

Wistron NeWeb Corporation

2020 Annual Report (Translation)

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1 Letter to Shareholders

WNC has been focused on the network communications industry for many years. In particular on the integration of technologies and products in the fields of wireless communications, broadband networks, the Internet of Vehicles, the Internet of Things, and smart homes. WNC holds a stable market position in the consumer communications market and is a leader in Taiwan's network communications industry, expanding its business scope in recent years to include telecommunications network infrastructure equipment and data center wireline broadband technologies. Looking towards the future we will continue to invest in technology and to pro-actively adjust our customer portfolio and product solutions in order to respond to the post-COVID market and to pursue sustainable growth.

Financial and Operational Results

In 2020, WNC's consolidated revenue was NT\$62.649 billion with an annual growth rate of 0.7%. Consolidated gross profit was NT\$6.951 billion. Consolidated profit before tax was NT\$1.726 billion, which is an 8.4% decrease compared to last year. Consolidated profit after tax was NT\$1.467 billion. The basic EPS was NT\$3.76.

Research and Development

Because of COVID-19 the way we live our daily lives has fundamentally changed. Next generation wireless high-speed broadband such as 5G and Wi-Fi 6, together with remote working and learning, virtualization and self-media trends will lead to a wave of post-pandemic communications transformation. A key issue will be how we can ensure adequate social distancing, track health statuses and securely transmit data across high speed networks without compromising privacy. The development of wireless communications technologies that can achieve this is a great opportunity across vehicle, home, enterprise and industry applications. As a leader in the integration of communications technology WNC has responded to market trends by entering the fields of network infrastructure, healthcare, satellite networks, and related technologies, and investing in software and precision manufacturing, so as to provide customers with comprehensive end-to-end system solutions.

As an example of WNC's R&D achievements, our automotive camera module adopts a miniaturized and highly-reliable design and was awarded a gold medal in the 2019 IT awards. In 2020 we were again recognized by the Science Park administration, standing out from all other manufacturers and winning the HSP 40th anniversary R&D Accomplishment Award. WNC was also ranked in first position by Taiwan's Intellectual Property Office in network communications patents among approved patent applications of top 100 Taiwanese enterprises.

Operations Management

Under the impact of the COVID-19 pandemic supply chain coordination, allocation of production capacity and handling of exchange rate fluctuations presented great challenges to us in our day to day operations. In 2018 WNC responded to the China-America trade war by setting up production bases in Vietnam to ensure

that production would not be disrupted. Production is now close to full capacity and so in 2020 we activated phase two of our production expansion plan, investing in further production sites in Taiwan and Vietnam. In 2021 some of this added capacity will go online. At the same time, as the company has grown and operational complexity has increased, leveraging synergies in information operations has become a key challenge in the company's pursuit of operational sustainability. WNC is engaged in an information governance and digital transformation project, looking to accelerate the transparency of internal operations information and data standardization with the aim of optimizing sales, R&D, QC, and manufacturing processes, and boosting effectiveness and accuracy of digital management. In the face of these challenges WNC's revenues have continued to grow, ensuring our position as a leader in the network communications field in Taiwan.

In 2020, WNC's results in non-financial aspects have also been well-recognized. The company was awarded in Asiamoney's 2020 Outstanding Companies Poll, was in the Top 50 in the Large Enterprises Group for Excellence in CSR of CommonWealth Magazine, and won a People Development Excellence award in the 2020 SGS CSR Awards and a Platinum Medal at the 2020 Taiwan Corporate Sustainability Awards. We will share our efforts and achievements in CSR with all of our stakeholders in our 2020 Corporate Social Responsibility Report, which is scheduled to be released in June 2021.

Future Outlook

Although we have faced down the challenges of 2020, so far in 2021 the pandemic is yet to let up. In addition the impact of the new US administration on geopolitics and the global economy means we foresee challenges ahead. Taiwan's pandemic prevention performance has been outstanding to date and has also helped showcase the country's capabilities and key position in the technological industries. In this political and economic environment we can see many opportunities for growth, such as the desire of many governments for a clean internet which is in turn driving the move to open source telecommunications networks, alternative fuels for vehicles to achieve net-zero emissions, and low orbit satellite networks to achieve global coverage. These globalized business opportunities will give the electronic communications sector broader development opportunities. WNC also has many opportunities to collaborate in R&D projects and to boost its competitiveness by transforming its focus to becoming an expert in the provision of solutions in the fields of broadband access, smart home, industry supply chain networks, and smart transportation and thus becoming an indispensable partner to its customers.

For 25 years advocacy of fundamental values coupled with a pragmatic mindset has been WNC's constant guiding principle. Looking to the next quarter of a century we will strive to achieve greater transparency in information and management and to earn the highest sustainable profits for our shareholders. On behalf of the company we would like to express our appreciation to those shareholders for their continued support and encouragement.

Haydn Hsieh
Chairman of Wistron NeWeb Corporation

2 Company Introduction

2.1. Date of Establishment

December 7, 1996

2.2. Milestones

Dec.	1996	Wistron NeWeb Corporation (WNC) was founded in Hsinchu, Taiwan, on Dongda Rd.
April	1997	Established manufacturing plant in Zhubei City, Taiwan, on Fenggang Rd.
April	1998	Obtained ISO 9001 certification.
Sept.	1998	Triple Beam Antenna and Wireless PC Connection products received the Taiwan Symbol of Excellence Award.
June	2000	Bluetooth product series honored with the Best Product Award at Computex Taipei 2000.
July	2000	Springboard Wireless Connector technology transferred from WIDCOMM (U.S.).
Aug.	2000	Officially commenced mass production of PHS handsets.
Sept.	2000	Bluetooth PDA Connector and IEEE 802.11b PCMCIA Card received the Taiwan Symbol of Excellence Award.
Dec.	2000	Established ANC Holding Corporation.
Oct.	2001	Established WNC Holding Corporation.
Dec.	2001	Bluetooth USB dongle received the Taiwan Symbol of Excellence Award.
Jan.	2002	Moved to the Hsinchu Science Park.
May	2002	Established NeWeb Holding Corporation.
July	2002	Honored for the Best International Import and Export Trade Growth in Taiwan.
Feb.	2003	Established W-NeWeb Corp. in the U.S.
Sept.	2003	Wistron NeWeb Corporation publicly listed on the Taiwan Stock Exchange on Sept. 22.
Nov.	2003	IEEE 802.11a/g Switch received the Hsinchu Science Park Innovative Product Award.
Nov.	2003	Established WebCom Communication (Kunshan) Corporation in Mainland China.
March	2004	Established WNC (Kunshan) Corporation in Mainland China.
May	2004	Merger with Acer Netxus Inc. completed on May 31.
Nov.	2005	Obtained ISO 14001 certification.
Nov.	2005	LNB annual output reached 10 million.
Dec.	2005	Obtained ISO/TS 16949 certification.
Jan.	2006	Wi-Fi Phone received the 2006 CES Innovations Design and Engineering Award.
Feb.	2006	Obtained SONY Green Partner Certification.

April	2006	Established Wistron NeWeb (Kunshan) Corporation in Mainland China.
June	2006	GSM/Wi-Fi Dual Net Phone received the 2006 Best Choice of Computex Taipei Award.
Nov.	2006	Honored with the Hsinchu Science Park R&D Accomplishment Award.
July	2007	Wi-Fi Video Phone received the Taiwan Symbol of Excellence Award.
Aug.	2007	Established NeWeb Service (Kunshan) Corporation in Mainland China.
Dec.	2007	Started mass production of Ka/Ku ODU products.
Jan.	2008	GSM/Wi-Fi Dual Net Phone received the 2008 CES Innovations Design and Engineering Award.
March	2008	Honored for Best Participation of Green Procurement for Enterprises in 2007.
April	2008	WNC Utopia Interface designed for handsets received the 2008 iF communication design award.
May	2008	Began construction of the new WNC Headquarters building.
Sept.	2008	Wi-Fi Media Frame Wireless Multimedia Player received the Hsinchu Science Park Innovative Product Award.
Oct.	2008	Obtained OHSAS 18001 certification.
Jan.	2009	GSM/PHS Mobile TV Phone received the 2009 iF product design award.
Nov.	2009	Honored with the Hsinchu Science Park R&D Accomplishment Award.
Nov.	2009	Completed training programs for the EuP Directive 2005/32/EC and applied the principles to product design processes.
Jan.	2010	Moved to 20 Park Avenue II (or Yuanchiu 2nd Rd), Hsinchu Science Park.
April	2010	Completed training programs for the ErP Directive 2009/125/EC and applied the principles to product design processes.
June	2010	UI design artwork (Fun-Quick) received the 2010 iF communication design award.
Aug.	2010	Honored with the Contribution Award and the Invention Award at the 2010 National Invention & Creation Awards.
Oct.	2010	Honored with the 2010 National Standardization Award.
Nov.	2010	LDS Antenna received the Hsinchu Science Park Innovative Product Award.
Dec.	2010	Honored by Asiamoney Magazine's Corporate Governance Poll as: Overall Best for Investor Relations across Asia; Best Overall for Corporate Governance; Best for Responsibilities of Management and the Board of Directors; Best for Shareholders' Rights and Equitable Treatment; Best for Investor Relations; Best for Disclosure and Transparency; and Best Investor Relations Officer.
April	2011	Obtained IECQ QC 080000 (Hazardous Substance Process Management) and ANSI/ESD S20.20 (Electronic Discharge Control Program) certifications.
June	2011	Published the first edition of the Corporate Social Responsibility report.
Aug.	2011	Smart Shortcut hand-held interface received a reddot award for communication design.
Aug.	2011	Honored with the National HRD InnoPrize.
Sept.	2011	Commenced shipping the Automotive BSD radar system.
Sept.	2011	Honored with the Creation Award at the 2011 National Invention & Creation Awards.
Oct.	2011	Established the Irvine Office for the North American market.
Dec.	2011	Received the Hsinchu Science Park Innovative Product Award (4G Mobile Hotspot) and the R&D Accomplishment Award.

