends to Common Shareholders	(3,208,199,283)	(4,010,249,113)
Undistributed Earnings at the end of the year		5,326,348,352

Note 1: Stock dividend: NT\$0.3 per share.

Note 2: Cash dividend: NT\$1.2 per share, and the cash dividend is rounded down to the nearest NT dollar; the amount rounded off will be credited to other income of Wistron.

Chairman: Simon Lin

President: Robert Hwang

Controller: Stone Shih

Appendix 7

**Comparison between Original and Amendments to
“Procedures of Asset Acquisition and Disposal”**

Items	Original Version	Amended Version	Reason
Article 6	<p>Procedures of Announcement and Filing</p> <p>1. The acquisition or disposition of the Company’s assets, provided below, shall be announced and filed to the FSC’s designated website in accordance to its nature and the stipulated form, within two days commencing immediately of its occurrence, with the relevant data and information:</p> <p>(1) Purchase and disposition of real estate from a related party, or purchase or disposition of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company’s total assets certified by public accountant, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.</p> <p>.....</p> <p>4. The Company shall monthly enter into the transaction situations of the</p>	<p>Procedures of Announcement and Filing</p> <p>1. The acquisition or disposition of the Company’s assets, provided below, shall be announced and filed to the FSC’s designated website in accordance to its nature and the stipulated form, within two days commencing immediately of its occurrence, with the relevant data and information:</p> <p>(1) Purchase and disposition of real estate from a related party, or purchase or disposition of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company’s total assets certified by public accountant, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.</p> <p>.....</p> <p>4. The Company shall monthly enter into the transaction situations of the</p>	<p>To comply with the Company’s operational needs.</p>

Items	Original Version	Amended Version	Reason
Article 6	<p>derivative products engaged by it and its subsidiaries not categorized as domestic public companies up to the end of the previous month in accordance to the stipulated form to the FSC's designated website for filing information before the 10th of each month.</p>	<p>derivative products engaged by it and its subsidiaries not categorized as domestic public companies <u>and their directly or indirectly held subsidiaries</u>, up to the end of the previous month in accordance to the stipulated form to the FSC's designated website for filing information before the 10th of each month.</p>	<p>To comply with the Company's operational needs.</p>
Article 7	<p>Scope and Amount of Acquisition or Disposition of Assets</p> <p>1. Apart from acquisition of assets for business use, the Company may invest or purchase real estate and securities for non-business use, the limitations on amounts are set forth as follows:</p> <p>(1) Total investment in real estate for non-business use shall not exceed 40% of the equity attributable to owners of the Company and long-term liabilities of the Company as the most recent financial report certified or reviewed by the accountant.</p> <p>(2) Total investment in securities shall not exceed 200% of the equity attributable to owners of the Company as the most recent financial report certified or reviewed by the accountant.</p> <p>(3) Investment in a single security shall not exceed 40% of the equity attributable to owners of the Company as the most recent financial report</p>	<p>Scope and Amount of Acquisition or Disposition of Assets</p> <p>1. Apart from acquisition of assets for business use, the Company may invest or purchase real estate and securities for non-business use, the limitations on amounts are set forth as follows:</p> <p>(1) Total investment in real estate for non-business use shall not exceed 40% of the equity attributable to owners of the Company and long-term liabilities of the Company as the most recent financial report <u>audited</u> certified or reviewed by the accountant.</p> <p>(2) Total investment in securities shall not exceed 200% of the equity attributable to owners of the Company as the most recent financial report <u>audited</u> certified or reviewed by the accountant.</p> <p>(3) Investment in a single security shall not exceed 40% of the equity attributable to owners of the Company as the most</p>	<p>To comply with the Company's operational needs.</p>

Items	Original Version	Amended Version	Reason
Article 7	<p>certified or reviewed by the accountant.</p> <p>2.As to the Company subsidiaries, the limitations on amounts of acquisition or disposition of assets shall not violate rules provided herein below:</p> <p>(1)Real estate shall not be purchased for non-business use.</p> <p>(2)Total investment in securities shall not exceed the equity attributable to owners of the Company as the most recent financial report certified or reviewed by the accountant.</p> <p>(3)Investment in a single security shall not exceed 20% of the equity attributable to owners of the Company as the most recent financial report certified or reviewed by the accountant.</p>	<p>recent financial report audited certified or reviewed by the accountant.</p> <p>2.As to the Company subsidiaries <u>not categorized as domestic public companies and their directly or indirectly held subsidiaries</u>, the limitations on amounts of acquisition or disposition of assets shall not violate rules provided herein below:</p> <p>(1)Real estate shall not be purchased for non-business use.</p> <p>(2)Total investment in securities shall not exceed the equity attributable to owners of the Company as the most recent financial report audited certified or reviewed by the accountant.</p> <p>(3)Investment in a single security shall not exceed 20% of the equity attributable to owners of the Company as the most recent financial report audited certified or reviewed by the accountant.</p>	To comply with the Company's operational needs.
Article 8	<p>Control Management Process for Subsidiaries' Acquisition or Disposition of Assets</p> <p>1. For the acquisition or disposition of assets by subsidiaries invested by the Company, the "Procedures for Acquiring or Disposing of Assets" shall be enacted in accordance to regulations, and after the approval of the Board of Directors of the subsidiaries, shall be submitted to each supervisor</p>	<p>Control Management Process for Subsidiaries' Acquisition or Disposition of Assets</p> <p>1. For the acquisition or disposition of assets by subsidiaries <u>not categorized as domestic public companies and their directly or indirectly held subsidiaries</u> invested by the Company, the "Procedures for Acquiring or Disposing of Assets" shall be enacted in accordance to regulations,</p>	To comply with the Company's operational needs.

Items	Original Version	Amended Version	Reason
Article 8	<p>and reported to the shareholders' meeting for approval. After approval at the shareholders' meeting, it shall be filed to the Board of Director of the Company. The same procedures shall apply with any amendment.</p> <p>2. For situations in which the acquisition or disposition of assets by subsidiaries not categorized as domestic public companies reaches the standards of announcement and filing set forth herein, it shall be announced and filed by the Company with copies to relevant authorities-in-charge in accordance to procedures set forth herein.</p> <p>3. The Company's paid-in capital or total assets, certified by public accountants, shall be the standard for determining whether or not a subsidiary is subject to Article 6, paragraph 1, requiring a public announcement and regulatory filing in the event the type of transaction specified therein reaches 20 percent of paid-in capital or 10 percent of the total assets.</p>	<p>and after the approval of the Board of Directors of the subsidiaries, shall be submitted to each supervisor and reported to the shareholders' meeting for approval. After approval at the shareholders' meeting, it shall be filed to the Board of Director of the Company. The same procedures shall apply with any amendment.</p> <p>2. For situations in which the acquisition or disposition of assets by subsidiaries not categorized as domestic public companies <u>and their directly or indirectly held subsidiaries</u> reaches the standards of announcement and filing set forth herein, it shall be announced and filed by the Company with copies to relevant authorities-in-charge in accordance to procedures set forth herein.</p> <p>3. The Company's paid-in capital or total assets, <u>audited</u> certified by public accountants, shall be the standard for determining whether or not a subsidiary is subject to Article 6, paragraph 1, requiring a public announcement and regulatory filing in the event the type of transaction specified therein reaches 20 percent of paid-in capital or 10 percent of the total assets.</p>	To comply with the Company's operational needs.
Article 29	<p>.....</p> <p>The 9th amendment was made on June 14, 2017.</p>	<p>.....</p> <p>The 9th amendment was made on June 14, 2017.</p> <p><u>The 10th amendment was made on June 14, 2018.</u></p>	Correspondence to the amendment date.

Appendix 8

Wistron Corporation

Procedures of Asset Acquisition and Disposal

Article 1 Purpose and Legal Basis

To conform to laws and decrees and enhance the management of the Company's "Procedures of Asset Acquisition and Disposal," these procedures are amended in accordance with Article 36-1 of the Securities and Exchange Act and Financial Supervisory Commission (referred to as "FSC").

Article 2 The term "assets" as used in the Procedures including:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, warrants, investment funds, underlying asset bonds, etc.
2. Real estate (including land, houses and buildings, investment property, rights to use land, and construction enterprise inventory) and equipment.
3. Membership certificates.
4. Intangible assets, such as patent right, copyright, trademark right, franchise, etc.
5. Derivative products.
6. Assets acquired or disposed by mergers, splits, acquisition or shares transference in accordance to laws.
7. Other important assets.

Article 3 Definitions

1. "Derivative Products" means forward contracts, options, futures, leverage contracts, swaps, with worth derived from assets, interest rates, foreign exchange rates, indexes or other interests, and the hybrid contracts consisted by the above products, etc.
2. "Assets Acquired or Disposed by Mergers, Splits, Acquisition or Shares Transference Pursuant to Laws" means assets acquired or disposed by mergers, splits, acquisition or shares transference pursuant to Enterprise Merger and Acquisition Law, Financial Holding Companies Law, Financial Institutions Merger Law or other laws or share transference from other companies (hereinafter referred to as "share transference") by issuing new shares pursuant to the eight paragraph of Article 156 of Company Law.

3. The term “related party” and “subsidiary company” shall be defined as stated in the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.”
4. The term “the date of the occurrence of the event” as used in these procedures, in principle means the date of contract signing, the date of payment, the date of consignment trading, the date of transfer, the date of resolution of Board of Directors or other date which can confirm the trading counterparty and trading amount (whichever is earlier). If the Company is engaged in investments which must be approved by a competent authority, it shall mean the above-said date of receiving the approval letter from the competent authority, whichever is earlier.
5. The term “professional appraiser” means a real estate appraiser or other according to laws engaged in real estate, equipment valuation business.
6. The term “within one year” as used in these procedures, means dating back for one year from the date of acquiring or disposing this asset (the announced period is exempt from counting in again).
7. The term “the most recent financial statement” as used in these procedures, means the financial statement publicly audited or reviewed by an accountant in accordance with applicable laws before the Company acquires or disposes assets.

Article 4 Procedures of Evaluation and Operation for the Acquisition or Disposition of Assets

1. Acquisition or Disposition of Securities
 - (1) For securities acquired or disposed on a centralized exchange market or OTC exchange, the operating department shall submit items such as the reasons for the proposed acquisition or disposition, targeted assets, and price reference, etc. to the in-charge department for the decision.
 - (2) For securities not acquired or disposed on a centralized exchange market or OTC exchange, the operating department shall submit items such as the reasons for the proposed acquisition or disposition, targeted assets, trading counterparties, price of transfer, receipt and payment terms, and price reference, etc. to the in-charge department for the decision.
2. For acquisition or disposition of real estates, equipment, membership certificates, intangible assets, and assets acquired or disposed by mergers, splits, acquisition or shares transference in accordance to laws, the operating department shall submit items such as the reasons for the proposed acquisition or disposition, targeted assets, trading counterparties, price of transfer, receipt

and payment terms, and price reference, etc. to the in-charge department for the decision.

3. For evaluation of derivative products, the financial manager shall hold periodic meetings with related persons to examine operational strategies and performances. In principle, trading positions and performances shall be reported to the chief fund manager every 2 weeks, and reported to the highest supervisor of financial department monthly and reported to the Chairman of BOD seasonally.
4. As to related operations for acquisition or disposition of assets, they are all processed in accordance with the Company's relevant regulations for the internal control system.

Article 5 Procedures of Ratification and Decision for the Acquisition or Disposition of Assets

1. Manner and the Reference Basis for the Decision on Price

- (1) For securities purchased and sold on a centralized exchange market or OTC exchange, the price shall be decided by the market price at the time of the transaction. For securities not acquired or disposed on a centralized exchange market or OTC exchange, the price shall be determined by reference to net value per share, profitability, and future development potential, in addition, the transaction price at the time shall also be referenced.
- (2) The acquisition or disposition of real estate and equipment shall be carried out by price comparison, price negotiation, or bidding. As to the price of real estate, it shall be determined by reference to the announced present value, appraised present value, and actual transaction price in the vicinity.
- (3) For the acquisition or disposition of membership certificates, the price shall be integrally evaluated by reference to future anticipated added-value and produced benefit.
- (4) For the acquisition or disposition of intangible assets such as patent rights, copyrights, trademark rights, and franchises, the price shall be entirely determined by reference to elements such as future anticipated profit, levels of technology development and innovation, legally protected conditions, circumstances of license and implementation, or production cost or implementation cost; in addition, the relevant elements of right owners and licensees shall also be integrally referred.

2. Amount and Level of License

In-charge department of the Company shall decide within its authority on the acquisition and disposition of assets in the following situations, provided, however, that matters governed by Article 185 of the Company Law shall be approved at the shareholders' meeting in advance:

- (1) Unless otherwise provided below, the acquisition or disposition of securities shall be approved by the Board of Directors before its execution:
 - (a) The chairman of the board is authorized by the Board of Directors to decide and execute a project if the amount is not more than NT\$300 million, the executed project will be reported to the Board of Directors thereafter.
 - (b) For the acquisition or disposition of securities purchased and sold on the centralized exchange market or OTC exchange, the chairman of the board is authorized by the Board of Directors to decide and execute a project that amount is not more than NT\$300 million, the executed project will be reported to the Board of Directors thereafter. However, for related party transactions subject to the Article 12 of these procedures, the provisions of Article 12 shall prevail.
 - (c) Short-term idle funds invested in short-term securities such as domestic government bonds, domestic bond funds, financial bonds, American government bond and oversea bond fund with good credit rating, domestic money market funds, whereby the Director of Finance/the finance manager is authorized to execute for each single transaction or the daily total amount not exceeding NT\$1 billion; the approval of vice president of finance/CFO is required for amounts between NT\$ 1 and 2 billion; and the approval of the chairman of the board is required for amount exceeding NT\$ 2 billion.
- (2) The acquisition or disposition of real estate shall be approved by the Board of Directors before its execution, except that the chairman of the board is authorized by the Board of Directors to execute a project that is not more than NT\$300 million, and it will be reported to the Board of Directors thereafter. However, the acquisition or disposition of real property to a related party, is not in the scope of this authorization, but shall apply the provisions of Article 12 paragraph 2.
- (3) Acquisition or disposition of the Company and its subsidiary equipment used for operating purposes, to authorize the Chairman of the Board of Directors or its authorized personnel decisions NT\$300 million, and afterwards would then be sent the most recent of the Board for ratification. Otherwise, the acquisition or disposition of equipment; for any projects

the amount is more than NT\$300 million, must be approved by the Board of Directors, the chairman of the Board or his authorized officers decides for other projects before its executions.

(4) The acquisition or disposition of derivative products shall be authorized to relevant personnel in accordance with the “Rules and Procedures of Derivative Transactions”, and shall report to the soonest meeting of Board of Directors.

3. Operating Department

The finance department is the operating department for securities and derivative product investments; the using department and the relevant in-charge department are the operating departments for investments in real estate, equipment, intangible assets, membership certificate and assets acquired or disposed by mergers, splits, acquisition or shares transference in accordance to laws.

Article 6 Procedures of Announcement and Filing

1. The acquisition or disposition of the Company’s assets, provided below, shall be announced and filed to the FSC’s designated website in accordance to its nature and the stipulated form, within two days commencing immediately of its occurrence, with the relevant data and information:

(1) Purchase and disposition of real estate from a related party, or purchase or disposition of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company’s total assets certified by public accountant, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.

(2) Proceeding mergers, splits, acquisition or shares transference,

(3) Engaging in derivative products transactions and the loss reaching the upper limit loss amount of the total or individual contract prescribed in procedures,

(4) Equipment that are categorized as assets acquired or disposed for business use, the transaction counterparty is not a related party, and the transaction amount has reached NT\$1 billion or more.

(5) Real estate acquired by the Company by the ways of mandating others to build on its land, engaging others to build on rented land, joint cooperatively building with others to split the units, cooperatively

building with others to acquire the proportion of profits, or cooperatively building with others to separately sell the units, the transaction amount which the anticipated amount invested by the Company has exceeded NT\$500 million.

- (6) Except for asset transactions provided in the preceding five items, or an investment in the mainland China area, where the transaction amount reaching 20% of the Company's paid-in capital or in exceeds NT\$300 million; however, not included otherwise provided below:
 - (a) purchase and sale of government bonds,
 - (b) purchase and sale of bonds with put or call conditions, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.
2. The transaction amounts in the preceding paragraph are calculated in accordance to the methods provided herein below:
 - (1) each single transaction amount,
 - (2) the transaction amount accumulated within one year with the same counterparty in the acquisition or disposition of the targeted assets with the same nature,
 - (3) the amount accumulated (the amounts for acquisition and disposition are separately accumulated) within one year of the acquisition or disposition of the same real estate in a development plan,
 - (4) the amount accumulated (the amounts for acquisition and disposition are separately accumulated) within one year in the acquisition or disposition of the same securities.
3. One year period in sub-section is dating back from the date of the concerned transaction; the announced period is exempt from counting in again.
4. The Company shall monthly enter into the transaction situations of the derivative products engaged by it and its subsidiaries not categorized as domestic public companies up to the end of the previous month in accordance to the stipulated form to the FSC's designated website for filing information before the 10th of each month.
5. Where any item required to be placed into a public announcement pursuant to these provisions is incorrect or not placed in the announcement and it is required to be supplemented, the whole announcement shall be remade and placed into a public announcement within two days counting inclusively from the date of knowing of such error or omission.
6. Unless otherwise provided by other laws, the Company's acquisition or disposition of assets shall keep in reserve the relevant contracts, meeting

minutes, registry, appraisal report, and the opinion books by accountants, attorneys or security underwriters for at least 5 years.

7. After announcing and filing the transaction in accordance with the provisions, provided that one of the following conditions exist, the Company shall announce and file the relevant data and information to the FSC's designated website within two days commencing immediately after its occurrence:
 - (1) Where the executed relevant contracts of the original transaction have been changed, terminated or ceased.
 - (2) Where mergers, splits, acquisition or share transfers have not been completed in accordance to the anticipated timeframe set in the contracts.
 - (3) Change to the originally publicly announced and reported information.

Article 7 Scope and Amount of Acquisition or Disposition of Assets

1. Apart from acquisition of assets for business use, the Company may invest or purchase real estate and securities for non-business use, the limitations on amounts are set forth as follows:
 - (1) Total investment in real estate for non-business use shall not exceed 40% of the equity attributable to owners of the Company and long-term liabilities of the Company as the most recent financial report certified or reviewed by the accountant.
 - (2) Total investment in securities shall not exceed 200% of the equity attributable to owners of the Company as the most recent financial report certified or reviewed by the accountant.
 - (3) Investment in a single security shall not exceed 40% of the equity attributable to owners of the Company as the most recent financial report certified or reviewed by the accountant.
2. As to the Company subsidiaries, the limitations on amounts of acquisition or disposition of assets shall not violate rules provided herein below:
 - (1) Real estate shall not be purchased for non-business use.
 - (2) Total investment in securities shall not exceed the equity attributable to owners of the Company as the most recent financial report certified or reviewed by the accountant.
 - (3) Investment in a single security shall not exceed 20% of the equity attributable to owners of the Company as the most recent financial report certified or reviewed by the accountant.

Article 8 Control Management Process for Subsidiaries' Acquisition or Disposition of Assets

1. For the acquisition or disposition of assets by subsidiaries invested by the Company, the “Procedures for Acquiring or Disposing of Assets” shall be enacted in accordance to regulations, and after the approval of the Board of Directors of the subsidiaries, shall be submitted to each supervisor and reported to the shareholders’ meeting for approval. After approval at the shareholders’ meeting, it shall be filed to the Board of Director of the Company. The same procedures shall apply with any amendment.
2. For situations in which the acquisition or disposition of assets by subsidiaries not categorized as domestic public companies reaches the standards of announcement and filing set forth herein, it shall be announced and filed by the Company with copies to relevant authorities-in-charge in accordance to procedures set forth herein.
3. The Company’s paid-in capital or total assets, certified by public accountants, shall be the standard for determining whether or not a subsidiary is subject to Article 6, paragraph 1, requiring a public announcement and regulatory filing in the event the type of transaction specified therein reaches 20 percent of paid-in capital or 10 percent of the total assets.
4. The Company shall supervise subsidiaries’ compliance with the “Procedures of Assets Acquisition and Disposition”, and monitor their implementation.

Article 9 Punishment for Violation of the Procedure

When the Company’s employees or personnel violate the Procedure, they will be punished according to the “Personnel Administration Regulation”.

Article 10 Appraisal Report from Professional Appraisal Institutions

In acquiring or disposing of real estates or equipment by the Company, unless otherwise transacting with a government agency, commissioning others to build on its own land, leased land by appointing a constructor, or acquiring or disposing the equipment for business use, and the transaction amount reaches 20% of the Company’s paid-in capital or exceeds NT\$300 million, the Company shall, prior to the date of occurrence of the event, obtain an appraisal report issued by a professional appraisal institutions, and comply with the following provisions:

1. Due to special circumstances, where a limited price, specified price or special price is deemed as the reference basis of the transaction price, this transaction shall be reported and decided by the Board of Directors for approval. If there is any change of the transaction conditions, the procedures herein above shall apply.

2. If the transaction amount is more than NT\$ 1 billion, two or more professional appraisal institutions must be retained for the appraisal.
3. An accountant's opinions on the differentiation and appropriateness of the transaction price is required if any one of the conditions below has occurred, and the accountant shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF), unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount:
 - (1) the difference between the appraisal amount of the appraisal institutions and transaction amount is 20% of transaction amount or more;
 - (2) the difference between the appraisal amounts of two or more appraisal institutions reaches 10% of transaction amount or more.
4. The dates between the appraisal report issued by the professional appraisers and the contract executed shall be more than three months, however, if the announced present value of the same period is applicable and is not more than six months, the original appraisal institution may issue the opinion.