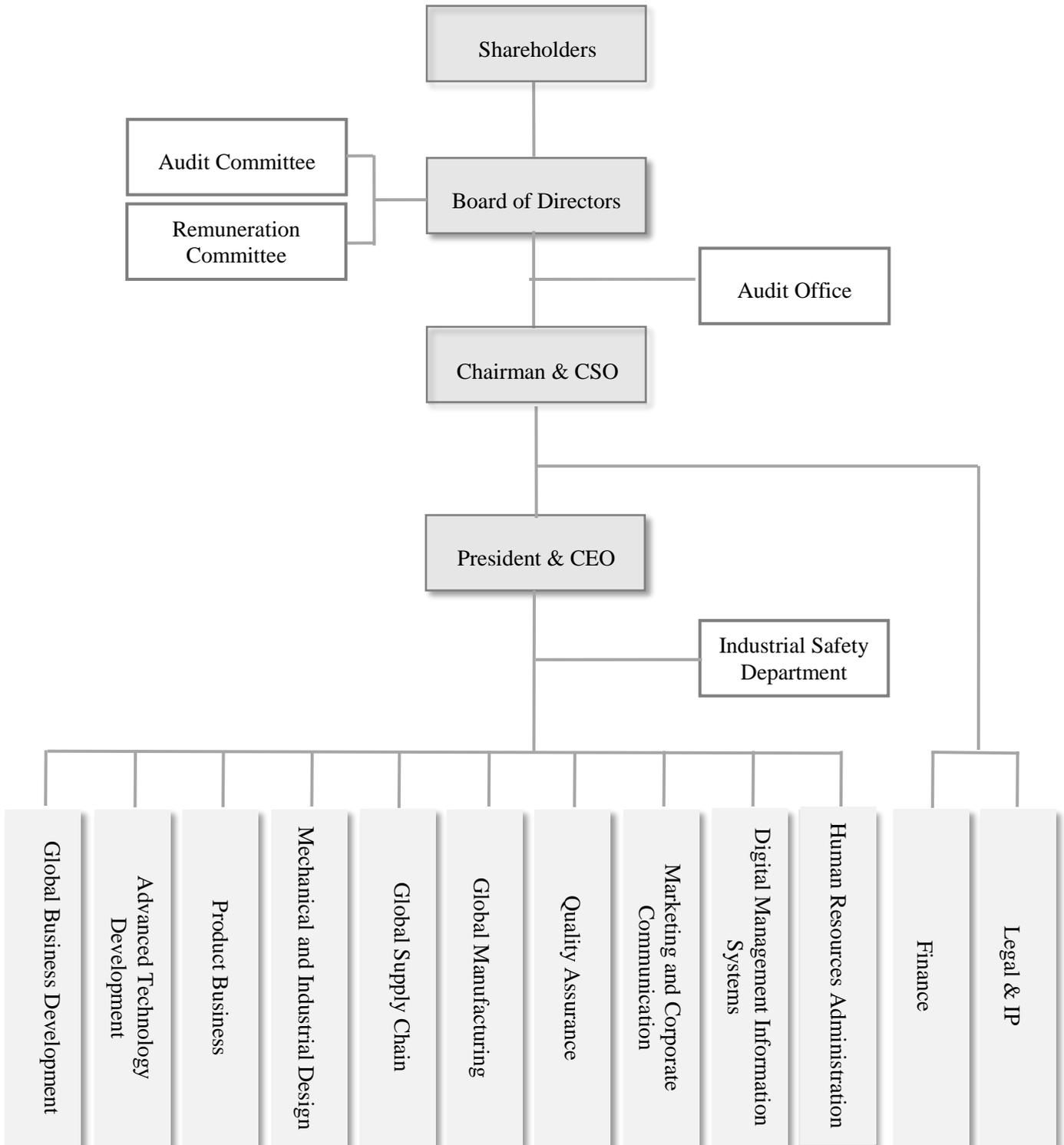
March	2012	Established the New Jersey Office for the North American market.
July	2012	Established the WNC EICC management committee.
Sept.	2012	Won an Invention Award in the 2012 National Invention & Creation Awards.
Dec.	2012	Received the Industrial Development Bureau, Ministry of Economic Affairs Industrial Sustainable Excellence Award and the Hsinchu Science Park R&D Accomplishment Award.
Jan.	2013	4G Mobile Hotspot received the 2013 CES Innovations Design and Engineering Award.
April	2013	Recognized among the 2012 Deloitte Technology Fast500 Asia Pacific
Nov.	2013	Certified as an “Authorized Economic Operator (AEO)” by the Customs Administration, Ministry of Finance, R.O.C.
Nov.	2013	Ranked first in CommonWealth magazine’s “Most Admired Company” 2013 survey among telecommunication enterprises in Taiwan.
Dec.	2013	Honored with the Hsinchu Science Park Innovative Product Award (24GHz Automotive BSD Radar) and R&D Accomplishment Award.
March	2014	Obtained TL 9000 (quality management system for the telecommunications industry) certification.
June	2014	The Board elected Mr. Haydn Hsieh to be its Chairman.
June	2014	Established WNC UK Limited in the UK.
Oct.	2014	Obtained ISO/IEC 27001 (information security management system) certification.
Nov.	2014	Honored with the Taiwan Corporate Sustainability Report Award (Bronze Medal) by the Taiwan Institute for Sustainable Energy.
Dec.	2014	High Sensitivity RFID Antenna and Reader System received the Hsinchu Science Park Innovative Product Award.
Jan.	2015	Established WNC Japan Inc. in Japan.
March	2015	Obtained ISO/IEC 17025 (general requirements for competence in testing and calibrating laboratory equipment) certification.
April	2015	Obtained FSC™ (Forest Stewardship Council) Chain-of-Custody certification.
June	2015	Selected as a component of the Taiwan Corporate Governance 100 Index and the Taiwan High Salary 100 Index by the Taiwan Stock Exchange Corporation (TWSE).
Aug.	2015	Honored as one of the Top 50 in Excellence in Corporate Social Responsibility by CommonWealth Magazine in the Large Enterprises group.
Nov.	2015	Honored with the Taiwan Corporate Sustainability Report Award (Silver Medal) by the Taiwan Institute for Sustainable Energy.
Dec.	2015	Obtained CNS 15506: 2011 TOSHMS (Taiwan Occupational Safety & Health Management System) certification.
Dec.	2015	Honored with the Hsinchu Science Park R&D Accomplishment Award.
Jan.	2016	24GHz Radar System and Smart Shelf System received the 2016 CES Innovation Award.
April	2016	WNC Hsinchu (S1) plant (on Lihsin Rd. VI of the Hsinchu Science Park) obtained its factory registration certificate on April 25.
June	2016	Honored as a Gold Winner at the 2016 IT World Awards (24GHz Radar System).
July	2016	Honored with the Award for International Trade—Contribution to Primary Market Expansion Award by the Ministry of Economic Affairs.
Aug.	2016	Honored as one of the Top 50 in Excellence in Corporate Social Responsibility by CommonWealth Magazine in the Large Enterprises group.
Nov.	2016	Honored with the Taiwan Corporate Sustainability Report Award (Silver Medal) by the Taiwan Institute for Sustainable Energy.
Dec.	2016	Honored with the Hsinchu Science Park R&D Accomplishment Award.
Dec.	2016	Honored by Asiamoney Magazine’s Corporate Governance Poll (across Asia & Taiwan, excluding Japan) as: Best for Responsibilities of Management & the Board of Directors; and Best for Shareholders’ Rights & Equitable Treatment.

Aug.	2017	Installed solar panels in the WNC Headquarters in Taiwan and Wistron NeWeb (Kunshan) Corporation in Mainland China.
Aug.	2017	Honored as one of the Top 50 in Excellence in Corporate Social Responsibility by CommonWealth Magazine in the Large Enterprises group.
Oct.	2017	Honored with the Award for International Trade—Contribution to Primary Emerging Market Expansion Award by the Ministry of Economic Affairs.
Nov.	2017	Honored with the Taiwan Corporate Sustainability Report Award (Gold Medal) by the Taiwan Institute for Sustainable Energy.
Dec.	2017	Honored with the Hsinchu Science Park Innovative Product Award (Tri-radio Wi-Fi Smart Router) and R&D Accomplishment Award.
Dec.	2017	Honored with first prize in the “Buying Power: Social Innovation Products and Services Procurement Reward Program” by the Ministry of Economic Affairs.
May	2018	Obtained ISO 50001:2011 (Energy Management System) certification.
Aug.	2018	Honored as a Gold Winner at the 2018 IT World Awards (Tri-radio Wi-Fi Smart Router).
Aug.	2018	Honored as one of the Top 50 in Excellence in Corporate Social Responsibility by CommonWealth Magazine in the Large Enterprises group.
Nov.	2018	Honored with the Top 50–Platinum Medal at the Taiwan Corporate Sustainability Awards (TCSA) in the Corporate Sustainability Report Awards category by the Taiwan Institute for Sustainable Energy.
Dec.	2018	Commenced shipping the world’s first 5G Mobile Hotspot.
Dec.	2018	Honored with the Hsinchu Science Park Innovative Product Award (Ultra-compact Automotive FHD Camera Module) and R&D Accomplishment Award.
Dec.	2018	Honored with first prize in the “Buying Power: Social Innovation Products and Services Procurement Reward Program” by the Ministry of Economic Affairs.
Dec.	2018	Honored by Asiamoney Magazine’s Corporate Governance Poll as one of Asia’s Outstanding Companies (2018).
Jan.	2019	Established WNC Vietnam Co., Ltd. in Vietnam.
Jan.	2019	WNC Tainan (S2) plant (on Bei Yuan 3rd Rd. of the Tainan Science Park) obtained its factory registration certificate on January 31.
Apr.	2019	Ranked by 1111 Job Bank as one of the 20 Companies with the Happiest Employees in 2019: IT & IC Manufacturing.
Aug.	2019	Honored as a Gold Winner at the 2019 IT World Awards (Ultra-compact Automotive HD Camera Module).
Sept.	2019	Honored as one of the Top 50 in Excellence in Corporate Social Responsibility by CommonWealth Magazine in the Large Enterprises group.
Nov.	2019	Honored with the Taiwan Corporate Sustainability Awards (Gold Medal) in the Corporate Sustainability Report Awards category by the Taiwan Institute for Sustainable Energy.
Nov.	2019	Honored with the Outstanding Healthy Workplace Vitality Award in the 2019 National Healthy Workplace Program.
Nov.	2019	Honored with an elite award in the SGS CSR Awards.
Dec.	2019	Honored with second prize in the “Buying Power: Social Innovation Products and Services Procurement Reward Program” by the Ministry of Economic Affairs.
May	2020	Began construction of V2 plant in Hà Nam Province, Vietnam.
Jun.	2020	Began construction of S3 plant in the Southern Taiwan Science Park, Tainan.
Aug.	2020	Honored as one of the Top 50 in Excellence in Corporate Social Responsibility by CommonWealth Magazine in the Large Enterprises group.
Sept.	2020	Honored in Asiamoney’s 2020 Outstanding Companies Poll: Overall Most Outstanding Company in Taiwan, and Most Outstanding Company in Taiwan – Technology Hardware & Equipment Sector.
Sept.	2020	Honored with SGS CSR Award - People Development Excellence.
Nov.	2020	Honored with Platinum Medal at the 2020 Taiwan Corporate Sustainability Awards by the Taiwan Institute for Sustainable Energy.
Dec.	2020	Honored with Hsinchu Science Park R&D Accomplishment Award.

3 Operational Highlights

3.1. Organization Structure

3.1.1. Organizational Chart



3.1.2. Departmental Functions

Department	Main responsibilities
Audit Office	Responsible for internal auditing and evaluation of the company's internal operations
Legal & IP	Legal affairs of the company, contracts, patents, trademarks, technology licensing, IP, and legal consultative services
Finance	Responsible for treasury, financial management, investment, accounting, and tax services
Industrial Safety Department	Safety inspections of WNC's offices and factories, environmental pollution prevention, and safety maintenance
Human Resources Administration	Responsible for the company's management systems, human resources, employee welfare, health and safety, employee training, and general affairs
Digital Management Information Systems (DMIS)	Management and maintenance of WNC's information systems, software, and its network; implementation and improvement of WNC's Industry 4.0 project; formulation of efficient operational procedures and enhancement of these procedures with information-based, digitized tools
Marketing and Corporate Communication	Responsible for compiling business information, marketing strategies, exhibition planning, advertising, Internet marketing activities, and maintaining amicable corporate and investor relations
Quality Assurance	Responsible for quality and reliability assurance, shipping inspection, after-sales service, and ISO quality system implementation and improvement
Global Manufacturing	Raw materials warehouse management, manufacturing, production schedule planning, manufacturing process planning and improvement, outsourcing management, and product inspection and delivery
Global Supply Chain Management	Global material planning, purchasing, logistics support, and supplier quality management
Mechanical and Industrial Design	Product appearance development, mechanical design, and evaluation and supervision of product quality of qualified vendors
Product Business	Market development, order handling, customer and payment management, customer complaint handling, new product planning, and product development, coordination, and control
Advanced Technology Development	New product design and technology development, design, sample production, technology transfers, product improvement, product failure analysis, fixture design/construction, and technical support for marketing departments and customers
Global Business Development	Development of new customers worldwide

3.2. Board of Directors, Supervisors, and Key Managers Background Information

3.2.1. Information on the Board of Directors

April 13, 2021; Unit: Shares

Title	Nationality or place of registration	Name	Gender	Date elected	Term (yrs)	Date first elected	Shareholding when elected		Current shareholding		Shares held by their Spouses and/or minor children		Selected education and experience	Selected current positions
							Shares	%	Shares	%	Shares	%		
Chairman & CSO	R.O.C.	Haydn Hsieh	Male	06/19/2020	3	09/14/2001	5,988,971	1.53	5,988,971	1.51	806,575	0.20	Bachelor of Electrical Engineering, Ta-Tung Institute of Technology, Taiwan SVP & GM, Computer & Consumer BU, Acer Inc.	<ol style="list-style-type: none"> Chairman & CSO of WNC Corporate-shareholder representative on the Wistron Corp. board of directors Director of Apacer Technology Inc. Independent Director of Raydium Semiconductor Corp. Director of aEnrich Technology Corp.
Director; President & CEO	R.O.C.	Jeffrey Gau	Male	06/19/2020	3	10/14/2005	2,198,284	0.56	2,198,284	0.55	452,704	0.11	PhD in Electrical Engineering and Postdoctoral researcher at the ElectroScience Laboratory of the Ohio State University COO, VP of SatCom BU, AVP of SatCom Product Center, and Director of Antenna R&D, WNC Senior engineer, RF-Link Systems Inc.	<ol style="list-style-type: none"> Director and President & CEO of WNC Corporate-shareholder representative on the Tai-Saw Technology Co., Ltd. board of directors