Article 11 Certified Accountant's Opinions

1. For a public company acquiring or disposing of marketable securities, where the transaction amount reaches 20% of the Company's paid-in capital or exceeds NT\$300 million, an accountant shall, prior to the date of occurrence of the event, be retained for opinions on the reasonableness of the transaction price. If the accountant needs to use the report of an expert as evidence, the accountant shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF). This requirement does not apply to the securities which are publicly quoted in an active market or otherwise provided by the regulations of FSC.

According to FSC letter No. 1050044504 and the exception rule provided in the first paragraph of Article 10 the regulations Governing the Acquisition and Disposition of Assets by Public Company. Following times the Company is to proceed free from the aforementioned accountant checking procedure for acquiring or disposing securities.

- (1) Securities acquired through cash contribution in an incorporation by promotion or by public offering in accordance with the Company Act, with

- the further requirement that the rights represented by the acquired securities be commensurate with the proportion of capital contributed.
- (2) Participation in subscription to an issue of securities issued at face value by an issuing company.
 - (3) Participation in subscription to securities issued by a 100% owned subsidiary that is carrying out a cash capital increase.
 - (4) Securities listed and traded on the Taiwan Stock Exchange or the Taipei Exchange or emerging stocks.
 - (5) Government bonds, or bonds under repurchase or reverse purchase agreements.
 - (6) Onshore or offshore publicly offered funds.
 - (7) TWSE or TPEX listed stocks acquired or disposed of in accordance with the TWSE or TPEX rules governing the purchase of listed securities by reverse auction or rules governing the auction of listed securities.
 - (8) Participation in subscription to shares issued by a public company for a cash capital increase or domestic subscription to corporate bonds (including financial debentures), with the further requirement that the securities acquired are not privately placed securities.
 - (9) Subscription to a domestic privately placed fund before the establishment of the fund in accordance with Article 11, paragraph 1 of the Securities Investment Trust and Consulting Act, or subscription to or redemption of a domestic privately placed fund, provided that the trust agreement for the fund specifies an investment strategy in which, aside from securities margin transactions and open positions held in securities-related products, the investment scope of the remaining portion is the same as that of a publicly offered fund.
2. In acquiring or disposing membership certificate or intangible assets by a public company, and the transaction amount reaching 20% of the Company's paid-in capital or in exceeding NT\$300 million, except in transactions with a government agency, an accountant shall, prior to the date of occurrence of the event, be retained to express opinions on the reasonableness of the transaction price, and the accountant shall handle the matter pursuant to Article 13 of the statements of Financial Accounting Standards No. 20 promulgated by Accounting Research and Development Foundation.
 3. If the public company acquired or disposed assets through court auction procedures, they may replace the appraisal report or accountant opinions with the certified documents issued by the court.

Article 11-1 The calculation of the transaction amounts referred to in the preceding two articles shall be done in accordance with Article 6, paragraph 2 herein, and “within the preceding year“ as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or an accountant’s opinion has been obtained need not be counted toward the transaction amount.

Article 12 Related Party Transactions

When the Company engages in any acquisition or disposition of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company’s total assets, the Company shall also obtain an appraisal report from a professional appraiser or an accountant’s opinion in compliance with the provisions of the Procedures.

The Company must submit the information provided below to the Board of Directors for approval, upon first obtaining a consent from the Audit Committee, before its execution of the purchase or disposition of real estate from related parties, or acquisition or disposition of assets other than real property from or to related parties where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company’s total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises. The Company may not proceed to enter into a transaction contract or make a payment until receiving approval as discussed herein from the Board of Directors, including.

1. The reasons, necessity and the anticipated benefit of assets purchase or disposed of;
2. The reasons for selecting the related persons as the transaction party;
3. With respect to the acquisition of real property from a related party, relevant information for evaluating the reasonableness of the anticipated transaction conditions pursuant to provisions of Articles 13 and 14;
4. Items such as the date and price originally acquired by the related party, transaction counterparty and its relations between the Company and the related party;
5. The forecasting chart for cash received in each month for one year in the future from the anticipated month of contract execution, with an evaluation of the necessity of the transaction and the reasonableness of the fund usage;

6. An appraisal report from a professional appraiser or an accountant's opinion obtained in compliance with this Article.

7. Conditions and other important agreed items of the transaction.

The calculation of the transaction amounts referred to in this Article shall be made in accordance with Article 6, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee and the Board of Directors need not be counted toward the transaction amount.

With respect to the acquisition or disposition of business-use equipment between the Company and its subsidiaries, and when the transaction is within the authorized amount, the Chairman of the Board may, pursuant to Article 5, paragraph 2, subparagraph 3, decide such matters and have the decisions subsequently submitted to and ratified at the next Board of Directors meeting.

Article 13 The Company's purchases of real estate from a related party shall comply with methods provided below to evaluate the reasonableness of the transaction cost:

1. Based upon the related party's transaction price plus necessary interest on funding and the cost to be borne by the buyer according to law. The "necessary interest on funding" is imputed as the weighted average interest rate of the fund borrowed by the Company in the year of purchase of the asset.
2. Total loan value appraised by a financial institution if such object has been mortgaged to the financial institution for a loan; provided that the actual cumulative amount loaned by the financial institution for the object shall reach 70% or more of the appraised total value and the loan period is more than one year. However, this shall not apply if the financial institution and either party of the transaction are related persons.
3. Where the land and the buildings on the property are combined for the purchase, the cost of the transaction may be reached by respectively evaluating such land and building based on either method described above.
4. The Company's purchases of real estate from the related party, in addition to evaluating the cost of the cost of real estate pursuant to provisions prescribed in the preceding three paragraphs, an accountant shall be retained to check and provide specific opinion.
5. Where one of the following occurrence exists in the Company's purchase of the real estate from the related party, the transaction is exempt from the application of the preceding four paragraphs; however, the Article 12 shall still apply:
 - (1) The related party acquired real estate by inheritance or as a gift.

- (2) Between the signing date of the related party's receipt of the real estate and the signing date of the current transaction, 5 years has passed.
- (3) Acquiring real estate by a joint construction contract executed with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.

Article 14 Where the evaluations reached by the Company pursuant to the first to third paragraphs in preceding Article are consonantly lower than the transaction price, the provisions of Article 15 apply; however, if any of the circumstances below exists, accompanied by objective evidence provided by a professional real property appraiser's reasonableness opinion obtained and an accountant's specific opinion rendered, the restriction shall not apply:

1. Where the related party purchased a piece of undeveloped land or leased land for construction, and the evidence provided meets one of the following conditions:
 - (1) The total value of the undeveloped land, evaluated based on the methods referred to in the preceding paragraph, and the building, calculated based on the related party's construction cost plus reasonable construction profit, is more than the actual transaction price. The stated "reasonable construction profit" shall be the average operating gross profit ratio of the construction department of the related party within the last three years or the most recent gross profit ratio of the construction industry published by the Ministry of Finance, whichever is lower.
 - (2) The transaction of the other floors/levels on the same property of nearby region consummated within one year by non-related parties, the area being similar and the transaction conditions being reasonable after reasonable appraisal of the price difference of floor/level or region in accordance with real estate sale transaction practice.
 - (3) In the case of lease of non-related party of the other floors/levels of the object within one year, the transaction conditions being reasonable after reasonable appraisal of the price difference of floors/level or region in accordance with real estate lease transaction practice.
2. The Company provides evidence to prove that the transaction conditions for purchase of the real estate from the related party correspond with those of other transactions of non-related parties in the neighborhood and within one year, with a similar size.

The transaction in the neighborhood in the preceding paragraph shall mean the transaction of the real estate on the same or nearby street with a distance

of less than 500 meters from the estate in question. The term “similar size” means that in the case of transaction of non-related party, the size is not less than 50% of the estate in question. The “within one year” means dating back for one year from the date of acquiring this real estate.

Article 15 When the Company acquires real estate from the related party and the evaluations reached pursuant to the Articles 13 and 14 are consonantly lower than the transaction price, below items shall be followed:

1. Allocate the difference between the real estate transaction price and the evaluated cost as special reserve.
2. The independent director members of the Audit Committee handle the matter pursuant to Article 218 of the Company Act.
3. Report the handling condition of the first and second items to the shareholders’ meeting and disclose the detailed transaction content in the annual report and the prospectus.

Where the Company allocates a special reserve in accordance to the preceding paragraph, it shall not use such special reserve until and unless a devaluation loss on the asset purchased at high price has been rendered, or such asset has been disposed of, or proper compensation had been received, or the original status has been restored, or has been acquitted of the unreasonableness by other evidence and has been approved by the competent authorities.

Article 16 Transaction of Derivative Products

The Company engages in the transaction of derivative products shall heed to the control of the following important matters for risk management and auditing purposes in the Procedures:

1. Trading principles and policies: shall include the types of derivative product transactions that can be made, operation or hedge strategies, responsibility division, main points for evaluating performance, total amount of contracts which can be engaged in the transaction of derivative products and the upper limit of loss for all and individual contracts.
2. Risk management measures.
3. Internal auditing system.
4. Method of periodic evaluation and management of abnormal conditions.

Article 17 Where the Company engages in the transaction of derivative products, it shall perform the following risk management measures:

1. The scope of risk management shall include the risk management of credit, market price, liquidity, cash flows, operation and law.
2. Dealing persons, confirming persons and settling persons for the derivative products transactions shall not be the same.
3. The persons in charge of the evaluation, supervision and control of risk-related matters shall respectively belong to the different departments as those in the preceding item and shall make a report to the Board of Directors or to the high-level managers who are not responsible for setting policies for transactions or positions to be engaged.
4. The positions held in the trading of derivative products shall be evaluated at least once a week, the hedging transaction made for business purposes shall be evaluated at least twice a month, and the evaluation reports shall be given to high-level managers authorized by the Board of Directors.
5. Other important risk management measures.

Article 18 Principles of Supervision and Management of the Board of Directors

1. Assign high-level managers to oversee the supervision and the control of the risk of derivative transactions at all times.
2. Periodically evaluate whether the results of the derivative transactions conform to the formulated operational policies and whether the attendant risk of these transactions is within the capability of the Company.

The Principles of Supervision and Control of the High-Level Managers Authorized by the Board of Directors:

1. Periodically evaluate whether the risk management measures currently being used are suitable and whether they conform with these Procedures and the “Rules and Procedures of Derivative Transactions” formulated by the Company.
2. Supervise the transactions and loss-and-profit status, if there are any abnormal situations, the high-level manager shall report to the Board of Directors and an independent director shall present on behalf of the Board of Directors and express opinions.

Article 19 The Company shall prepare a registry with the type, amount, date passed by the Board of Directors for the engagement of the transaction of derivative products and the items shall be carefully evaluated in accordance to the item 4 of the Articles 17, the item 2 of paragraph 1 and the item 1 of paragraph 2 of Article 18, and publish in detail in registry.