Title	Nationality or place of registration	Name	Gender	Date elected	Term (yrs)	Date first elected	Shareholding when elected		Current shareholding		Shares held by their Spouses and/or minor children		Selected education and experience	Selected current positions
							Shares	%	Shares	%	Shares	%		
Director	R.O.C.	Wistron Corp.	N/A				89,674,679	22.98	89,674,679	22.55	0	0	N/A	N/A
	R.O.C.	Representative: Frank F.C. Lin	Male	06/19/2020	3	04/18/2000	207,582	0.05	207,582	0.05	163,612	0.04	Bachelor of Accounting, Feng Chia University, Taiwan CFO, Acer Infosystems	<ol style="list-style-type: none"> 1. Chief of Staff of Wistron Corp. 2. Director of Wistron ITS Corp. 3. Director of Wiwynn Corp. 4. Chairman of WiseCap Ltd. 5. Chairman of WLB Ltd. 6. Chairman of WiseCap (Hong Kong) Ltd. 7. Chairman of B-Temia Asia Pte. Ltd. 8. Director of Changing Information Technology Inc. 9. Director of Maya International Co., Ltd. 10. Director of Join-Link International Technology Co., Ltd. 11. Director of Wistron Medical Tech Holding Company 12. Director of Wistron Medical Tech Corporation 13. Director of Wistron Digital Technology Holding Company 14. Director of Pell Bio-Med Technology Co., Ltd. 15. Director of IP Fund Six 16. Supervisor of aEnrich Technology Corp. 17. Director of Hartec Asia Pte. Ltd 18. Director of Hukui Biotechnology Corporation

Title	Nationality or place of registration	Name	Gender	Date elected	Term (yrs)	Date first elected	Shareholding when elected		Current shareholding		Shares held by their Spouses and/or minor children		Selected education and experience	Selected current positions
							Shares	%	Shares	%	Shares	%		
Director	R.O.C.	Wistron Corp.	N/A				89,674,679	22.98	89,674,679	22.55	0	0	N/A	N/A
	R.O.C.	Representative: Donald Hwang	Male	06/19/2020	3	04/18/2000	699	0	699	0	0	0	Master of Electronics Engineering, National Chiao Tung University, Taiwan VP, Acer Computers AVP, Formosa21 Inc.	<ol style="list-style-type: none"> 1. Chief Technology Officer of Wistron Corp. 2. Chairman of Abilliant Corp. 3. Director of WiseCap Ltd. 4. Director of WLB Ltd. 5. Director of Wistron Medical Tech Corp. 6. Director of Wistron Digital Technology Holding Company 7. Director of Wistron Medical Tech Holding Company 8. Director of Maya International Co., Ltd. 9. Director of Free Bionics Taiwan Inc. 10. Director of Apollo Medical Optics, Ltd. 11. Director of ANIWARE Company Ltd. 12. Director of AII Holding Corp. 13. Director of Creator Technology B.V. 14. Director of Wistron Mobile Solutions Corp. 15. Director of Tube Inc. 16. Director of Free Bionics, Inc. 17. Director of Apollo Medical Optics Inc. 18. Director of B-TEMIA INC. 19. Director of U.S. Bionics Inc. 20. Director of Hiroia Communications Pte. Ltd.
Director	R.O.C.	Philip Peng	Male	06/19/2020	3	06/23/2005	129,007	0.03	129,007	0.03	0	0	MBA, National Chengchi University, Taiwan SVP & CFO, Acer Inc.	<ol style="list-style-type: none"> 1. Director of Wistron Corp. 2. Director of Wistron ITS Corp. 3. Independent Director of AU Optronics Corp. 4. Independent Director of Apacer Technology Inc. 5. Chairman of Smart Capital Corp. 6. Director of ZIGONG Art Sharing Co., Ltd. 7. Supervisor of Allxon Inc.

Title	Nationality or place of registration	Name	Gender	Date elected	Term (yrs)	Date first elected	Shareholding when elected		Current shareholding		Shares held by their Spouses and/or minor children		Selected education and experience	Selected current positions
							Shares	%	Shares	%	Shares	%		
Independent Director	R.O.C.	Karen Hsin	Female	06/19/2020	3	06/16/2017	0	0	0	0	0	0	Master of Accounting, Northern Illinois State University, USA Bachelor of Law, National Taiwan University Accountant of Deloitte Taiwan Accountant of XXJ Accounting Firm	1. Consultant of YQY Accounting Firm
Independent Director	R.O.C.	Neng-Pai Lin	Male	06/19/2020	3	06/10/2015	0	0	0	0	0	0	Ph.D. in Business Administration, The Ohio State University, USA Bachelor of Civil Engineering, National Taiwan University Chairman, Taiwan Power Company Minister, Public Construction Commission, Executive Yuan Dean, College of Management, National Taiwan University	1. Independent Director of Darfon Electronics Corp. 2. Independent Director of AcBel Polytech Inc. 3. Chairman of Taishin Securities Investment Advisory (TSIA) Co., Ltd.
Independent Director	R.O.C.	Michael Tsai (Note)	Male	06/19/2020	3	06/19/2020	0	0	0	0	0	0	Bachelor of Control Engineering and Computer Science, National Chiao Tung University, Taiwan Vice Chairman and President, Powerchip Technology Corp. Chairman of AP Memory Technology Corp. President/CEO, Elitegroup Computer Systems Co., Ltd. (U.S.A.) USA GM of Acer Inc.	1. Independent Director of United Integrated Services Co., LTD. 2. Chairman of Nexchip Semiconductor Corp. 3. Director of A I Memory Corp.

Title	Nationality or place of registration	Name	Gender	Date elected	Term (yrs)	Date first elected	Shareholding when elected		Current shareholding		Shares held by their Spouses and/or minor children		Selected education and experience	Selected current positions
							Shares	%	Shares	%	Shares	%		
Independent Director	R.O.C.	T. Y. Lay (Note)	Male	06/19/2020	3	06/19/2020	80,214	0.02	80,214	0.02	0	0	Executive Program, National Chengchi University, Taiwan Bachelor of Electronics Engineering, National Chiao Tung University, Taiwan President, Acer's International Operations Business Group (IOBG). President, Acer's China Operations Business Group	-
Director	R.O.C.	Max Wu (Note)	Male	06/16/2017	3	08/26/2002	0	0	-	-	-	-	BS in Electrical Engineering, National Chiao-Tung University President of Acer America Partner of InveStar Capital Chairman of Hua Nan Venture Capital Chairman of the NCTU Spring Foundation	(Note)
Independent Director	R.O.C.	Robert Hung (Note)	Male	06/16/2017	3	06/17/2001	0	0	-	-	-	-	Master of Economics, Illinois State University, USA Chairman of Young Green Energy Co. CFO of Taiwan High Speed Rail Corp. Vice President of Bank of America Corporation	(Note)

1. Directors holding WNC shares in another's name: None

2. Directors whose spouses or relative within the second degree of kinship are managers or directors: None

3. Chairman and president or person holding an equivalent position (highest-level executive officer) of WNC are the same person, or are spouses, or are within the first degree of kinship: None

Note: Mr. Michael Tsai and Mr. T. Y. Lay were elected as independent directors of the company at the general shareholders' meeting on June 19, 2020. Mr. Max Wu and Mr. Robert Hung resigned after the election of directors held at the same general shareholders' meeting.

Note 1: Major Shareholders of Wistron NeWeb Corporation's Institutional Shareholders

April 19, 2021

Name	Major shareholders	Percentage (%)
Wistron Corporation	Yuanta Taiwan Dividend Plus ETF	3.17
	Taipei Fubon Bank Trust Account	2.17
	Acer Incorporated	1.89
	Norges Bank	1.60
	Lin, Hsien-Ming	1.47
	Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	1.36
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.26
	King's Town Bank	1.21
	Taiwan Cooperative Bank	1.18
	iShares MSCI Taiwan ETF	1.11

Note 2: Major Shareholders of the Institutional Shareholders Listed in the above Table

April 13, 2021

Name	Major shareholders	Percentage (%)
Acer Incorporated	Hung Rouan Investment Corp.	2.42
	JPMorgan Chase Bank N.A. Taipei Branch in custody for Universities Superannuation Scheme Limited	1.53
	Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	1.33
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.21
	Credit Suisse International	1.20
	J.P. Morgan Securities Plc	1.16
	Stan Shih	1.15
	iShares MSCI Taiwan ETF	1.01
	Saudi Arabian Monetary Authority - fund manager Amundi Asset Management - Mandate: Emerging Market Equity	0.97
	Acer GDR	0.95

Professional Qualifications and Independence Analysis of Directors

April 13, 2021

Criteria	Meets one of the following professional qualification requirements, together with at least five years' work experience			Independence criteria (Note 2)												Number of other public companies in which the individual is concurrently serving as an independent director	
	An educator having a position of instructor or higher at a public or private college or university in a department of commerce, law, finance, accounting, or other academic department related to the business needs of WNC	A judge, public prosecutor, attorney, CPA, or other professional or technical specialist who has passed a national examination and been certified in a profession necessary for the business of WNC	Have work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of WNC	1	2	3	4	5	6	7	8	9	10	11	12		
Haydn Hsieh			✓					✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Wistron Corp. Representative: Frank F.C. Lin			✓			✓	✓		✓	✓	✓	✓	✓	✓	✓		0
Wistron Corp. Representative: Donald Hwang			✓			✓	✓		✓	✓	✓	✓	✓	✓	✓		0
Jeffrey Gau			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Philip Peng			✓			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Karen Hsin		✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Neng-Pai Lin	✓		✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Michael Tsai (Note 1)			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
T. Y. Lay (Note 1)			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Max Wu (Note 1)			✓			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Robert Hung (Note 1)			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-

Note 1: Mr. Michael Tsai and Mr. T. Y. Lay were elected as independent directors of the company at the general shareholders' meeting on June 19, 2020. Mr. Max Wu and Mr. Robert Hung resigned after the election of directors held at the same general shareholders' meeting.

Note 2: The criterion codes in the table correspond to the below conditions being true of the directors within the two years prior to being elected or during the term of office.

- (1) Not an employee of WNC or any of its affiliates.
- (2) Not a director or supervisor of WNC or any of its affiliates. (This, however, does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country, and concurrently serving as such at WNC and its parent or subsidiary or a subsidiary of the same parent.)
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of WNC or ranks as one of its top 10 shareholders.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of an executive officer in subparagraph (1) or any of the persons in subparagraphs (2) and (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of issued shares of WNC or who holds shares ranking in the top five holdings, or who designates a representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (This, however, does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country, and concurrently serving as such at WNC and its parent or subsidiary or a subsidiary of the same parent.)
- (6) Not a director, supervisor, or employee of a company in which a majority of that company's director seats or voting shares and those of WNC are controlled by the same person. (This, however, does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country, and concurrently serving as such at WNC or its parent, subsidiary, or a subsidiary of the same parent.)
- (7) Not a director, supervisor, or employee of a company or institution in which the chairman, general manager, or person holding an equivalent position and a person in any of those positions at WNC are the same person or are spouses. (This, however, does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country, and concurrently serving as such at WNC and its parent or subsidiary or a subsidiary of the same parent.)
- (8) Not a director, supervisor, executive officer, or shareholder holding 5% or more of the shares, of a specified company or institution which has a financial or business relationship with WNC. (This, however, does not apply to independent directors appointed in accordance with the Act or the laws or regulations of the local country, and currently serving as such at WNC or its parent, subsidiary, or a subsidiary of the same parent, and if the specified company or institution holds 20% or more and no more than 50% of the total number of issued shares of WNC.)
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or executive officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to WNC or any affiliate of WNC for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of WNC.
- (11) Not been a person of any conditions defined in Article 30 of the Company Law.
- (12) Not a governmental, legal entity, nor representative thereof as defined in Article 27 of the Company Law.

3.2.2. President, Vice President, Associate Vice Presidents, and Key Managers Background Information

April 13, 2021; Unit: Shares

Title	Nationality	Name	Gender	Date assumed office	Shares held		Shares held by their spouses and/or minor children		Selected education and experience	Selected current positions in other companies
					Shares	%	Shares	%		
Chairman & CSO	R.O.C.	Haydn Hsieh	Male	06/14/2000	5,988,971	1.51	806,575	0.20	Bachelor of Electrical Engineering, Ta-Tung Institute of Technology, Taiwan SVP & GM, Computer & Consumer BU, Acer Inc.	<ol style="list-style-type: none"> 1. Corporate-shareholder representative on the Wistron Corp. board of directors 2. Director of Apacer Technology Inc. 3. Independent Director of Raydium Semiconductor Corp. 4. Director of aEnrich Technology Corp.
Director; President & CEO	R.O.C.	Jeffrey Gau	Male	01/01/2008	2,198,284	0.55	452,704	0.11	PhD in Electrical Engineering and Postdoctoral researcher at the ElectroScience Laboratory of the Ohio State University COO, VP of SatCom BU, AVP of SatCom Product Center, and Director of Antenna R&D, WNC Senior engineer, RF-Link Systems Inc.	<ol style="list-style-type: none"> 1. Corporate-shareholder representative on the Tai-Saw Technology Co., Ltd. board of directors
Executive Vice President & General Manager of the Business Group	R.O.C.	Larry Lee	Male	08/16/2005	551,039	0.14	51,572	0.01	EMBA, National Chiao Tung University, Taiwan Sales VP at Pretec Electronics	None
Senior Vice President & General Manager of the Business Group	R.O.C.	Fayu Chen	Male	04/07/2008	423	0	87,581	0.02	Ph.D. in Engineering, University of Reading, UK Associate Professor, Hwa Hsia University of Technology, Taiwan	None
Vice President & General Manager of the Business Group	R.O.C.	Johnson Hsu	Male	02/05/2010	525,585	0.13	125,000	0.03	Master of Electrical Engineering, National Taiwan University Sales Dept. Manager and AVP of R&D Dept., Senao International	None
Vice President	R.O.C.	Ray Lee	Male	02/01/2006	401,614	0.10	0	0	Bachelor of Electronic Engineering, Chung Yuan Christian University, Taiwan Senior Manager, Veccom Co. Ltd.	None
Vice President	R.O.C.	Chris Hwang	Male	01/05/2017	266,585	0.07	0	0	Master of Electrical and Engineering, National Chiao Tung University, Taiwan Manager, Megic Corp.	None

Title	Nationality	Name	Gender	Date assumed office	Shares held		Shares held by their spouses and/or minor children		Selected education and experience	Selected current positions in other companies
					Shares	%	Shares	%		
Vice President	R.O.C.	TJ Chen	Male	02/05/2010	10,897	0	53	0	Ph.D. in Electrical Engineering, National Taiwan University Deputy General Manager, Hexawave Inc.	None
Vice President	R.O.C.	Apollo Shyong	Male	04/05/2012	425,853	0.11	0	0	Master of Automatic Control Engineering, Feng Chia University, Taiwan Manager of Technical Dept. Acer Nextus.	None
Vice President	R.O.C.	Joseph Chi	Male	11/08/2017	20,200	0.01	0	0	Ph.D. in Civil Engineering and Master of Electrical Engineering, University of South Carolina, USA Senior Manager, Cisco Systems, USA	None
Vice President	R.O.C.	Repus Hsiung	Male	04/05/2018	0	0	0	0	Master of Electrical Engineering, National Tsing Hua University, Taiwan AVP, Keystone Microtech Corp.	None
General Plant Manager	R.O.C.	Hugo Chen	Male	08/05/2019	212,081	0.05	0	0	Master of Nuclear Science, National Tsing Hua University, Taiwan CQO, WNC Manager, ITRI, Taiwan	None
Chief Financial Officer	R.O.C.	Jona Song	Female	01/01/2002	688,982	0.17	0	0	Bachelor of Accounting, National Chung Hsing University, Taiwan Senior Manager, Acer Computers	None
Chief Supply Chain Officer	R.O.C.	Amy Hsu	Female	11/08/2017	105,778	0.03	0	0	Bachelor of Business Administration, National Chung Hsing University, Taiwan Purchasing Manager, Vate Technology Co.	None
Chief Technology Officer	R.O.C.	Horen Chen	Male	11/05/2013	1,192,913	0.30	0	0	Ph.D. in Electrical Engineering, Stanford University, USA Executive Assistant to General Manager, Mstar Semiconductor	None
Associate Vice President	R.O.C.	Owen Tai	Male	01/05/2018	40,800	0.01	0	0	Bachelor of Civil Engineering, San Jose State University Sales Manager, Nagravision SA	None
Associate Vice President	R.O.C.	Robin Wu	Male	04/05/2018	110,520	0.03	10,510	0	Master of Communication Engineering, National Taiwan University AVP, WNC	None

Title	Nationality	Name	Gender	Date assumed office	Shares held		Shares held by their spouses and/or minor children		Selected education and experience	Selected current positions in other companies
					Shares	%	Shares	%		
Associate Vice President	R.O.C.	Jack YC Liu	Male	10/05/2018	29,508	0.01	0	0	Ph.D. in Electrical Engineering, University of California, Los Angeles, USA Executive Vice President, 5VTechnologies	None
Associate Vice President	R.O.C.	CW Sheu	Male	10/05/2018	176,000	0.04	0	0	Master of Business Management, National Sun Yat-sen University, Taiwan Product Manager, Accton Technology Corp.	None
Associate Vice President	R.O.C.	David Tsai	Male	01/05/2019	217,789	0.05	0	0	Master of International Management, University of Texas, USA General Manager, Accton Wireless Broadband Corp.	None
Associate Vice President	R.O.C.	ChingLung Chen	Male	03/11/2020	0	0	0	0	Ph.D. in Electrical Engineering, University of California, Los Angeles, USA Senior AVP, FIH Mobile Limited	None
Associate Vice President	R.O.C.	Kidd Huang (Note 1)	Male	11/11/2020	0	0	9,165	0	EMBA, Aalto University, Finland Associate Vice President, R&D, Arima Communications Corp.	None
Associate Vice President	R.O.C.	James Chen (Note 2)	Male	04/01/2021	30,000	0.01	0	0	EMBA, National Chiao Tung University, Taiwan AVP, WNC	None
Vice President	R.O.C.	Bird Huang (Note 2)	Male	02/05/2010	-	-	-	-	Master of Electrical Engineering, University of Massachusetts Lowell, USA Manager of Avionics Dept., ITRI, Taiwan	None
1. Executive officers holding WNC shares in another's name: None 2. Executive officers whose spouses, parents, or other relatives within the second degree of kinship are managers or directors: None 3. Chairman and president or person holding an equivalent position (highest-level executive officer) of WNC are the same person, or are spouses, or are within the first degree of kinship: None										

Note 1: Mr. Kidd Huang was promoted to Associate Vice President on November 11, 2020.

Note 2: Mr. James Chen was promoted to Associate Vice President on April 1, 2021, while the former Vice President, Mr. Bird Huang, retired on the same day.

3.2.3. Remuneration of Directors, Supervisors, President, and Vice President

■ Remuneration of Directors and Independent Directors

Dec. 31, 2020; Unit: Thousand NT\$

Title	Name	Remuneration								Ratio of total remuneration (A+B+C+D) to net income (%)		Relevant remuneration received by Directors who are also employees						Ratio of Total remuneration (A+B+C+D+E+F+G) to net income (%) (Note 2)		Compensation received from non-consolidated affiliates or parent company		
		Base compensation (A)		Severance pay and pensions (B)		Directors' profit-sharing bonuses (C)		Payment for professional practice (D)				Salary, bonuses, and allowances (E)		Severance pay and pensions (F)		Employees' profit-sharing bonuses (G)						
		From WNC	From all companies in the consolidated financial statements	From WNC	From all companies in the consolidated financial statements	From WNC	From all companies in the consolidated financial statements	From WNC	From all companies in the consolidated financial statements	From WNC	From all companies in the consolidated financial statements	From WNC	From all companies in the consolidated financial statements	From WNC	From all companies in the consolidated financial statements	From WNC	From all companies in the consolidated financial statements	From WNC	From all companies in the consolidated financial statements		From WNC	From all companies in the consolidated financial statements
Chairman	Haydn Hsieh																					
Director	Jeffrey Gau																					
	Wistron Corp. Representative: Frank F. C. Lin	0	0	0	0	5,208	5,208	320	320	0.38	0.38	38,364	38,364	252	252	(Note 1)	0	(Note 1)	0	3.01	3.01	30,150
	Wistron Corp. Representative: Donald Hwang																					
	Philip Peng																					
	Max Wu (Note 3)																					
Independent Director	Karen Hsin																					
	Neng-Pai Lin																					
	Michael Tsai (Note 3)	0	0	0	0	7,339	7,339	220	220	0.52	0.52	0	0	0	0	0	0	0	0	0.52	0.52	0
	T. Y. Lay (Note 3)																					
	Robert Hung (Note 3)																					

*Please state the policy, system, standards and structure of remunerations paid to independent directors, and describe the relevance between the directors' remunerations and factors such as their responsibilities, risks, and time invested:
1. The remunerations paid to WNC's independent directors are based on their respective degree of participation in WNC's operations, the risks they assume, and the amount of time they invest in WNC's operations. The general pay levels in the industry are also taken into consideration.

2. As the independent directors also assume roles on the audit committee and the remunerations committee and need to participate in the discussions and resolutions of committee meetings in accordance with the regulations governing the committees, their remunerations are paid no matter whether WNC is experiencing a profit or loss.

*Except for the remuneration listed in the above table, the remuneration that directors received by offering services (such as serving as a consultant instead of an employee) for companies in the financial statements: None

Note 1: Not available because the list for the distribution of employees' profit-sharing bonuses was not determined as of the completion date of the annual report; if the percentage used last year is adopted, the estimated bonus will be NT\$2.893 million in cash.

Note 2: The list for the distribution of employees' profit-sharing bonuses was not determined as of the completion date of the annual report; "Employees' profit-sharing bonuses" are excluded from the calculation for this column.

Note 3: Mr. Michael Tsai and Mr. T. Y. Lay were elected as independent directors of the company at the general shareholders' meeting on June 19, 2020. Mr. Max Wu and Mr. Robert Hung resigned after the election of directors held at the same general shareholders' meeting.

Range of Remuneration

Range of remuneration	Name of Director			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G) (Note 10)	
	From WNC	From all companies in the financial statements (H)	From WNC	From WNC and its non-consolidated affiliates (I)
Under NT\$1,000,000	5 directors (Note 1)	Same as the column to the left	4 directors (Note 4)	2 directors (Note 7)
NT\$1,000,000 – NT\$1,999,999	5 directors (Note 2)	Same as the column to the left	4 directors (Note 5)	Same as the column to the left
NT\$2,000,000 – NT\$3,499,999	2 directors (Note 3)	Same as the column to the left	2 directors (Note 6)	Same as the column to the left
NT\$3,500,000 – NT\$4,999,999				
NT\$5,000,000 – NT\$9,999,999				
NT\$10,000,000–NT\$14,999,999				
NT\$15,000,000–NT\$29,999,999			2 directors (Note 7)	4 directors (Note 8)
NT\$30,000,000–NT\$49,999,999				
NT\$50,000,000–NT\$99,999,999				
Over NT\$99,999,999				
Total	12	12	12	12

Note 1: Wistron Corp. Representatives Frank F. C. Lin and Donald Hwang; Jeffrey Gau, Philip Peng, Max Wu

Note 2: Wistron Corp., Haydn Hsieh, Michael Tsai, T. Y. Lay, Robert Hung

Note 3: Karen Hsin, Neng-Pai Lin

Note 4: Wistron Corp. Representatives Frank F. C. Lin and Donald Hwang; Philip Peng, Max Wu

Note 5: Wistron Corp., Michael Tsai, T. Y. Lay, Robert Hung

Note 6: Karen Hsin, Neng-Pai Lin

Note 7: Haydn Hsieh, Jeffrey Gau

Note 8: Haydn Hsieh, Jeffrey Gau, Wistron Corp. Representatives Frank F. C. Lin and Donald Hwang

Note 9: The list for the distribution of employees' profit-sharing bonuses was not determined as of the completion date of the annual report; "Employees' profit-sharing bonuses" are excluded from the calculation for this column.

■ Supervisors' remuneration: N/A

Range of Remuneration: N/A

■ Remuneration of the Chairman, President and Vice Presidents

Dec. 31, 2020; Unit: Thousand NT\$

Title	Name	Salary (A)		Severance pay and pensions (B)		Bonuses and allowances (C)		Employees' profit-sharing bonuses (D)				Ratio of total remuneration (A+B+C+D) to Net Income (%) (Note 2)		Compensation received from non-consolidated affiliates or parent company
		From WNC	From all companies in the financial statements	From WNC	From all companies in the financial statements	From WNC	From all companies in the financial statements	From WNC		From all companies in the consolidated financial statements		From WNC	From all companies in the financial statements	
								Cash	Stock	Cash	Stock			
Chairman & CSO	Haydn Hsieh	38,729	38,729	1,634	1,634	77,227	77,227	(Note1)	0	(Note1)	0	8.02	8.02	None
Director; President & CEO	Jeffrey Gau													
Executive Vice President & General Manager of the Business Group	Larry Lee													
Senior Vice President & General Manager of the Business Group	Fayu Chen													
Vice President & General Manager of the Business Group	Johnson Hsu													
Vice President	Ray Lee													
Vice President	Chris Hwang													
Vice President	TJ Chen													
Vice President	Apollo Shyong													
Vice President	Joseph Chi													
Vice President	Repus Hsiung (Note 3)													
Vice President	Bird Huang (Note 4)													

Note 1: Not available because the list for the distribution of employees' profit-sharing bonuses was not determined as of the completion date of the annual report; if the percentage used last year is adopted, the estimated bonus will be NT\$8.268 million in cash.