The Company's internal auditors shall check the suitability of internal control of derivative transactions periodically and inspect monthly the compliance of the trading departments with "Rules and Procedures of Derivative Transactions" in order to make the auditing report. If there are any severe breach matters, these shall be notified to Audit Committee in writing.

Article 20 Mergers, Splits, Acquisitions and Shares Transference

Prior to convening the Board of Directors for a resolution, the Company engaging in a merger, split, acquisition or share transference shall retain accountants, attorneys or securities underwriters for opinions on the reasonableness of the share conversion rates, acquisition price or the cash or other assets distributed to shareholders, and submit the opinions at the shareholders' meeting for discussion and approval.

However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

Article 21 Prior to convening the shareholders' meeting, the Company participating in a merger, split or acquisition shall prepare a public document addressed to the shareholders stating the significant stipulations of the merger, split or acquisition plan and related matters, and deliver it to the shareholders along with the expert opinions of the preceding Article and the notice of the shareholders' meeting to provide the shareholders with a basis of reference for deciding whether to agree to the merger, split or acquisition plan; however, not including conditions exempt from convening the shareholders' meeting for a resolution of matters of mergers, splits or acquisitions pursuant to other laws.

If the shareholders' meeting of any Company (including the Company) participating in the merger, split or acquisition is unable to convene or to pass such a resolution because of inability to achieve a quorum or sufficient voting shares or because of other legal restrictions, or the plan is rejected at the shareholders' meeting, the Company shall immediately make a public announcement of the reasons for such occurrence, the follow-up measures to be taken, and the anticipated date for convening of the shareholders' meeting(s).

Article 22 Except as provided by laws or under special circumstances where advance permission has been obtained from the FSC, the Company shall convene the board meetings and shareholders' meetings and pass resolutions regarding the merger, split or acquisition and relevant matters on the same day along with other participating companies in the merger, split, acquisition or share transference. The Company shall prepare the following information in a written form and retain the records for 5 years:

1. Basic identification data for personnel, including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, split, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events, including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
3. Important documents and minutes, including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

The Company shall, within two days commencing immediately from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Article 23 All persons participating in or knowing of the Company's merger, split, acquisition or share transference plan shall submit a written undertaking of nondisclosure. Prior to public disclosure of the merger, split, acquisition or share transference information, such persons may not externally divulge any content of the merger, split, acquisition or share transference plan, nor may they purchase or sell in their own capacity or in the name of another person any shares, or any other equity securities of any Company connected with the merger, split, acquisition or share transference plan.

Article 24 In the Company's participating in a merger, split, acquisition or share transference, the share conversion rates or the acquisition price may not be arbitrarily changed except under the conditions provided below, and the conditions for change shall be provided in the merger, split, acquisition or share transference contract:

1. Cash capital increase, issuance of convertible corporate bonds, distribution of stock dividends, and issuance of corporate bonds with warrants, preferred shares with warrants, subscription warrants, and other equity securities.
2. Acts affecting Company finances or operations, such as disposition of major assets.
3. Occurrence of major disasters, major technological transformations, or other events affecting Company shareholder equity or Company securities prices.
4. Adjustment of treasury shares duly redeemed by any Company participating in the merger, split, acquisition or share transference.
5. Increase, decrease, or change in the entities, or number thereof, participating in the merger, split, acquisition or share transference.
6. Other conditions for change have been provided in the contract and publicly disclosed.

Article 25 In the Company's participating in a merger, split, acquisition or share transference, the contract shall specify the rights and obligations of the companies participating in the merger, split, acquisition or share transference and shall also specify the following particulars:

1. Handling of breach of agreement.
2. Principles for handling of equity securities already issued by, or treasury stock already redeemed by, the Company (Companies) extinguished in the merger of the split Company.
3. The quantity of treasury stock that a participating Company may redeem after the record date of calculation of the share conversion ratio, and relevant handling principles.
4. The handling methods of which there is an increase, decrease, or change in the entities, or number thereof, participating.
5. The scheduled timetable for execution of the plan, and scheduled timeframe for completion.
6. The relevant procedures for handling failure to complete within such timeframe, such as the anticipated date for convening of the shareholders' meeting(s) pursuant to laws.

Article 26 Following public disclosure of information about the Company's participating in merger, split, acquisition or share transference, if the Company has an intention to undergo a further merger, split, acquisition or share transference with another Company, any procedures or legal actions already carried out by the Company under the original merger, split, acquisition or share transference plan shall be

carried out anew except under the conditions that the number of the participating companies decreases and the companies' shareholders' meeting has made a resolution and authorized the Board of Directors the right for modification, the Company is exempt from convening the shareholders' meeting for another resolution.

Article 27 If the companies participating in the merger, split, acquisition or share transference are categorized as non-public companies, the Company shall enter into an agreement with them in accordance to provisions provided by the Articles 22, 23 and 26.

Article 28 Other Items

1. Matters not provided herein shall be governed by the relevant laws and regulations and the relevant regulations of the Company. If the Procedures of Acquisition or Disposition of Assets in the original order are amended by the competent authority, the Company shall apply the provisions in the new order.
2. When the Procedures are submitted to the Board of Directors for discussion, the board shall fully take each independent director's opinions into consideration and record each director's opinions and reasons for the pros and cons in the minutes.
3. The Procedures shall be approved by the Audit Committee pursuant to related regulations, and submitted to the Board of Directors for resolution and later be effective after approved by the shareholders meeting. If a director holds dissenting opinions and there were records for it or in written stating, the Company shall submit materials of the director's dissenting opinions to Audit Committee.
4. The Company's matters shall be approved by the Board of Directors pursuant to the Procedures or other laws. If a director holds a dissenting opinion of the Company's matters and there were records for them or they were stated in writing, the Company shall submit evidence of the director's dissenting opinions to Audit Committee.
5. When the Company reports the transaction for the acquisition or disposition of assets pursuant to the preceding paragraph to the Board of Directors for discussion, the board shall fully take each independent director's opinions into consideration and record each director's opinions and reasons for the pros and cons in the minutes.

6. If the Company plans to engage in assets or the transaction of derivative products, the plan shall be approved by more than half the members of all the Audit Committee and submitted to Board of Directors for resolution.
7. If the above plan that has not been approved by the Audit Committee, the plan shall be approved by the Board of Directors with two-thirds of all directors and the resolution of Audit Committee shall be recorded in the Board of Directors meeting minutes.
8. The Audit Committee members in paragraph 6 and the Board of Directors members in preceding paragraph will only calculate the members in present person.

Article 29 The Procedures were enacted on May 7, 2002.
The 1st amendment was made on June 17, 2003.
The 2nd amendment was made on June 21, 2007.
The 3rd amendment was made on June 25, 2008.
The 4th amendment was made on June 23, 2009.
The 5th amendment was made on June 18, 2010.
The 6th amendment was made on June 21, 2012.
The 7th amendment was made on June 14, 2013.
The 8th amendment was made on June 11, 2014.
The 9th amendment was made on June 14, 2017.

Appendix 9

Comparison between Original and Amendments to “Procedures Governing Loaning of Funds”

Items	Original Version	Amended Version	Reason
Article 3	<p>Limits on the total loan amount and respective parties’ loan amount</p> <p>1. The total loan amount to others shall not exceed the 50% of the net worth of the latest financial report of the Company, among that, for the companies in need of funds for a short term period, the loan amount shall not exceed the 40% of the net worth of the latest financial report of the Company certified or reviewed by the accountant.</p> <p>.....</p>	<p>Limits on the total loan amount and respective parties’ loan amount</p> <p>1. The total loan amount to others shall not exceed the 50% of the net worth of the latest financial report of the Company, among that, for the companies in need of funds for a short term period, the loan amount shall not exceed the 40% of the net worth of the latest financial report of the Company <u>audited</u> certified or reviewed by the accountant.</p> <p>.....</p>	To comply with the Company’s operational needs.
Article 4	<p>Term for loans of funds and the method of calculating interest rate</p> <p>The term of each loan shall not exceed one (1) year. The interest rate shall be determined by Chairman of Board of Directors.</p>	<p>Term for loans of funds and the method of calculating interest rate</p> <p>The term of each loan shall not exceed one (1) year. The interest rate shall be determined by Chairman of Board of Directors <u>or the Chairman’s designee.</u></p>	To comply with the Company’s operational needs.
Article 7	<p>Announcement and reporting procedures</p> <p>1. The Company shall announce and report the previous month’s balance of loan of funds of itself and its subsidiaries by the 10th day of each month to Market Observation Post System.</p> <p>2. The Company and subsidiaries whose loan balance reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence</p>	<p>Announcement and reporting procedures</p> <p>1. The Company shall announce and report the previous month’s balance of loan of funds of itself and its subsidiaries by the 10th day of each month to Market Observation Post System.</p> <p>2. The Company and subsidiaries whose loan balance reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence</p>	To comply with the Company’s operational needs.

Items	Original Version	Amended Version	Reason
Article 7	<p>to Market Observation Post System:</p> <p>(1) The aggregate balance of the Company and its subsidiaries' loan reaches 20 percent or more of the company's net worth as stated in its latest financial statement certified by the accountant.</p> <p>(2) The balance of the Company and its subsidiaries' loan for a single enterprise reaches 10 percent or more of Company's net worth as stated in its latest financial statement certified by the accountant.</p> <p>(3) The balance of the Company or its subsidiaries' newly added loan reaches NT\$10 million or more and the aggregate amount of loan reaches 2 percent or more of Company's net worth as stated in its latest financial statement certified by the accountant.</p> <p>The Company shall announce and report on behalf of any subsidiary not categorized as domestic public companies any matters that such subsidiary is required to announce and report pursuant to the third subparagraph of the preceding paragraph.</p>	<p>to Market Observation Post System:</p> <p>(1) The aggregate balance of the Company and its subsidiaries' loan reaches 20 percent or more of the company's net worth as stated in its latest financial statement <u>audited or reviewed</u> certified by the accountant.</p> <p>(2) The balance of the Company and its subsidiaries' loan for a single enterprise reaches 10 percent or more of Company's net worth as stated in its latest financial statement <u>audited or reviewed</u> certified by the accountant.</p> <p>(3) The balance of the Company or its subsidiaries' newly added loan reaches NT\$10 million or more and the aggregate amount of loan reaches 2 percent or more of Company's net worth as stated in its latest financial statement <u>audited or reviewed</u> certified by the accountant.</p> <p>The Company shall announce and report on behalf of any subsidiary not categorized as domestic public companies <u>and their directly or indirectly held subsidiaries</u> any matters that such subsidiary is required to announce and report pursuant to the third subparagraph of the preceding paragraph.</p>	To comply with the Company's operational needs.