Note 2: The list for the distribution of employees' profit-sharing bonuses was not determined as of the completion date of the annual report; "Employees' profit-sharing bonuses" are excluded from the calculation for this column.

Note 3: Mr. Repus Hsiung was promoted to Vice President on March 11, 2020.

Note 4: Mr. Bird Huang retired on April 1, 2021.

Range of Remuneration

Range of remuneration	Name of Executive (Note 5)	
	From WNC	From all companies in the financial statements
Under NT\$1,000,000		
NT\$1,000,000–NT\$1,999,999		
NT\$2,000,000–NT\$3,499,999		
NT\$3,500,000–NT\$4,999,999	1 executive (Note 1)	Same as the column to the left
NT\$5,000,000–NT\$9,999,999	7 executives (Note 2)	Same as the column to the left
NT\$10,000,000–NT\$14,999,999	2 executives (Note 3)	Same as the column to the left
NT\$15,000,000–NT\$29,999,999	2 executives (Note 4)	Same as the column to the left
NT\$30,000,000–NT\$49,999,999		
NT\$50,000,000–NT\$99,999,999		
Over NT\$99,999,999		
Total	12	12

Note 1: TJ Chen

Note 2: Johnson Hsu, Bird Huang, Ray Lee, Chris Hwang, Apollo Shyong, Joseph Chi, Repus Hsiung

Note 3: Larry Lee, Fayu Chen

Note 4: Haydn Hsieh, Jeffrey Gau

Note 5: The list for the distribution of employees' profit-sharing bonuses was not determined as of the completion date of the annual report; "Profit-Sharing Employee Bonuses" are excluded from the calculation for this column.

■ Names of Executive Officers Receiving Employees' Profit-Sharing Bonuses and Their Distribution:

Dec. 31, 2020; Unit: Thousand NT\$

Title	Name	Stock (Fair Market Value)	Cash (Note 4)	Total	Ratio of total amount to net income (%)
Chairman & CSO	Haydn Hsieh	0	12,214	12,214	0.83
Director; President & CEO	Jeffrey Gau				
Executive Vice President & General Manager of Business Group	Larry Lee				
Senior Vice President & General Manager of Business Group	Fayu Chen				
Vice President & General Manager of Business Group	Johnson Hsu				
Vice President	Ray Lee				
Vice President	Chris Hwang				
Vice President	TJ Chen				
Vice President	Apollo Shyong				
Vice President	Joseph Chi				
Vice President	Repus Hsiung				
General Plant Manager	Hugo Chen				
Chief Financial Officer	Jona Song				
Chief Supply Chain Officer	Amy Hsu				
Chief Technology Officer	Horen Chen				
Associate Vice President	Owen Tai				
Associate Vice President	Robin Wu				
Associate Vice President	Jack YC Liu				
Associate Vice President	CW Sheu				
Associate Vice President	David Tsai				
Associate Vice President	Ching Lung Chen (Note 1)				
Associate Vice President	Kidd Huang (Note 2)				
Vice President	Bird Huang (Note 3)				

Note 1: Mr. Ching Lung Chen was promoted to Associate Vice President on March 11, 2020.

Note 2: Mr. Kidd Huang was promoted to Associate Vice President on November 11, 2020.

Note 3: Mr. Bird Huang retired on April 1, 2021.

Note 4: The list for the distribution of employees' profit-sharing bonuses was not determined as of the completion date of the annual report. The table is an estimation based on the percentage used last year.

3.2.4. Analysis and Comparison of the Ratio of Total Remuneration Paid by WNC and by All Companies Included in the Consolidated Financial Statements for the Two Most Recent Fiscal Years to Directors, Supervisors, Presidents, Vice Presidents, etc. to Net Income of the Parent Company Only, and the Analysis of the Remuneration Policy, Standards and Portfolios, Procedures for Determining Remuneration, and the Correlation with Business Performance and Future Risks:

- Ratio of total remuneration paid by WNC and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, presidents and vice presidents to net income of the parent company only:

Titles	Ratio of total remuneration to net income of the parent company only (%)	
	2020	2019
Directors	0.9	0.95
Presidents and Vice Presidents	8.02 (Note)	10.21

Note: The list for the distribution of employees' profit-sharing bonuses was not determined as of the completion date of the annual report. Employees' profit-sharing bonuses are excluded from the calculation for this column.

- Payment policies for directors' and employees' profit-sharing bonuses are specified in Article 18 of WNC's "Articles of Incorporation": "If WNC shows an annual profit (the profit herein indicates the pretax profit without deducting the profit-sharing bonuses for employees and directors), the profit will be appropriated in accordance with the following. However, the amount to make up any accumulated losses shall be set aside:
 - No less than 5% as employee profit-sharing bonuses; where such profit-sharing bonuses are distributed by shares or as cash, employees' of controlled companies, with qualifications set by the Board of Directors, can be included;
 - No more than 1% as directors' profit-sharing bonuses in cash".
- WNC's remuneration for directors is determined with reference to the company's overall operating performance, potential management risks and development trends of the industry, and reasonable compensation is paid on the basis of directors' participation in and contribution to the company's operations. The relevant performance appraisals and remuneration rationale have been reviewed by the Remuneration Committee and the Board of Directors, and the remuneration scheme will be reviewed depending on the actual operating conditions and relevant laws in order to maintain a balance between the company's sustainable operation and risk management.
- WNC's remuneration for executive officers includes regular payments such as salaries, fixed bonuses, and other welfare and variable items such as performance-related bonuses, employees' profit-sharing bonuses (in cash and/or stock), stocks (RSA/treasury stocks), and stock options. Regular payments are determined based on the average levels within the industry to maintain WNC's competitiveness. Payment of variable items is determined based on WNC's profit performance and the performance of each employee. A higher ratio of variable items to annual remuneration indicates a better performance of WNC and each employee. Performance evaluations are conducted based on the achievement rate of annual operation goals, profit rate, growth rate, operation benefits, and future potential. The evaluation standards, goals, and weighting are specified at the beginning of each year based on the internal and external operating environment. Issuance of variable items shall be determined according to evaluation results and the current remuneration status of related industries and shall be assessed and approved by the Remuneration Committee before requesting the Board's approval before issuing the variable items.

3.3. Corporate Governance

3.3.1. Board of Directors Meeting Attendance Record

A total of six board meetings were held in 2020. The directors' attendance record is as follows.

Title	Name	Attendance in person	By proxy	Attendance rate in person (%)	Remarks
Chairman	Haydn Hsieh	6	0	100	
Director	Wistron Corp. Representative: Frank F.C. Lin	6	0	100	
Director	Wistron Corp. Representative: Donald Hwang	6	0	100	
Director	Jeffrey Gau	6	0	100	
Director	Philip Peng	6	0	100	
Independent Director	Karen Hsin	6	0	100	
Independent Director	Neng-Pai Lin	6	0	100	
Independent Director	Michael Tsai	4	0	100	(Note)
Independent Director	T. Y. Lay	4	0	100	(Note)
Director	Max Wu	2	0	100	(Note)
Independent Director	Robert Hung	2	0	100	(Note)

Note: Mr. Michael Tsai and Mr. T. Y. Lay were elected as independent directors of the company at the general shareholders' meeting on June 19, 2020. Mr. Max Wu and Mr. Robert Hung resigned after the election of directors held at the same general shareholders' meeting.

Other items of note:

- If one of the situations below occurs during the meeting, the Board of Directors should specify the date of the meeting, session, content of the motion, each independent director's opinion, and the Company's response to the independent directors' opinions:
 - Items listed in Article 14-3 of the Securities and Exchange Act: Not applicable as WNC has already established an Audit Committee.
 - Except for the above, other resolutions that the independent director objected to or subjected to qualified opinion and recorded or declared in writing: None

- If directors recuse themselves from voting on a motion due to conflicts of interest, the directors' names, content of motions, reasons for recusal and voting status should be specified:

Meeting	Name of director	Content of motion	Recusal and voting status
2020 first board meeting 03/11/2020	Haydn Hsieh, Jeffrey Gau	Proposal to adjust the salaries of the Chairman & CSO and the President & CEO in 2020	Except for the Chairman Mr. Haydn Hsieh, and the CEO Mr. Jeffrey Gau, who are also executive officers of the company, which meant they were excluded from taking part in this discussion and voting in accordance with Article 15 of the Rules and Procedures of the Board of Directors Meeting, all present board members agreed to the motion upon the acting chairman's inquiry.
		Proposal regarding the distribution of executive officers' project bonuses in the second half of 2019	Except for the Chairman Mr. Haydn Hsieh, and the CEO Mr. Jeffrey Gau, who were also executive officers of the company, which meant they were excluded from taking part in this discussion and voting in accordance with Article 15 of the Rules and Procedures of the Board of Directors Meeting, all present board members agreed to the motion upon the acting chairman's inquiry.
2020 second board meeting 05/11/2020	Haydn Hsieh, Jeffrey Gau	Proposal regarding the related matters of 2019 restricted stock awards including number of shares awarded and names of the employee awarded.	Except for the Chairman Mr. Haydn Hsieh, and the CEO Mr. Jeffrey Gau, who were also executive officers of the company, which meant they were excluded from taking part in this discussion and voting in accordance with Article 15 of the Rules and Procedures of the Board of Directors Meeting, all present board members agreed to the motion upon the acting chairman's inquiry.
2020 fourth board meeting 08/10/2020	Haydn Hsieh, Jeffrey Gau	Proposal regarding the distribution of executive officers' profit-sharing bonuses in 2019	Except for the Chairman Mr. Haydn Hsieh, and the CEO Mr. Jeffrey Gau who were also executive officers of the company, which meant they were excluded from taking part in this discussion and voting in accordance with Article 15 of the Rules and Procedures of the Board of Directors Meeting, all present board members agreed to the motion upon the acting chairman's inquiry.
		Proposal regarding the distribution of executive officers' project bonuses in the first half of 2020	Except for the Chairman Mr. Haydn Hsieh, and the CEO Mr. Jeffrey Gau, who were also executive officers of the company, which meant they were excluded from taking part in this discussion and voting in accordance with Article 15 of the Rules and Procedures of the Board of Directors Meeting, all present board members agreed to the motion upon the acting chairman's inquiry.
2020 sixth board meeting 12/16/2020	Haydn Hsieh, Jeffrey Gau	Proposal regarding the distribution of executive officers' performance bonuses in 2020	Except for the Chairman Mr. Haydn Hsieh, and the CEO Mr. Jeffrey Gau, who were also executive officers of the company, which meant they were excluded from taking part in this discussion and voting in accordance with Article 15 of the Rules and Procedures of the Board of Directors Meeting, all present board members agreed to the motion upon the acting chairman's inquiry.

■ Evaluation of the implementation of the Board of Directors meeting

Evaluation frequency	Evaluation period	Evaluation scope	Evaluation methods	Evaluation items
Once a year	Jan. 1, 2020 to Dec. 31, 2020	Board of Directors, functional committees, and each member of the board and committees	Internal reviews and self-assessments of BOD, functional committees, and each member of the board and committees	<ul style="list-style-type: none"> • Performance evaluation of the Board includes five aspects: (1) involvement in the Company's operations, (2) quality of decisions made by the Board, (3) the composition and structure of the Board, (4) election of Board members, and (5) continued learning and implementation of internal controls. • Performance evaluation of each board member includes five aspects: (1) understanding of the Company's goals and missions, recognition of a director's responsibilities, (2) involvement in the Company's operations, (3) establishment of internal relationships and communications, (4) professionalism of the member, and (5) continued learning and implementation of internal controls. • Performance evaluation of functional committees and their individual members include five aspects: (1) involvement in the Company's operations, (2) understanding of the functional committee's responsibilities, (3) quality of decisions made by the functional committees, (4) composition of the committee and election of the members, and (5) implement of internal controls.