Items	Original Version	Amended Version	Reason
Article 10	<p>Procedures for controlling and managing loans of funds to others by subsidiaries</p> <p>When a subsidiary plans to loan fund to others, the subsidiary should enact “Procedures Governing Loaning of Funds”, report to Board of Directors for approval, and handle the matters according to its Procedures. Its Procedures Governing Loaning of Funds should follow the precedent of this Procedure. However, the loan amount and respective parties loan amount shall not exceed the amount described as follows:</p> <p>The limits of a subsidiary on total loan amount and respective parties’ loan amount should calculate based on subsidiary’s net worth pursuant to Article 3 of this Procedure. However, the restrictions of limits on the total loan amount under Paragraph 1 of Article 3 of this Procedure do not apply to a foreign subsidiary in which the Company directly and indirectly holds 100 percent of the voting shares, but should not exceed the net worth of the Company.</p>	<p>Procedures for controlling and managing loans of funds to others by subsidiaries</p> <p>When a subsidiary <u>not categorized as domestic public companies and their directly or indirectly held subsidiaries</u> plans to loan fund to others, the subsidiary should enact “Procedures Governing Loaning of Funds”, report to Board of Directors for approval, and handle the matters according to its Procedures. Its Procedures Governing Loaning of Funds should follow the precedent of this Procedure. However, the loan amount and respective parties loan amount shall not exceed the amount described as follows:</p> <p>The limits of a subsidiary on total loan amount and respective parties’ loan amount should calculate based on subsidiary’s net worth pursuant to Article 3 of this Procedure. However, the restrictions of limits on the total loan amount <u>and term for loans</u> under Paragraph 1 of Article 3 <u>and Article 4</u> of this Procedure do not apply to a foreign subsidiary in which the Company directly and indirectly holds 100 percent of the voting shares, but should not exceed the net worth of the Company <u>and should meet the term for loans set in the procedure by foreign subsidiary.</u></p>	To comply with the Company’s operational needs.
Article 17	<p>.....</p> <p>The 6th amendment was made on June 26, 2015.</p>	<p>.....</p> <p>The 6th amendment was made on June 26, 2015.</p> <p><u>The 7th amendment was made on June 14, 2018.</u></p>	Correspondence to the amendment date.

Appendix 10

Wistron Corporation

Procedures Governing Loaning of Funds

The Company shall follow the Procedure set forth below for loaning funds to other parties.

Article 1 The party to whom the Company may loan its funds

The Company may loan funds to other parties (the “Borrower”) pursuant to the Procedure when a company with which it does business, or subsidiaries in need of funds for a short term period which the Company holds more than fifty percent (50%) of the shares.

Article 2 Evaluation standards for loaning funds to others

1. In the event the Company loans funds to other parties by reason of business relations, the aggregate amount of the loan shall not exceed the net worth of total trading amount between the two companies in the most recent year. The net worth of total trading amount between two companies hereby means the total purchases or sales whichever is higher.
2. For the companies in need of funds for a short term period, the Borrower shall be limited to subsidiaries in which the Company holds more than 50% of the shares.

Article 3 Limits on the total loan amount and respective parties’ loan amount

1. The total loan amount to others shall not exceed the 50% of the net worth of the latest financial report of the Company, among that, for the companies in need of funds for a short term period, the loan amount shall not exceed the 40% of the net worth of the latest financial report of the Company certified or reviewed by the accountant.
2. The limit amount for loaning to a company having business relationship with the Company should vary according to the situations as follows:
 - (1) When any enterprise in which the Company holds more than 50% of the shares, the loan amount shall not exceed the 10% of the net worth of the Company.
 - (2) When any enterprise in which the Company holds less than 50% of the shares, the loan amount shall not exceed the 40% of the net worth of that enterprise and the 5% of the net worth of the Company.
 - (3) For the other Borrower, the loan amount shall not exceed the 25% of the net worth of the Borrower and the 5% of the net worth of the Company.

3. The limit amount for loaning to a Borrower in need of funds for a short term period shall not exceed the 10% of the net worth of the Company.

Article 4 Term for loans of funds and the method of calculating interest rate

The term of each loan shall not exceed one (1) year.

The interest rate shall be determined by Chairman of Board of Directors.

Article 5 Procedures for handling loans of funds

1. The Borrower shall enclose copies of the business related certificates, identity card of person in charge of the business and essential financial materials and file a loan amount application to Company. After facilitating the evaluation and credit checking, the financial department will report to the Board of Director for approval. However, the subsidiaries which the Company directly and indirectly holds more than 50% of the voting shares could be exempted from providing the documents mentioned above.
2. The loans of the company and subsidiaries or subsidiaries and subsidiaries shall be submitted to the Board of Directors for approval in accordance with aforesaid Article. Once the loans are approved by the Board, the chairman of the Board is authorized to allocate the fund within a year under approved limits in several installments or revolving allocations.
3. The aforesaid loan amount shall be in accordance with Article 3. The loan amount of the Company or its subsidiaries' to any single enterprise shall not exceed 10% of the net worth of the latest financial report of the Company or the subsidiaries. However, the limit of foreign subsidiaries which the Company directly and indirectly holds 100% of the voting shares shall be limited to not exceed the net worth of the latest financial report of the Company.
4. Upon ratification of the loan amount, the Borrower shall file related forms to the financial department to apply for withdrawal.

Article 6 Procedures for Ratification

1. When the Borrower applies for a loan from the Company, it shall submit concrete description of necessity and reasonableness and the financial department will determine whether to accept the application or not.
2. Besides, the financial department shall make an impact assessment based on the possibility of operation risk, financial condition and shareholder's rights and interests after loaning fund to Borrower and submit an opinion statement to the Board of Directors for approval.

3. When the Borrower, except for the subsidiaries which the Company directly and indirectly holds more than 50% of the voting shares, applying for a withdrawal of capital from the Company, the Company should request the Borrower to provide the same amount of a cheque/promissory note or secure a collateral equivalent to the endorsement and/or guarantee amount. The financial department shall evaluate and mark the value of the collateral.

Article 7 Announcement and reporting procedures

1. The Company shall announce and report the previous month's balance of loan of funds of itself and its subsidiaries by the 10th day of each month to Market Observation Post System.
2. The Company and subsidiaries whose loan balance reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence to Market Observation Post System:
 - (1) The aggregate balance of the Company and its subsidiaries' loan reaches 20 percent or more of the company's net worth as stated in its latest financial statement certified by the accountant.
 - (2) The balance of the Company and its subsidiaries' loan for a single enterprise reaches 10 percent or more of Company's net worth as stated in its latest financial statement certified by the accountant.
 - (3) The balance of the Company or its subsidiaries' newly added loan reaches NT\$10 million or more and the aggregate amount of loan reaches 2 percent or more of Company's net worth as stated in its latest financial statement certified by the accountant.

The Company shall announce and report on behalf of any subsidiary not categorized as domestic public companies any matters that such subsidiary is required to announce and report pursuant to the third subparagraph of the preceding paragraph.

Article 8 Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's rights

1. The Company's Chief of Staff Office shall prepare a registry containing the subject of the basic information of the Borrower, the passing date and the ratified amount of the loan of the Board of Directors, the issuing date of the loan, the amount of the loan, collateral, interest rate, and reimbursement date and method etc. for the examination of competent authorities and related personnel.

2. After appropriating the fund, financial department shall examine the financial status, business status and related credit status of the Borrower and guarantor, and if there is any collateral provided, financial department should pay attention to the alteration of its secured value. If there is significant violation, the personnel shall inform the Chairman of Board of Directors and handle the matters under his instructions.
3. When reimbursing the loan on due date or before the due date, the Borrower should calculate the interest rate in advance and reimburse the loan with principal. Then, the Company may return the promissory note with cancellation of the loan of funds or eliminate the collateral registration.
4. Borrower should reimburse the principal and the interest when the due date comes. If failing to reimburse at the due date, the Company may dispose the collateral directly and redeem it for the Company's loss.
5. If any event causes non-conformity of Borrower's qualification and the loan amount with the Procedure, the Company shall enact the revised plan, send it to the Audit Committee and rectify it accordingly.

Article 9 Penalty for violation of the Procedure granting Loaning Funds to Others by managers or personnel in charge

When the Company's employees and personnel violate the Procedure, they will be punished according to the "Personnel Administration Regulation" and the related regulations.

Article 10 Procedures for controlling and managing loans of funds to others by subsidiaries

When a subsidiary plans to loan fund to others, the subsidiary should enact "Procedures Governing Loaning of Funds", report to Board of Directors for approval, and handle the matters according to its Procedures. Its Procedures Governing Loaning of Funds should follow the precedent of this Procedure. However, the loan amount and respective parties loan amount shall not exceed the amount described as follows:

The limits of a subsidiary on total loan amount and respective parties' loan amount should calculate based on subsidiary's net worth pursuant to Article 3 of this Procedure. However, the restrictions of limits on the total loan amount under Paragraph 1 of Article 3 of this Procedure do not apply to a foreign subsidiary in which the Company directly and indirectly holds 100 percent of the voting shares, but should not exceed the net worth of the Company.

- Article 11** Subject to the Generally Accepted Accounting Principles, the Company shall make sufficient provision based on the condition of its loan profile, adequately disclose information in the financial statements, and provide external auditors with necessary information for conducting due auditing.
- Article 12** The internal verification personnel of the Company shall verify the Procedure and its implementation and make a report in writing for record. If there is significant violation, the personnel shall inform Audit Committee in writing.
- Article 13** When the Company submits the loaning of funds for the Board of Directors' approval, the board shall fully take each independent director's opinions into consideration and record each director's reasons for pros and cons in the minutes.
- Article 14** Before the effectiveness of the Procedure, the present outstanding loan of funds of the Company shall submit to the Board of Directors for confirmation and handle the matters in accordance to the Procedure thereafter. If there is any exceeding portion of loaning funds, the Company should recover them in installment.
- Article 14 -1** If the Company plans to provide significant loan to other parties, the plan shall be approved by more than half members of all the Audit Committee and submitted to Board of Directors for resolution.
If the above plan that has not been approved by the Audit Committee, the plan shall be approved by the Board of Directors with two-thirds of all directors and the resolution of Audit Committee shall be recorded in the Board of Directors minutes.
The Audit Committee members in first paragraph and the Board of Directors members in preceding paragraph will only calculate the members in present position.
- Article 15** The Procedure, as well as any revision thereto, shall be approved by the Audit Committee pursuant to related regulations, and submitted to the Board of Directors for resolution and later be effective after approved by shareholders' meeting. If a director holds dissenting opinions and there are records for it or in written stating, the Company shall submit materials of the director's dissenting opinions to the Audit Committee and report to the shareholders' meeting for discussion.

Article 16 (Deleted)

Article 17 The Procedure was enacted on May 7, 2002
The 1st amendment was made on June 17, 2003
The 2nd amendment was made on June 23, 2009
The 3rd amendment was made on June 18, 2010
The 4th amendment was made on June 14, 2013
The 5th amendment was made on June 11, 2014.
The 6th amendment was made on June 26, 2015.