■ Evaluation of the goals and implementations of functional improvements made by the Board of Directors in the current and recent years:

- WNC has established an Audit Committee and Remuneration Committee. WNC makes announcements of content including board operations and directors' training records, on the Market Observation Post System (MOPS) to ensure real-time transparency.
- To implement corporate governance, improve the function of the Board of Directors, and enhance its operational efficiency, WNC passed the Regulations Governing Board Performance Evaluation on March 14, 2018. This specifies that performance evaluation of the Board should be conducted annually and that, starting from 2019, functional committees should be included in the scope of the Board of Directors' annual performance.
- After the election of directors on June 19, 2020, WNC added an additional independent director seat, which took the number of independent directors from three to four.
- The board meeting on May 5, 2021, approved a resolution appointing a dedicated corporate governance officer who will be responsible for corporate governance related affairs.

3.3.2. Audit Committee Meeting Attendance Record

The WNC Audit Committee comprises all four independent directors as its committee members. The committee shall convene a meeting each season before the Board of Directors meets to review WNC internal control systems, the implementation of internal audits, and any significant financial operations to practically supervise enterprise operations and provide risk control. The committee will communicate with Certified Public Accountants.

Review items in 2020 included:

- Reviewing financial reports quarterly and annually
- Modifying the internal control system and assessing its effectiveness
- Modifying the Audit Committee Charter
- Reviewing significant asset transactions and investment cases
- Nominating and electing the convener of the audit committee
- Reviewing CPA appointments and remuneration
- Reviewing the 2021 annual audit plan

Audit Committee Members Attendance Status

A total of four Audit Committee meetings were held in 2020:

Title	Name	Attendance in person	By proxy	Attendance rate in person (%)	Remarks
Independent Director	Karen Hsin	4	0	100	
Independent Director	Neng-Pai Lin	4	0	100	
Independent Director	Michael Tsai	2	0	100	(Note 1)
Independent Director	T. Y. Lay	2	0	100	(Note 1)
Independent Director	Robert Hung	2	0	100	(Note 2)

Note 1: Mr. Michael Tsai and Mr. T. Y. Lay were elected as independent directors of the company at the general shareholders' meeting on June 19, 2020. Note 2: Mr. Robert Hung resigned after the election of directors held at the same general shareholders' meeting.

Other items of note:

- The Audit Committee should specify the date of the Board meeting, session, content of the motion, the decision of the Audit Committee, and the Company's response to the Audit Committee's opinion when one of the below situations occur during the meeting:

- Items listed in Article 14-5 of the Securities and Exchange Act:

Board meeting	Content of motion and subsequent actions	Decision of the Audit Committee and the Company's response to the Audit Committee's opinion
2020 first board meeting 03/11/2020	<ul style="list-style-type: none"> • WNC's 2019 business report and financial statements • Proposal for distribution of WNC's 2019 profits • Proposal for amendments to certain articles of the WNC Audit Committee Charter • Proposal for the audit fee on the 2020 annual report audit services provided by KPMG's CPAs • Proposal for 2019 Statement on Internal Control 	After the approval of all Audit Committee members, the motion was submitted to the Board of Directors and approved by all directors present

Board meeting	Content of motion and subsequent actions	Decision of the Audit Committee and the Company's response to the Audit Committee's opinion
2020 second board meeting 05/11/2020	<ul style="list-style-type: none"> Proposal to invest US\$26,000,000 in the phase 1 construction of NeWeb Vietnam Co., Ltd. (V2) 	After the approval of all Audit Committee members, the motion was submitted to the Board of Directors and approved by all directors present
2020 fourth board meeting 08/10/2020	<ul style="list-style-type: none"> Proposal for amendments to internal control mechanism for the stock affairs unit 	
2020 fifth board meeting 11/11/2020	<ul style="list-style-type: none"> Proposal for the 2021 annual audit plan 	

- Except for the above, other resolutions that have not been ratified by the audit committee but have been approved by more than two thirds of the directors: None
- If independent directors' recuse themselves from voting on motions due to conflicts of interest, their names, content of motions, reasons for recusal and voting status should be specified: None
- Descriptions of the communications between the independent directors, the internal auditors and the CPAs (which should include the material items, measures, and audit results of corporate finance and business operations):
 - Communications between the independent directors and the internal auditors

The independent directors received monthly audit reports. The internal auditors presented the findings of their audit reports, and communicated the status of follow-up implementation to members of the Audit Committee at their quarterly meetings.

Independent directors and internal auditors have communicated well. The main issues communicated in 2020 are presented as follows:

Date of the Meeting	Summary of the main issues
The 13 th meeting of the 3 rd session 03/11/2020	<ul style="list-style-type: none"> Reviewed the findings of the 2019 Q4 audit reports Reviewed the results of the 2019 internal control self-assessment reports Reviewed and approved the 2019 statement of the internal control systems
The 14 th meeting of the 3 rd session 05/11/2020	<ul style="list-style-type: none"> Reviewed the findings of the 2020 Q1 audit reports
The 1 st meeting of the 4 th session 08/10/2020	<ul style="list-style-type: none"> Reviewed the findings of the 2020 Q2 audit reports Reviewed and approved the revised internal control mechanism for the stock affairs unit
The 2 nd meeting of the 4 th session 11/11/2020	<ul style="list-style-type: none"> Reviewed the findings of the 2020 Q3 audit reports Reviewed and approved the 2021 annual audit plan

Results: Communication matters between the independent directors and the internal auditors were reviewed or approved by the Audit Committee, with no objections from the independent directors.

- Communications between the independent directors and the CPAs:

The independent auditors presented the findings of their quarterly review and audit results on corporate finances at the quarterly meetings of the Audit Committee. Under applicable laws and regulations, the independent auditors communicated with the Audit Committee immediately following any adjustments made as suggested at the meetings.

Independent directors and independent auditors have communicated well. The main issues communicated in 2020 are presented as follows:

Date of the Meeting	Summary of the main issues
The 13 th meeting of the 3 rd session 03/11/2020	<ul style="list-style-type: none"> • The independent auditors presented the findings of the 2019 annual review on corporate finances, business performance, and key audit items; • reported on the latest regulatory changes and compliance matters; and • answered questions raised by the Audit Committee
The 14 th meeting of the 3 rd session 05/11/2020	<ul style="list-style-type: none"> • The independent auditors presented the findings of the 2020 Q1 review on corporate finances and business performance; and • answered questions raised by the Audit Committee.
The 1 st meeting of the 4 th session 08/10/2020	<ul style="list-style-type: none"> • The independent auditors presented the findings of the 2020 Q2 review on corporate finances and business performance; • reported on the latest regulatory changes and compliance matters; and • answered questions raised by the Audit Committee.
The 2 nd meeting of the 4 th session 11/11/2020	<ul style="list-style-type: none"> • The independent auditors presented the findings of the 2020 Q3 review on corporate finances and business performance; and • detailed the 2020 financial statement audit plan.

Results: The 2019 and 2020 quarterly financial statements have been reviewed and approved by the Audit Committee and reported to the Board of Directors, with no objections from the independent directors.

3.3.3. Corporate Governance and the Discrepancies between Actual Corporate Governance and the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and the Reason for the Discrepancy

Evaluation item	Implementation status			Discrepancies/ reasons
	Yes	No	Summary	
1. Does the company establish and disclose its own corporate governance best-practice principles based on the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		WNC has established its corporate governance best-practice principles based on the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and has disclosed the principles through the MOPS. The principles are established for carrying out corporate governance and to maximize shareholder profits and sustainability in corporate operations.	None
2. Shareholding structure and shareholders’ rights (1) Does the company establish an internal process for handling shareholders’ proposals, questions, disputes, and lawsuits? (2) Does the company maintain information on the identities of major shareholders and their ultimate controlling persons? (3) Does the company establish and implement a risk control mechanism and firewalls between the company and its affiliates? (4) Does the company establish internal regulations to prevent insider trading?	✓ ✓ ✓ ✓		(1) WNC has designated the Shareholder Services Office (TEL: +886-2-6600-7998) to handle shareholders’ proposals and disputes. (2) WNC maintains lists of the major shareholders and their ultimate controlling persons. Changes in the amount of shares held by its directors, officers, and major shareholders are disclosed regularly according to government regulations. (3) WNC has established the appropriate risk control mechanisms and firewalls according to regulations and internal rules, such as “Regulations Governing Supervision and Management of Subsidiaries,” “Procedures Governing Endorsements and Guarantees,” “Procedures Governing Lending of Funds,” and “Procedures for Acquisition or Disposal of Assets.” (4) WNC has established procedures to control the disclosure of material information and to prevent insider trading. WNC conducts annual training in the second quarter of each year for all its staff. The courses include topics such as avoiding conflicts of interest and prohibiting insider trading. WNC provides information on related stipulations to newly elected directors and executive officers to raise their awareness and sends e-mail messages to remind them of the disclosure of important financial information, so as to ensure that the policy of insider trading prevention is well implemented.	None
3. Composition and duties of Board of Directors (1) Does the Board of Directors establish and implement plans to diversify the composition of its members? (2) Does the company spontaneously set up functional committees other than the Remuneration Committee and Audit Committee required by law? (3) Does the company establish performance evaluation measures/methods for the Board of Directors and conduct regular, annual	✓ ✓ ✓		(1) WNC has established, in the WNC Corporate Governance Best-Practice Principles, and implemented a diversification policy for the composition of the Board. Suitable directors are selected according to their diverse professional competencies and experience. The current Board of Directors is composed of nine directors, including four independent directors, (one of whom is female). The directors have profound experience and expertise in the fields of technology, finance, law, and management. Please refer to Note 1 and Note 2 for the specific management objectives and implementation of a diversification policy for board members. (2) Other than the Remuneration Committee and Audit Committee required by law, WNC has also set up the RBA Management Committee as a functional committee to implement Responsible Business Alliance (here after referred to as “RBA”) and CSR related measures.	None

Evaluation item	Implementation status			Discrepancies/ reasons
	Yes	No	Summary	
<p>evaluations, report the performance evaluation results to the Board of Directors, and use such as a reference for the remuneration and nomination for a second term for each independent director?</p> <p>(4) Does the company conduct regular evaluation of the independence of the CPA?</p>	✓		<p>(3) To strengthen corporate governance, enhance the functions of the Board of Directors, and improve the efficiency of the Board, WNC has established the “Regulations Governing the Board Performance Evaluation,” based on which the Board conducts an annual performance evaluation for the Board (including functional committees). The evaluation period runs from January 1 to December 31 of any given year. WNC completed the 2020 performance evaluation for the Board (including functional committees) on February 3, 2021. The secretariat of the Board conducted internal and member evaluation on the aspects of “Overall Board of Directors”, “Members of the Board”, and “Functional Committees”. The evaluation indicators include the degree of participation in WNC’s operations, quality of decision-making, the perception of the responsibilities of the Board members, the composition and structure of the Board, internal controls, the election and continued learning of the Directors, understanding of WNC’s mission and goals, internal relationship management, and communications. The evaluation results are divided into three levels: exceeds standards, meets standards, and to be improved. The performance evaluations for the 2020 Board and for the functional committees were “exceeds standards” and the results were submitted to the Board on March 17, 2021, to serve as a reference for the Board’s continuous improvements of its functions, remuneration setting for the Board and the functional committees, and nomination for directors to serve the next term.</p> <p>(4) WNC’s Audit Committee and the Board of Directors annually evaluate the independence and competence of the CPA, and request the CPA submit a Confirmation Letter of Independence every year to ensure that they are not involved in other financial interests or business relationships except for matters relating to the attestation fees and the finance/taxation audit service fees paid by WNC. The CPA shall only be recruited and be involved in the audits after confirmation of their corporate family members’ compliance with the related independence requests.</p>	
<p>4. Does the company assign an appropriate number of competent personnel and appoint a corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, assisting directors and supervisors in legal compliance, handling matters relating to board meetings and shareholders’ meetings according to the law, and producing minutes of board</p>	✓		<p>WNC’s CFO, who was appointed as the corporate governance officer at the board meeting held on May 5, 2021, is in charge of corporate governance affairs.</p> <p>The corporate governance officer will be responsible for furnishing information required for business execution by directors, monitoring awareness and compliance with relevant regulations, producing minutes of board meetings and shareholders’ meetings, and assisting onboarding and continuous development of directors. The new corporate governance officer shall complete the required courses in accordance with applicable laws within one year of assuming office.</p> <p>2020 corporate governance affairs handled:</p> <ol style="list-style-type: none"> 1. Helped furnish information required for business execution by directors, and arranged required courses. 2. Helped with matters relating to board meetings and shareholders’ meetings, and compliance with relevant regulations. 	None

Evaluation item	Implementation status			Discrepancies/ reasons
	Yes	No	Summary	
meetings and shareholders' meetings)?			<p>3. Gave seven days' notice prior to each board meeting, convened meetings and prepared meeting information. Reminded directors ahead of time when there were conflict of interest issues. Produced meeting minutes within 20 days of each board meeting.</p> <p>4. In accordance with applicable laws, completed shareholders' meeting registration, meeting notices, handbooks and minutes before their respective deadlines.</p>	
5. Does the company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), create a stakeholders section on its company website, and respond to stakeholders' questions on corporate responsibilities?	✓		WNC has established the appropriate communication channels with suppliers, customers, banks, investors, and other stakeholders to closely follow issues of concern to stakeholders. Communication between various types of stakeholders are included in the "CSR implementation plans and achievements" proposal and submitted to the Board on a regularly basis every year. For more details please refer to the stakeholder communication section of WNC's 2020 CSR report and the CSR page of WNC's website.	None
6. Does the company engage a professional agency to handle shareholder services relating to the annual shareholders' meeting?	✓		WNC has a shareholder services office providing shareholder services relating to the annual shareholders' meeting.	None
7. Disclosure of information (1) Does the company utilize a website to disclose finance, operational, and corporate information? (2) Are there other means of disclosing information (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, and webcasting investors' conference)? (3) Does the company publicly announce and register with the Competent Authority its financial reports within two months of the close of each fiscal year, and announce and register with the Competent Authority its first, second, and third quarter's financial results and the operating status of each month before the specified deadline?	✓ ✓ ✓		<p>(1) WNC has set up a website with information on finance and operations. Related information is also disclosed on the MOPS according to government regulations.</p> <p>(2) WNC has information disclosed on both the Chinese-language and English-language websites, and has assigned Ms. Jona Song (CFO) as the chief spokesperson and Ms. Molly Lin (Associate Vice President) as the acting spokesperson to handle information collection and disclosure.</p> <p>(3) WNC announces and registers with the Competent Authority its financial reports, quarterly financial results, and the operating status each month on the MOPS before the specified deadline and uploads the same information on the company website.</p>	None
8. Are there other important discourses that help shareholders to understand the	✓		(1) The recruitment policies of WNC conform to government regulations. All employees have equal rights and development opportunities in WNC.	None

Evaluation item	Implementation status			Discrepancies/ reasons
	Yes	No	Summary	
enforcement of corporate governance of the company (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing liability insurance for directors)?			<p>(2) WNC signs purchasing contracts with suppliers to protect mutual rights. Those contracts signed since October 2013 include a compliant statement to meet WNC's Supplier CSR relevant regulations.</p> <p>(3) In 2020, each member of WNC's Board of Directors attended training courses in accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies. Please refer to Note 4 for details.</p> <p>(4) Implementation of risk management policies and risk evaluation measures: WNC establishes internal management systems based on laws and regulations to conduct risk management and evaluation. Internal audit personnel also conduct regular audits to improve risk management.</p> <p>(5) WNC maintains stable and close relationships with customers to obtain stable and reasonable profits.</p> <p>(6) WNC has purchased liability insurance for Directors and other key employees.</p> <p>(7) When conducting succession planning and selecting succession candidates for board members, WNC takes into account future strategy development and operation plans, diversity requirements for member composition, and the background diversity and independence standards for board members, which include factors such as professional knowledge, technical know-how, experience, and gender. WNC organizes regular talent development meetings in accordance with its three to five year strategic and operational plans to assess its talent inventory, with the aim of establishing talent development strategies and talent selection/cultivation/retention plans for personnel (and their successors) in key positions. Reviews and discussions on talent development progression are also regularly conducted.</p> <p>To improve the skills of high-ranking managers, WNC has worked with specialists and academics from outside WNC and conducted industry benchmarking to enable its high-ranking managers to look at diverse/dynamic competition from strategic perspectives. In addition, WNC has implemented individual development plans (IDP) and on-boarding plans, established a learning platform (training provided by the platform includes designating people to lead important integrated projects, manage overseas branches, and participate in board meetings), provided one-on-one instruction, and organized high-level external training courses for high-ranking managers, with the goal of helping them develop high-level professional management and leaderships skills and assisting them in their new work responsibilities.</p>	

Evaluation item	Implementation status		Discrepancies/ reasons
	Yes	No	
			<p>(8) Intellectual property risk management: In order to protect R&D resources, maintain innovative energy, strengthen competitive advantages, and boost the company's profitability, WNC's operational objectives are integrated with an intellectual property strategy and a risk management mechanism that ensures operational sustainability.</p> <p>a. Intellectual property strategy</p> <ul style="list-style-type: none"> ➤ Develop and accumulate intellectual property, construct a defensive network to protect WNC, its customers and its suppliers. ➤ Deploy core technological intellectual property, strengthen attack capabilities, and raise the competitive threshold. ➤ Seek out key technologies to license and leverage, form alliances with technological pioneers. ➤ Revitalize intellectual property in order to gain financial benefit. <p>b. Intellectual property risk controls</p> <ul style="list-style-type: none"> ➤ Business contracts stipulate intellectual property guarantee clauses and scope of responsibility ➤ Where appropriate risk is transferred to suppliers in the supply chain. ➤ Construct an intellectual property infringement handling mechanism. ➤ Allocate intellectual property reserves reasonably in response to litigation risks. ➤ Strategic acquisition of required licensing or technical alliances ➤ Execute patent monitoring of specific targets and technologies <p>c. Intellectual property management plan and execution status for current year</p> <ul style="list-style-type: none"> ➤ Intellectual property rights management guidelines, Invention and innovation incentive guidelines, and Product development documents, projects and patent incentives guidelines have been formulated to extend the protective scope of patent rights, trademark rights, authorship rights, commercial secrets and know-how. ➤ Construction of a patent management system to evaluate benefits and manage patent applications and costs ➤ Annual selection and recognition of outstanding patents to encourage employees in their innovation efforts ➤ In 2020 WNC was awarded an R&D Accomplishment Award by the Hsinchu Science Park

Evaluation item	Implementation status			Discrepancies/ reasons
	Yes	No	Summary	
			<ul style="list-style-type: none"> ➤ Intellectual property achievements: by year-end 2020 WNC held a total of 1,943 patents worldwide; in 2020 alone 129 patents were awarded to the company. ➤ Protection of intellectual property and trade secrets are part of compulsory training courses for new employees. In addition every second quarter all employees receive related training. In 2020 2,173 employees received training for a combined total of 543 hours. <p>WNC reports its management plan and execution status for the current year to the BOD in the BOD meeting in the first quarter of every year. WNC reported its 2020 management plan and execution status to the BOD on March 17, 2021.</p> <p>(9) For more details, please refer to WNC's CSR report.</p>	
<p>9. Please describe the improvements made in response to the most recent corporate governance assessment results published by the Taiwan Stock Exchange and provide the priority items and measures for deficiencies that are not yet addressed.</p> <p>(1) WNC has conducted a corporate governance self-assessment for year 2020 based on the regulations of the Taiwan Stock Exchange. The results indicate that WNC's performance ranked among the top 6% to 20% of all companies.</p> <p>(2) Starting 2019, WNC included functional committees into the scope of the Board's annual performance evaluation. The 2020 performance evaluation for the Board (including functional committees) was completed in February 2021, and the results were submitted to the Board.</p> <p>(3) The board meeting on May 5, 2021, approved the resolution of appointing a dedicated corporate governance officer.</p> <p>(4) WNC's financial report is approved by the BOD seven days prior to the announcement deadline, and the announcement is completed the day after the approval.</p> <p>(5) WNC will continue to cooperate with the competent authorities with regard to implementation and improvement of the corporate governance assessment in the future.</p>				

Note 1: The management goals stated in WNC's diversification policy for its Board of Directors and the implementation status of these goals are listed in the table below:

Goals	Status of achievement
The number of directors who concurrently serve as executive officers in WNC does not exceed one-third of the total number of directors.	Goal achieved
At least one board member is female.	Goal achieved
Independent board members do not serve for more than three terms.	Goal achieved
There are board members with inter-disciplinary expertise.	Goal achieved
The number of independent board members exceeds the number stipulated by law.	Goal achieved

Note 2: Diversification of the Board of Directors

Name	Title	Gender	Areas of proficiency		
			Industry/technology	Finance	Law
Haydn Hsieh	Chairman	Male	✓		
Jeffrey Gau	Director	Male	✓		
Frank F.C. Lin	Director, Wistron Corp. Representative	Male	✓	✓	
Donald Hwang	Director, Wistron Corp. Representative	Male	✓		
Philip Peng	Director	Male	✓	✓	
Karen Hsin	Independent Director	Female	✓	✓	✓
Neng-Pai Lin	Independent Director	Male	✓		
Michael Tsai	Independent Director	Male	✓		
T. Y. Lay	Independent Director	Male	✓		

Note 3: Independence and competence of the CPA

1. Evaluation of independence		
No.	Evaluation items	Complied
1	The appointed accountants have served as the audit accountants to WNC for no more than seven years.	V
2	The appointed accountants do not have direct or indirect pecuniary interest in WNC.	V
3	The appointed accountants and WNC do not have any inappropriate stakeholder relationships.	V
4	The accountants or the audit team members have not served as directors or executive officers, or held influential positions in audit cases at WNC in the past two years.	V
5	The appointed accountants do not permit others to practice under their name.	V
6	The appointed accountants and the audit team members do not hold shares in WNC.	V
7	The appointed accountants have no debtor/lender relationships with WNC.	V
8	The appointed accountants have no relationships of collective investment or profit sharing with WNC.	V
9	The appointed accountants are not employed by WNC to perform routine work in exchange for a fixed salary or serve as directors.	V
10	The non-audit services provided by the appointed accountants have no direct influence on material items of audit cases.	V
11	The appointed accountants are not spouses, lineal relatives, direct relatives by marriage, or collateral relatives within the second degree of kinship of any responsible person or managerial officer of WNC.	V
12	The appointed accountants have not received any business-related commissions.	V
2. Evaluation of competence		
1	No violations of Article 6 or Article 14 of the Certified Public Accountant Act.	V
2	The accountants have no record of disciplinary infractions with the CPA Disciplinary Committee within the past two years.	V
3	The accounting firm has sufficient scale, resources and regional coverage to handle audit services for WNC.	V
4	The accounting firm has proper quality control procedures. The aspects covered include the levels and main points of the inspection process, the means of handling audit issues and executing judgment, independent quality control inspections, and risk management.	V
5	The accounting firm timely informs the management of the company of any significant issues and developments in risk management, corporate governance, financial accounting and related risk controls.	V

Note 4: Directors' training records

Title	Name	Date of training	Hosted by	Course title	Hours
Chairman	Haydn Hsieh	09/18/2020	Taiwan Corporate Governance Association	Top 10 global risks analysis	3
		09/18/2020	Taiwan Corporate Governance Association	Status of insider trading prevention in Taiwan and the corresponding measures corporations may take	3
Director, Wistron Corp. Representative	Frank F.C. Lin	03/10/2020	Taiwan Corporate Governance Association	Response strategies for corporate transformation	3
		09/18/2020	Taiwan Corporate Governance Association	Top 10 global risks analysis	3
		09/18/2020	Taiwan Corporate Governance Association	Status of insider trading prevention in Taiwan and the corresponding measures corporations may take	3
Director, Wistron Corp. Representative	Donald Hwang	09/18/2020	Taiwan Corporate Governance Association	Top 10 global risks analysis	3
		09/18/2020	Taiwan Corporate Governance Association	Status of insider trading prevention in Taiwan and the corresponding measures corporations may take	3
Director	Jeffrey Gau	09/18/2020	Taiwan Corporate Governance Association	Top 10 global risks analysis	3
		09/18/2020	Taiwan Corporate Governance Association	Status of insider trading prevention in Taiwan and the corresponding measures corporates may take	3
Director	Philip Peng	03/18/2020	Taiwan Corporate Governance Association	Corporate sustainability	1.5
		05/06/2020	Taiwan Corporate Governance Association	Hostile takeovers and corporate governance	1.5
		09/18/2020	Taiwan Corporate Governance Association	Top 10 global risks analysis	3
		09/18/2020	Taiwan Corporate Governance Association	Status of insider trading prevention in Taiwan and the corresponding measures corporations may take	3
		09/22/2020	Taiwan Institute of Directors	Elite seminar held by KPMG: Tremendous risk response and corporate governance enhancement	3
Independent Director	Karen Hsin	09/18/2020	Taiwan Corporate Governance Association	Top 10 global risks analysis	3
		09/18/2020	Taiwan Corporate Governance Association	Status of insider trading prevention in Taiwan and the corresponding measures corporations may take	3
		09/22/2020	Taiwan Institute of Directors	Elite seminar held by KPMG: Tremendous risk response and corporate governance enhancement	3
Independent Director	Neng-Pai Lin	04/16/2020	Independent Director Association Taiwan	Current and future measures for Risk controls of money laundry prevention	3
		09/18/2020	Taiwan Corporate Governance Association	Top 10 global risks analysis	3
		09/18/2020	Taiwan Corporate Governance Association	Status of insider trading prevention in Taiwan and the corresponding measures corporations may take	3
Independent Director	Michael Tsai	09/08/2020	Securities & Futures Institute	Critical 5G technologies, applications, and business opportunities	3
		09/08/2020	Securities & Futures Institute	Case study: Directors' or supervisors' legal liabilities for false financial reporting	3
		09/18/2020	Taiwan Corporate Governance Association	Top 10 global risks analysis	3
		09/18/2020	Taiwan Corporate Governance Association	Status of insider trading prevention in Taiwan and the corresponding measures corporations may take	3
Independent Director	T. Y. Lay	09/18/2020	Taiwan Corporate Governance Association	Top 10 global risks analysis	3
		09/18/2020	Taiwan Corporate Governance Association	Status of insider trading prevention in Taiwan and the corresponding measures corporations may take	3