Appendix 11

**Comparison between Original and Amendments to
“Procedures Governing Endorsements and Guarantees”**

Items	Original Version	Amended Version	Reason
Article 4	<p>Limits on Endorsements and/or Guarantees</p> <ol style="list-style-type: none"> 1. The aggregate amount of endorsements and/or guarantees of the Company shall not exceed the net worth of the latest financial report certified or reviewed by the accountant. 2. The limits to any single enterprise of the Company shall not exceed 30% of the net worth of the latest financial report certified or reviewed by the accountant. 3. The limits of the Company and its subsidiaries’ endorsements/guarantees shall not exceed the Company’s net worth of the latest financial report certified or reviewed by the accountant. 4. The limits of the Company and its subsidiaries’ endorsements/guarantees to any single enterprise shall not exceed 30% of the Company’s net worth of the latest financial report certified or reviewed by the accountant. 	<p>Limits on Endorsements and/or Guarantees</p> <ol style="list-style-type: none"> 1. The aggregate amount of endorsements and/or guarantees of the Company shall not exceed the net worth of the latest financial <u>statement report audited</u> certified or reviewed by the accountant. 2. The limits to any single enterprise of the Company shall not exceed 30% of the net worth of the latest financial <u>statement report audited</u> certified or reviewed by the accountant. 3. The limits of the Company and its subsidiaries’ endorsements/guarantees shall not exceed the Company’s net worth of the latest financial <u>statement report audited</u> certified or reviewed by the accountant. 4. The limits of the Company and its subsidiaries’ endorsements/guarantees to any single enterprise shall not exceed 30% of the Company’s net worth of the latest financial <u>statement report audited</u> certified or reviewed by the accountant. 	To comply with the Company’s operational needs.
Article 7	<p>Internal Control Procedure of the Company’s Subsidiaries</p> <ol style="list-style-type: none"> 1. When any subsidiaries in which the Company holds more than 50% of its total outstanding common shares plan to provide endorsements and/or guarantees to other parties, the Company shall order it to 	<p>Internal Control Procedure of the Company’s Subsidiaries</p> <ol style="list-style-type: none"> 1. When any subsidiaries <u>not categorized as domestic public companies and their directly or indirectly held subsidiaries</u> in which the Company holds more than 50% of its total outstanding common shares plan to 	To comply with the Company’s operational needs.

Items	Original Version	Amended Version	Reason
Article 7	<p>enact Procedures Governing Endorsement and Guarantee in accordance to the Procedure, file with the Board of Directors of the Company for recordation and handle the matters under its enacted Procedures. And relevant information of the endorsements/guarantees extended by the Company’s subsidiaries should be provided regularly to the Company for inspection.</p> <p>.....</p>	<p>provide endorsements and/or guarantees to other parties, the Company shall order it to enact Procedures Governing Endorsement and Guarantee in accordance to the Procedure, file with the Board of Directors of the Company for recordation and handle the matters under its enacted Procedures. And relevant information of the endorsements/guarantees extended by the Company’s subsidiaries should be provided regularly to the Company for inspection.</p> <p>.....</p>	<p>To comply with the Company’s operational needs.</p>
Article 10	<p>The Company shall make a public announcement on the amount of its endorsements and/or guarantees on or before the 10th date of each month. In addition, in the event that the amount meets of the following standards, the Company shall make a separate public announcement within 2 days:</p> <p>(1)The aggregate balance of the Company and its subsidiaries’ endorsements/guarantees reaches 50 percent or more of Company’s net worth as stated in its latest financial statement.</p> <p>(2)The balance of the Company and its subsidiaries’ endorsements/guarantees for a single enterprise reaches 20 percent or more of Company’s net worth as stated in its latest financial statement.</p> <p>(3)The balance of the Company and its subsidiaries’</p>	<p><u>1.</u> The Company shall make a public announcement on the amount of its endorsements and/or guarantees on or before the 10th date of each month. In addition, in the event that the amount meets of the following standards, the Company shall make a separate public announcement within 2 days:</p> <p>(1)The aggregate balance of the Company and its subsidiaries’ endorsements/guarantees reaches 50 percent or more of Company’s net worth as stated in its latest financial statement <u>audited or reviewed by the accountant.</u></p> <p>(2)The balance of the Company and its subsidiaries’ endorsements/guarantees for a single enterprise reaches 20 percent or more of Company’s net worth as stated in its latest financial statement <u>audited or reviewed by the</u></p>	<p>To comply with the Company’s operational needs.</p>

Items	Original Version	Amended Version	Reason
Article 10	<p>endorsements/guarantees for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, investment of a long-term nature in, and balance of loans to, such enterprise reaches 30 percent or more of Company's net worth as stated in its latest financial statement.</p> <p>(4)The balance of the Company and its subsidiaries' new endorsements/guarantees reaches NT\$30 million or more and the aggregate amount of all endorsements/guarantees reaches 5 percent or more of Company's net worth as stated in its latest financial statement.</p> <p>The Company shall announce and report on behalf of any subsidiary not categorized as domestic public companies any matters that such subsidiary is required to announce and report pursuant to the fourth subparagraph of the preceding paragraph.</p>	<p><u>accountant.</u></p> <p>(3)The balance of the Company and its subsidiaries' endorsements/guarantees for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, investment of a long-term nature in, and balance of loans to, such enterprise reaches 30 percent or more of Company's net worth as stated in its latest financial statement <u>audited or reviewed by the accountant.</u></p> <p>(4)The balance of the Company and its subsidiaries' new endorsements/guarantees reaches NT\$30 million or more and the aggregate amount of all endorsements/guarantees reaches 5 percent or more of Company's net worth as stated in its latest financial statement <u>audited or reviewed by the accountant.</u></p> <p><u>2.</u> The Company shall announce and report on behalf of any subsidiary not categorized as domestic public companies <u>and their directly or indirectly held subsidiaries</u> any matters that such subsidiary is required to announce and report pursuant to the fourth subparagraph of the preceding paragraph.</p>	To comply with the Company's operational needs.
Article 29	<p>.....</p> <p>The 8th amendment was made on June 26, 2015.</p>	<p>.....</p> <p>The 8th amendment was made on June 26, 2015.</p>	Correspondence to the

Items	Original Version	Amended Version	Reason
		<u>The 9th amendment was made on June 14, 2018.</u>	amendment date.

Appendix 12

Wistron Corporation

Procedures Governing Endorsements and Guarantees

All endorsements and guarantees made by the Company shall comply with the Procedure.

Article 1 Scope of Endorsement and/or Guarantee

The term “endorsement and/or guarantee” used in the Procedure is defined as follows:

1. Financial endorsement and/or guarantee, including:
 - (1) Discounted bill financing;
 - (2) Endorsement or guarantee made for the financing needs of other companies;
 - (3) Issuing negotiable instruments for the purpose of providing guarantee to obtain finance for its own businesses to an entity other than the financial institutions.
2. Custom duty endorsement and/or guarantee, which shall mean endorsement or guarantee for the Company itself or other companies in respect of the custom duty matters.
3. Other endorsement and/or guarantee, which shall mean other endorsement or guarantee which cannot be included in the above two categories.
4. When the Company creates a pledge or mortgage on its chattel or real estate as a collateral for the loans of another Company, the collateral shall also be the subject of the Procedure.

Article 2 Applicability

1. The Company may provide endorsement and or guarantee for the following companies and if it is necessary, the securities shall be obtained:
 - (1) The companies with which it has business relations.
 - (2) Subsidiaries in which the Company directly and indirectly holds more than 50% of its total outstanding common shares.
 - (3) The Company and its subsidiaries on a consolidated basis hold more than 50% of its total outstanding common shares.
 - (4) For companies that are jointly invested by the Company or through its subsidiary, and all shareholders of such companies make endorsements and/or guarantees in proportion to their respective shareholding. The above said shareholding means the Company makes direct shareholding or through a company in which it holds 100% of its total outstanding common shares.
2. Each of the companies, in which the Company holds more than 90% shareholding directly or indirectly, may make endorsement and guarantee for each other. The

amount shall not exceed 10% of the net worth of the Company. The limits to the companies in which the Company holds 100% of the voting shares directly or indirectly do not follow the same rule.

Article 3 Standard for Endorsement and/or Guarantee Assessment

In the event the Company provides endorsements and/or guarantees by reason of business relations, the aggregate amount of the endorsements and/or guarantees shall not exceed the net worth of total trading amount between the two companies in the most recent year. The net worth of total trading amount between two companies hereby means the total purchases or sales whichever is higher.

Article 4 Limits on Endorsements and/or Guarantees

1. The aggregate amount of endorsements and/or guarantees of the Company shall not exceed the net worth of the latest financial report certified or reviewed by the accountant.
2. The limits to any single enterprise of the Company shall not exceed 30% of the net worth of the latest financial report certified or reviewed by the accountant.
3. The limits of the Company and its subsidiaries' endorsements/guarantees shall not exceed the Company's net worth of the latest financial report certified or reviewed by the accountant.
4. The limits of the Company and its subsidiaries' endorsements/guarantees to any single enterprise shall not exceed 30% of the Company's net worth of the latest financial report certified or reviewed by the accountant.

Article 5 Procedures for Processing Endorsements and/or Guarantees

1. The requesting enterprise shall file an endorsement and/or guarantee application form, whereby, name of the Company, type of endorsement and/or guarantee, risks evaluation, amount, content, the condition and date for discharging the obligations of the endorser and/or guarantor shall be included and it will have to be filed with the Chairman of financial department for approval. And then the Chairman of the board shall ratify for implementation, provided, it is within the specified amount, if it is above the specified amount, it will have to be filed with the Board of Director for approval.
2. Upon the expiration date of the endorsement and/or guarantee, the endorsement and/or guarantee shall be terminated automatically. Before the expiration date, the endorsed and/or guaranteed enterprise shall file a cancellation form in order to terminate the endorsement and/or guarantee earlier.

Article 6 Procedures for Ratification

1. When an enterprise applies for an endorsement and/or guarantee from the Company, it shall submit concrete description of necessity and reasonableness and the financial department will determine whether to accept the application or not.
2. Besides, the financial department shall make an impact assessment based on the possibility of operation risk, financial condition and shareholder's rights and interests after endorsement and/or guarantee and submit an opinion statement to the Board of Directors for approval.
3. The Company may base on the applicant's credit report and decide whether to request the endorsee or guarantee to provide the same amount of Banker's acceptance or secure a collateral equivalent to the endorsement and/or guarantee amount. The financial department shall evaluate and mark the value of the collateral.
4. If the endorsement and/or guarantee is provided to the company's subsidiary whose net worth is less than one-half of its paid-in capital, the subsidiary shall also provide a plan including detail schedule to improve its net worth upon applying an endorsement/guarantee. If the net worth is still less than one-half of the paid-in capital when the plan ends, the endorsement and/or guarantee shall be terminated immediately. The above termination shall be reported to the Audit Committee and the Board of Directors.

Article 7 Internal Control Procedure of the Company's Subsidiaries

1. When any subsidiaries in which the Company holds more than 50% of its total outstanding common shares plan to provide endorsements and/or guarantees to other parties, the Company shall order it to enact Procedures Governing Endorsement and Guarantee in accordance to the Procedure, file with the Board of Directors of the Company for recordation and handle the matters under its enacted Procedures. And relevant information of the endorsements/guarantees extended by the Company's subsidiaries should be provided regularly to the Company for inspection.
2. When any subsidiaries in which the Company holds more than 90% of the voting shares directly or indirectly plan to provide endorsements and/or guarantees in accordance of Article 2-2, the proposal shall be submitted to the Board of Directors of the Company for approval. The endorsements and/or guarantees provided to the companies in which the Company holds 100% of the voting shares directly or indirectly do not follow the same rule.

Article 8 Safekeeping of the Corporate Chop and Procedures

1. The Company shall use the Corporate Chop registered with the Ministry of Economic Affairs for the use of endorsements and/or guarantees (hereinafter, the “Chop”). The Chop shall be under the safekeeping of special personnel appointed by the Chairman of the board and submit to the Board of Director for approval. The re-appointment of the special personnel shall follow the same procedure. The Chop may be used to issue negotiable instruments only following proper internal procedures.
2. When the Company provides guarantees in favor of a foreign Company, the personnel who are authorized by the Board of Directors shall sign the guarantee agreement.

Article 9 Decision Making and Authorization

The Board of Directors of the Company shall approve the making of endorsements and/or guarantees, however, the Board of Directors may authorize the Chairman of the Board to decide such matters when the transaction is within a specified amount and then submit such matter to the Board of Directors for ratification.

Article 10 Standards for Public Announcement

The Company shall make a public announcement on the amount of its endorsements and/or guarantees on or before the 10th date of each month. In addition, in the event that the amount meets of the following standards, the Company shall make a separate public announcement within 2 days:

- (5) The aggregate balance of the Company and its subsidiaries' endorsements/guarantees reaches 50 percent or more of Company's net worth as stated in its latest financial statement.
- (6) The balance of the Company and its subsidiaries' endorsements/guarantees for a single enterprise reaches 20 percent or more of Company's net worth as stated in its latest financial statement.
- (7) The balance of the Company and its subsidiaries' endorsements/guarantees for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, investment of a long-term nature in, and balance of loans to, such enterprise reaches 30 percent or more of Company's net worth as stated in its latest financial statement.
- (8) The balance of the Company and its subsidiaries' new endorsements/guarantees reaches NT\$30 million or more and the aggregate amount of all endorsements/guarantees reaches 5 percent or more of Company's net worth as stated in its latest financial statement.

The Company shall announce and report on behalf of any subsidiary not categorized as domestic public companies any matters that such subsidiary is required to announce and report pursuant to the fourth subparagraph of the preceding paragraph.

Article 11 Punishment for Violation of the Procedure

When employees and personnel of the Company violate the Procedure, they will be punished according to the Company's "Personnel Administration Regulation" and related statutory regulations.

Article 12 The Company shall evaluate the contingency loss from the endorsements and/or guarantees and disclose the information in the financial report appropriately and provide the same to the CPA for his proceeding with the necessary audit procedure and issuing the proper audit report.

Article 13 1. The Company shall prepare a registry containing the subject of the endorsements/guarantees, the amount of the endorsements/guarantees, the passing date of the Board of Directors, the ratification date of the Chairman of the board, the date of the endorsements/guarantees and all the evaluation issues according to the Procedure.

2. The internal verification personnel of the Company shall verify the Procedure and its implementation and make a report in writing for record. If there is significant violation, the personnel shall inform the Audit Committee in writing.

Article 14 1. Due to business relations, it is necessary that the aggregate amount of endorsements and/or guarantees of the Company exceed the limited amount specified in the Procedure and the applicants' other conditions qualify the criterion of the Procedure. Under the circumstance, the Board of Directors shall approve the making of endorsement and/or guarantee and majority of the directors shall sign as guarantors for the contingency loss and the Procedure shall be modified and submitted to the shareholder meeting for confirmation thereafter. If the shareholder meeting does not approve it, the Company shall make a plan to eliminate such exceeding amount within certain period of time.

2. When the Board of Directors discusses the above issue, the directors shall fully take each individual director's opinions into consideration and record each director's reasons for pros and cons in the minutes.

3. When the Company submits the making of endorsements and/or guarantees for the Board of Directors' approval, the board shall fully take each individual director's opinions into consideration and record each director's reasons for pros and cons in the minutes.

Article 15 If the Company makes the endorsement and/or guarantee later becomes unqualified under Article 2, the Company shall discharge the endorsement and/or guarantee amount or the amount in excess within a designated period pursuant to an internal plan and enforce the plan accordingly. The above timeframe shall be reported to the Audit Committee and Board of Directors.

If the Company makes the endorsement and/or guarantee and later the endorsement and/or guarantee amount exceeds the limit under the Procedure due to the change of the calculation basis, the Company shall discharge the endorsement and/or guarantee amount in excess within a designated period pursuant to an internal plan and enforce the plan accordingly. The above timeframe shall be reported to the Audit Committee and the Board of Directors.

Article 16 If the Company plan to provide significant endorsement and/or significant guarantee for other parties, the plan shall be approved by more than half members of all the Audit Committee and submitted to Board of Directors for resolution.

If the above plan that has not been approved by the Audit Committee, the plan shall be approved by the Board of Directors with two-thirds of all directors and the resolution of Audit Committee shall be recorded in the Board of Directors minutes. The Audit Committee members in first paragraph and the Board of Directors members in preceding paragraph will only calculate the members in present position.

Article 17 The Procedures, as well as any revision thereto, shall be approved by the Audit Committee pursuant to related regulations, and submitted to the Board of Directors for resolution and later be effective after approved by the shareholders' meeting. If a director holds dissenting opinions and there were records for it or in written stating, the Company shall submit materials of the director's dissenting opinions to the Audit Committee and the shareholders' meeting for discussion.

Article 18 The Procedure was enacted on June 7, 2002

The 1st amendment was made on June 17, 2003

The 2nd amendment was made on June 16, 2004

The 3rd amendment was made on June 25, 2008

The 4th amendment was made on June 23, 2009

The 5th amendment was made on June 18, 2010

The 6th amendment was made on June 14, 2013

The 7th amendment was made on June 11, 2014.

The 8th amendment was made on June 26, 2015.

Appendix 13

Wistron Corporation Articles of Incorporation

Chapter I General Provisions

Article 1 The Company is incorporated in accordance with the provisions under the Company Law pertaining to companies limited by shares by the name of WISTRON CORPORATION.

Article 2 The business items of the Company are set out as follows:

1. CC01110 Manufacture of computer and peripheral equipment,
2. CC01060 Manufacture of wire communication equipment,
3. CC01070 Manufacture of radio communication equipment,
4. CC01080 Manufacture of electronic components and parts,
5. I301010 Information technology service,
6. I501010 Product design service,
7. F401010 Import/export trading and dealer businesses,
8. CE01030 Manufacture of optical equipment,
9. F401021 Import trading business of restricted radio frequency machinery, with permission only for radio transmitters,
10. CC01101 Manufacture of restricted radio frequency machinery, with permission only for radio transmitters.
11. CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing
12. JA02010 Electric appliance and products Repairing (can only be conducted outside Hsinchu Science Park)
13. J101090 Waste Disposition (can only be conducted outside Hsinchu Science Park)
14. CF01011 Medical equipment manufacturing
15. CD01030 Automobiles and Parts Manufacturing (can only be conducted outside Hsinchu Science Park)
16. F218010 Retail Sale of Computer Software (can only be conducted outside Hsinchu Science Park)
17. I301020 Data Processing Services
18. I301030 Digital Information Supply Services
 - (1) R&D, development, design, manufacture (including module), testing and sales of PCs, portable PCs, motherboards, servers, file-transfer protocols, high performance multi-CPU computing systems, multimedia PCs, web PCs, consumer computing systems and professional computing systems,

microprocessors, CD-ROM drivers, PDAs, tablet PCs, pocket PCs, interface cards, and semi-manufactured, components and parts, and related products thereof.

- (2) R&D, development, design, manufacture (including module), testing and sales of video phones and web phones, video conference equipment and electronic communication apparatus, and semi-manufactured, components and parts, and related products thereof.
- (3) R&D, development, design, manufacture (including module), testing and sales of satellite TV receivers, set-top-boxes, video-conference decoders, and semi-manufactured, components and parts, and related products thereof.
- (4) R&D, development, design, manufacture (including module), testing and sales of digital cameras, video CDs, digital CDs, and semi-manufactured, components and parts, and related products thereof.
- (5) R&D, development, design, manufacture (including module), testing and sales of radio frequency machinery (mobile phones, wireless network cards, blue tooth module) and semi-manufactured, components and parts, and related products thereof.
- (6) Providing integrated information systems, including software and programming.
- (7) Import/export trading business related to the above businesses.
- (8) R&D, development, design, manufacture (including module), testing and sales of LCD TVs and other audiovisual electric products (can only be conducted outside Hsinchu Science Park).
- (9) Providing repairing, cleansing and maintenance services for electronic appliance and products (can only be conducted outside Hsinchu Science Park).
- (10) Recycling and disposition and removal of waste electronic products (can only be conducted outside Hsinchu Science Park).
- (11) R&D, development, design, production, manufacture, testing and sale of In-Vitro testing equipment / system / modules / platform, Treatment Appliance and Equipment, Smart Assistive Devices, General Diagnostic X-ray Imaging Device, physiological signal detection medical materials and medical information transmission system products, semi-finished products and their peripherals or components.
- (12) Production, manufacture and sale of various kinds of automotive electronic products (can only be conducted outside Hsinchu Science Park).

- Article 3 The Company may engage in external guarantees to meet business or investment needs.
- Article 4 The total investment amount by the Company is exempt from the cap amount provided in Section 13 of the ROC Company Law.
- Article 5 The head office of the Company is located in the Hsinchu Science Park. Subject to the approval by board of directors and governmental authority, the Company may set up branch offices at other proper location(s).

Chapter II Share Capital

- Article 6 The total capital amount of the Company is Forty Billion New Taiwan Dollars (NTD 40,000,000,000), which is divided into Four Billion (4,000,000,000) shares with a par value of Ten New Taiwan Dollars (NTD10) each and will be issued as common shares or preferred shares by installments by the Board of Directors. An amount of Two Billion New Taiwan Dollars (NTD2,000,000,000) from the above total capital amount divided into 200,000,000 shares with a par value of Ten New Taiwan Dollars each (NTD10) are reserved for the issuance of employee stock options.
- Article 6-1 The Company issues registered Series A preferred shares with the rights, obligations and issuing terms set forth as follows:
1. The interest rate of the preferred shares dividend may not exceed 3.5% per annum.
 2. The dividend of the preferred shares shall be made according to the offering price and offering days. Upon acknowledgement of the financial statements of the previous fiscal year at the annual general shareholders meeting and resolution to distribute earnings, the dividend will be made in cash in one payment. The BOD is authorized to determine the base ex-dividend date of the preferred share annual dividend.
 3. The earnings of the Company (if any), upon annual closing will first be made to pay for taxes, make up for losses, appropriate to statutory reserves and special reserves. The remaining amount will then first be paid to distribute the preferred share dividend in priority over the dividends of the other shares.
 4. Except for receiving a dividend as set out in Paragraph 1 herein, shareholders of Series A preferred shares may not participate in the distribution of common share earnings and capital surplus in the form of cash and capital injection.
 5. In the event of no earnings or insufficient earnings to distribute the entire dividend of Series A preferred shares upon annual closing, the undistributed or under-distributed dividend of the year shall be accrued at a compound dividend interest rate until the year with earnings. The amount short will

receive full payment with first seniority. However, the undistributed accrued preferred share dividend shall be paid out in full upon expiration of the offering terms.

6. The offering terms of the preferred shares shall not exceed 5 years. Upon expiration of the term, the total shares will be redeemed at the offering price together with the accrued dividend unpaid. In the event of matters beyond control or force majeure that the Company is unable to redeem all or part of the preferred shares, the rights of the shares unredeemed shall remain the same as set forth in the issuing terms until the Company makes a total redemption. The dividend will be calculated at the same interest rate for the extended term.
7. The preferred shares may not be converted to common shares during the term.
8. The preferred shares has seniority claim to the remaining assets of the company over common shares and the other preferred shares that are issued after the shares herein, however the amount shall not exceed the offering amount.
9. The shareholders of the preferred shares have voting rights and election rights at the common shareholders' meetings, and also the right to be elected as directors.
10. When the Company issues new share to raise cash capital, the preferred shareholders have senior stock option of the new shares as the common shareholders.
11. The BOD is authorized to govern the other related matters pursuant to the "Rules on Issuance of Series A Preferred Shares" prescribed at the time of offering.

Article 7 The shares in the Company will be registered shares duly certified by three or more of the directors of the Company, numbered and issued in accordance with laws.

The Company may adopt book-entry transfer of shares, instead of issuance of share certificates; as well as with other securities of the Company.

Article 8 The shareholders' meetings of the Company are divided into ordinary shareholders' meetings and extraordinary shareholders' meetings. The ordinary shareholders' meeting will be duly convened within six months following the close of each fiscal year in accordance with laws and regulations. Extraordinary shareholders' meetings may be convened when necessary in accordance with laws and regulations.

Chapter III Shareholders' Meeting

Article 9 Except as otherwise provided by the relevant laws or regulations, shareholders may take action on a matter at a shareholders' meeting if a quorum of fifty percent (50%) or more of the outstanding shares of the Company exists. If a quorum exists, action on a matter is approved if more than fifty percent (50%) votes being represented at a meeting favor the action.

Article 10 A shareholder unable to personally attend the shareholders' meeting for whatever cause may vote by proxy with a duly executed appointment form issued by the Company specifying the authorized powers. Except for securities trust enterprises or stock agencies approved by the competent authority, a person who acts as a proxy for two or more shareholders are not entitled to vote when the represented shares exceed three percent (3%) of the total voting rights of the outstanding shares of the Company.

An appointment of a proxy is effective when a signed appointment form is received by the Company five (5) days before the shareholders' meeting. Where two or more appointment forms are received by the Company, the first one received shall govern.

According to regulatory requirements, shareholders may also vote via an electronic voting system, and those who do shall be deemed as attending the shareholders' meeting in person; electronic voting shall be conducted in accordance with the relevant laws and regulations.

Chapter IV Directors and Audit Committee

Article 11 The Company will have a Board of Directors consisting of seven to nine Directors, who will be elected by the shareholders' meeting from the director candidate list via the candidate nomination system. Each Director will serve an office term of three years and may be re-elected. The Company may purchase liability insurance for the Directors to protect them against potential liabilities arising from their exercising of Director duties.

The compensation or transportation allowance paid to the Directors shall be determined by the Board of Directors' resolution according to the industry standard, no matter whether the Company has profit or suffered loss.

Article 11-1 The Board of Directors shall be composed of at least 3 Independent Directors, who will be elected at the shareholders' meeting from the independent director candidate list via the candidate nomination system. With respect to the Independent Director's profession, holding shares, work restriction, nomination and election method and other matters, all should be preceded by relevant regulations set by the securities authority.

Article 11-2 Pursuant to Article 14-4 of the Securities and Exchange Act, the Company shall establish an Audit Committee. The Audit Committee shall be composed of the entire number of Independent Directors. The authority of the Audit Committee and the other compliance issues shall be made according to the Company Act, the Securities and Exchange Act, other relevant laws and regulations and the company by laws.

Article 12 The chairperson of the Board of Directors represents the Company and is elected from among the directors by a majority of the directors present at a meeting with an attendance of two-thirds of the directors. The company may create an audit committee, nominating committee, remuneration committee or other functional committees.

Article 12-1 Each director shall be notified at least seven days in advance of the reasons for calling a Board of Directors meeting or Audit Committee meeting. In emergency circumstances, however, a meeting may be called on shorter notice. The aforesaid meeting notice may be prepared in either written or electronic format.

Article 13 In case the chairperson of the Board of Directors is on leave or unable to represent the Company or perform his or her functions for whatever cause, he or she may appoint another director as proxy in accordance with Section 208 of the Company Law. If that director is not able to attend a meeting in person, he or she may appoint another director as proxy. A director may serve as proxy for only one other director.

Chapter V Managerial Officers

Article 14 The Company will have one chief executive officer, one general manager and a number of vice general managers, whose appointment, discharge and remuneration will be determined in accordance with Section 29 of the Company Law. Subject to the authority prescribed by the board of directors, the officers shall be empowered to manage the operation of the company and to sign relevant business documents for the company.

Chapter VI Accounting

Article 15 The Board of Directors will prepare the documents set forth below after the end of the fiscal year for submission to the shareholders' meeting for approval.

1. Business report;
2. Financial statements;
3. Profit distribution proposal or loss making-up proposal.

Article 16 If the Company has profit as a result of the yearly accounting closing, (profit means the profit before tax, excluding the amounts of employees' and directors' compensation) such profit will be distributed in accordance with the following, once the Company's accumulated losses shall have been covered.

1. No less than five percent (5%) of profit as employees' compensation. The Company may distributed in the form of shares or in cash, and the qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive compensation shall be determined-by the Board of Directors;
2. No more than one percent (1%) of profit as the compensation in cash to the Directors.

Article 16-1 If the Company has net profit as a result of the yearly accounting closing, the Company shall first offset its losses in precious years and set aside a legal capital reserve at ten percent (10%) of the net profit, until the accumulated legal capital reserve has equaled the total capital of the Company; then set aside special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge, then appropriate not less than ten percent (10%) of the remaining balance plus undistributed earnings in begin of period are available for distribution as dividends to shareholders. The board of directors may propose the distribution for approval in the shareholders' meeting.

Chapter VII Supplementary Provisions

Article 17 In consideration that the Company is in a capital and technology-intensive industry and in consideration of the Company's expansion and for its continual and steady growth, a long-term investment plan needs to be adopted, therefore, the Company adopts the residual dividend policy as its dividend policy. Dividends paid by cash shall not be less than ten percent (10%) of the total dividends.

Article 18 Matters not prescribed under the Articles of Incorporation shall be in accordance with the Company Law and the relevant rules and regulations.

Article 19 The Procedure was enacted on May 23, 2001.
The 1st amendment was made on June 16, 2001.
The 2nd amendment was made on November 3, 2001.
The 3rd amendment was made on December 17, 2001.
The 4th amendment was made on June 7, 2002.
The 5th amendment was made on June 17, 2003.
The 6th amendment was made on June 16, 2004.

The 7th amendment was made on June 16, 2004.
The 8th amendment was made on June 9, 2005.
The 9th amendment was made on June 8, 2006.
The 10th amendment was made on June 21, 2007.
The 11th amendment was made on June 25, 2008.
The 12th amendment was made on June 23, 2009.
The 13th amendment was made on June 18, 2010.
The 14th amendment was made on June 22, 2011.
The 15th amendment was made on June 21, 2012.
The 16th amendment was made on June 14, 2013.
The 17th amendment was made on June 11, 2014.
The 18th amendment was made on June 26, 2015.
The 19th amendment was made on June 15, 2016.
The 20th amendment was made on June 14, 2017.

Appendix 14

Impact of Stock Dividend Issuance on the Company's Business Performance, Earnings per Share and Return on Shareholders' Investment

Year			2018 (Forecast)
Item			
Beginning Paid-in Capital			NT\$27,486,880,020
Dividend Distribution	Cash dividend per share ⁽¹⁾		NT\$1.20
	Stock dividend per share for capital increase from retained earnings ⁽¹⁾		0.03 share
	Stock dividend per share for capital increase from capital reserve ⁽¹⁾		0 share
Business Performance Variation	Operating profit		N/A ⁽²⁾
	Year-on-year increase / decrease (%) of operating profit		
	Net profit after tax		
	Year-on-year increase / decrease (%) of net profit after tax		
	Earnings per share		
	Year-on-year increase / decrease of earnings per share		
Pro forma earnings per share and its P/E ratio	If cash dividend is distributed instead of capital increase from retained earnings	Pro forma earnings per share	N/A ⁽²⁾
		Pro forma average return over investment (annualized)	
	If no capital increase from capital reserve	Pro forma earnings per share	
		Pro forma average return over investment (annualized)	
	If no capital reserve and cash dividend is distributed instead of capital increase from retained earnings	Pro forma earnings per share	
		Pro forma average return over investment (annualized)	

Note 1: Pending resolution by 2018 Annual General Shareholders' Meeting.

Note 2: Wistron is not required to disclose its 2018 financial forecast pursuant to "Regulations Governing the Publication of Financial Forecasts of Public Companies."

Appendix 15

Wistron Corporation Shareholdings of Directors

(As of April 16, 2018)

<u>Title</u>	<u>Name</u>	<u>Number of Shares</u>
Chairman	Simon Lin (Hsien-Ming Lin)	41,210,239
Director	Stan Shih (Chen-Jung Shih)	2,804,036
Director	Haydn Hsieh (Hong-Po Hsieh)	1,090,872
Director	Robert Huang (Po-Tuan Huang)	7,632,802
Independent Director	John Hsuan (Min-Chih Hsuan)	0
Independent Director	Michael Tsai (Kuo-Chih Tsai)	0
Independent Director	James K. F. Wu (Kuo-Feng Wu)	0
Independent Director	Duh- Kung Tsai	0
Independent Director	Victor C.J. Cheng (Chung-Jen Cheng)	86,250
Total		<u>52,824,199</u>

The common shares of Wistron are 2,748,688,002 shares. Pursuant to Article 2 of the “Examination and Implementation Rules for Shareholding Percentage of Directors and Supervisors of Public Offering Companies,” elected independent directors of the Company (5 seats) are more than half of all directors (9 seats), and in accordance with the law regarding establishment of an audit committee, the shareholding of the supervisors does not need to follow the minimum holding requirement.



wistron