3.3.4. Composition, Responsibilities, and Operations of the Remuneration Committee

WNC established its Remuneration Committee after the Board of Directors passed a resolution on October 26, 2011. The Committee is responsible for constructing and regularly reviewing the policies, systems, standards, and structure of the performance evaluation and the directors' and executive officers' remuneration. The Committee will also regularly assess and determine the directors' and executive officers' remuneration. The directors' and executives' remuneration is linked with WNC's business performance and objectives to attract high-quality talent and enhance WNC's competitiveness.

■ Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title	Name	Meets one of the following professional qualification requirements, together with at least five years' work experience		
		An educator holding a position of instructor or higher at a public or private junior college, college or university in a department of commerce, law, finance, accounting, or other academic department related to the business needs of WNC	A judge, public prosecutor, attorney, CPA, or other professional or technical specialist who has passed a national examination and been certified in a profession necessary for the business of WNC	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of WNC
Independent Director	Neng-Pai Lin	✓		✓
Independent Director	Karen Hsin		✓	✓
Independent Director	Michael Tsai			✓
Independent Director	T. Y. Lay			✓
Independent Director	Robert Hung			✓

Title	Name	Independence criteria (Note 2)										Number of other public companies in which the individual is concurrently serving as an Remuneration Committee member	Remarks
		1	2	3	4	5	6	7	8	9	10		
Independent Director	Neng-Pai Lin	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2	(Note 1)
Independent Director	Karen Hsin	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	(Note 1)
Independent Director	Michael Tsai	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	(Note 1)
Independent Director	T. Y. Lay	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	(Note 1)
Independent Director	Robert Hung	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	(Note 1)

Note 1: On June 19, 2020, the Board of Directors appointed Mr. Neng-Pai Lin, Mr. Michael Tsai, Mr. T. Y. Lay and Ms. Karen Hsin as the members of the fourth session of the remuneration committee. Mr. Robert Hung resigned upon expiration of his term in office.

Note 2: The ticked boxes in the table correspond to the below conditions being true of the director during the two years prior to being elected or during the term(s) of office.

- (1) Not an employee of WNC or any of its affiliates.
- (2) Not a director or supervisor of WNC or any of its affiliates. (This, however, does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country, and concurrently serving as such at WNC and its parent or subsidiary or a subsidiary of the same parent.)
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of WNC or ranks as one of its top 10 shareholders.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of an executive officer in subparagraph (1) or any of the persons in subparagraphs (2) and (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of issued shares of WNC or who holds shares ranking in the top five holdings, or who designates a representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (This, however, does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country, and concurrently serving as such at WNC and its parent or subsidiary or a subsidiary of the same parent.)
- (6) Not a director, supervisor, or employee of a company in which a majority of that company's director seats or voting shares and those of WNC are controlled by the same person. (This, however, does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country, and concurrently serving as such at WNC or its parent, subsidiary, or a subsidiary of the same parent.)
- (7) Not a director, supervisor, or employee of a company or institution in which the chairman, general manager, or person holding an equivalent position and a person in any of those positions at WNC are the same person or are spouses. (This, however, does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country, and concurrently serving as such at WNC and its parent or subsidiary or a subsidiary of the same parent.)
- (8) Not a director, supervisor, executive officer, or shareholder holding 5% or more of the shares, of a specified company or institution which has a financial or business relationship with WNC. (This, however, does not apply to independent directors appointed in accordance with the Act or the laws or regulations of the local country, and currently serving as such at WNC or its parent, subsidiary, or a subsidiary of the same parent, and if the specified company or institution holds 20% or more and no more than 50% of the total number of issued shares of WNC.)
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or executive officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to WNC or any affiliate of WNC for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not been a person of any conditions defined in Article 30 of the Company Law.

■ Attendance of Members at Remuneration Committee Meetings

- There are four members on the Remuneration Committee.
- The term of the current Remuneration Committee runs from June 19, 2020 to June 18, 2023. A total of four Remuneration Committee meetings were held in 2020. The attendance record of the Remuneration Committee members is as follows:

Title	Name	Attendance in person	By proxy	Attendance rate in person (%)	Remarks
Convener	Neng-Pai Lin	4	0	100	(Note)
Committee member	Karen Hsin	4	0	100	(Note)
Committee member	Michael Tsai	2	0	100	(Note)
Committee member	T. Y. Lay	2	0	100	(Note)
Committee member	Robert Hung	2	0	100	(Note)

Note: On June 19, 2020, the Board of Directors appointed Mr. Neng-Pai Lin, Mr. Michael Tsai, Mr. T. Y. Lay and Ms. Karen Hsin as the members of the fourth session of the remuneration committee. Mr. Robert Hung resigned upon expiration of his term in office.

■ Other items of note:

- If the Board of Directors declines to adopt or modifies a recommendation of the Remuneration Committee, it should specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the Remuneration Committee's opinion (e.g., Should the remuneration passed by the Board of Directors exceed the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified). Instances where the Board of Directors declined such a recommendation: None
- Resolutions of the Remuneration Committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion being specified: None
- Discussion items and resolutions:

Date of meeting	Content of important motions	Resolution by the Committee and the Company's response to the Committee's opinion
2020 Meeting I of the Remuneration Committee 03/11/2020	<ul style="list-style-type: none"> • Proposal to adjust salaries of executive officers in 2020 • Proposal to adjust salaries of the Chairman & CSO and the President & CEO in 2020 • Proposal regarding distribution of executive officers' project bonuses in the second half of 2019 • Motion regarding distribution of employees' and directors' profit-sharing bonuses in 2019 • Motion regarding amendment of the Remuneration Committee Charter 	The proposals and recommendations were passed by unanimous vote of the Remuneration Committee and approved by the Board of Directors
2020 Meeting II of the Remuneration Committee 05/11/2020	<ul style="list-style-type: none"> • Proposal regarding the related matters of 2019 restricted stock awards including number of shares awarded and names of the employee awarded. 	
2020 Meeting III of the Remuneration Committee 08/10/2020	<ul style="list-style-type: none"> • Proposal regarding distribution of directors' profit-sharing bonuses in 2019 • Proposal regarding distribution of executive officers' profit-sharing bonuses in 2019 • Proposal regarding distribution of executive officers' project bonuses in the first half of 2020 • Proposal regarding executive officers' salary adjustment in line with job transfer 	
2020 Meeting IV of the Remuneration Committee 12/16/2020	<ul style="list-style-type: none"> • Proposal regarding distribution of executive officers' performance bonuses in 2020 	

3.3.5. Corporate Social Responsibility and the Discrepancies Between Actual CSR and the “CSR Best-Practice Principles for TWSE/TPEX Listed Companies” and the Reasons for the Discrepancies

Evaluation item	Implementation status		Discrepancies /reasons	
	Yes	No		Summary
1. Does the company conduct risk assessment on environmental, social, and corporate governance issues related to company operations in accordance with materiality principles, and establish related risk management policies or strategies?	✓		WNC manages business operations-related risk in accordance with its existing organizational structure and internal control and management systems. Each business unit and function team in WNC have their own responsibilities in formulating management strategies and response measures to prevent, reduce, or transfer risk. At the weekly meeting for high-ranking managers, the managerial staff of each unit inspects internal/external variables related to business operations (including the macroeconomy, industry and technology, customers and markets, supply chains, internal personnel, and operation processes) and analyzes the possible threats and opportunities such variables may present to WNC’s operations. After analysis, if an item is found to pose a potential major threat to the company, it is listed as a major risk. The status of major risk items may change over time due to changes in the internal/external environment.	None
2. Has the company established an exclusively (or concurrently) dedicated unit to be in charge of corporate social responsibility and authorized high-ranking managers to implement action plans and report on the progress of such plans to the Board of Directors?	✓		WNC’s Marketing and Corporate Communication Division and RBA Management Committee direct WNC’s implementation efforts regarding sustainable development. Such efforts include the stipulation of policies and management regulations related to sustainable development, disclosure of progress and achievements in sustainable development, and assisting WNC’s function units in implementing items related to sustainable development. Operations related to implementing sustainable development will be conducted by various function units in accordance with their job duties, and shall comply with related WNC policies. Personnel in function units shall also pay close attention to related international initiatives and regulations to see if management regulations and operational procedures for implementing sustainable development need to be updated. The President & CEO of WNC regularly (at least once a year) reports to the Board of Directors regarding communication with stakeholders on sustainable development, the plans WNC has regarding sustainable development, as well as progress made in this area.	None
3. Environmental Issues (1) Does the company establish appropriate environmental management systems based on the characteristics of its industry? (2) Does the company strive to improve the utilization efficiency of various resources and use renewable materials? (3) Does the company evaluate the potential risks and	✓ ✓ ✓		(1) WNC pays close attention to environmental protection and monitors correlated trends. In addition to complying with all local environmental-protection laws and regulations, WNC also actively collaborates with customers to jointly implement environmental-management systems and green-product management systems with its suppliers. The WNC Taiwan headquarters and the main production sites in China have all obtained ISO 14001, ISO 14064-1, ISO 50001 and IECQ QC 080000 certification and regularly conduct internal audits and third-party examinations every year. In addition, WNC’s Vietnam site, WNC Vietnam Co., Ltd., which was established in 2019, has received ISO 14000 and ISO 14064-1 certifications. (2) WNC cooperates with its suppliers to achieve international environmental standards and provides its customers with green	None

Evaluation item	Implementation status		Discrepancies /reasons	
	Yes	No		Summary
<p>opportunities that climate change poses to the company both currently and in the future, as well as implement response measures for climate-related issues.</p> <p>(4) Does the company compile data on its greenhouse gas emissions, total amount of water usage, and total weight of waste produced in the previous two years, as well as establish policies regarding energy conservation, carbon reduction, greenhouse gas reduction, water usage reduction, and waste management?</p>	✓		<p>products that: are energy-efficient; are toxin-free or of low toxicity; produce low amounts of emissions; have design and production service cycles designed for recyclability and renewability: and have less impact on the environment. With product LCA (life cycle assessment) principles at the forefront, WNC identifies eco-design parameters such as hazardous-substance restrictions, energy efficiency, recycling and reuse, and environmental-information disclosure. Meanwhile, WNC raises supplier-side requirements to ensure that design components meet the eco-design requirements specified by WNC for energy-using products.</p> <p>(3) Climate change is triggering abnormal weather phenomena such as global warming, torrential rains, blizzards, and droughts, which can affect the operations of companies and lead to financial losses and/or negatively impact the safety and health of workers, thus posing a challenge to sustainable development. Enterprises around the world must focus on improving their response capabilities toward issues caused by climate change. WNC discloses the risks and opportunities brought about by climate change in accordance with the methods developed by the Task Force on Climate-Related Financial Disclosure (TCFD) and evaluates their potential impact on company operations and finances, enabling the company to take response measures to better prepare for climate events. For details, please refer to Section 2.3 “Risk Management” in WNC’s 2020 CSR Report.</p> <p>(4) WNC compiles data on its greenhouse gas emissions, water usage, and waste produced annually. It has also launched energy conservation measures at its plants, increased waste recycling rates, and implemented water conservation measures. For details, please refer to Section 4.3 “Carbon Management” and 4.4 "Energy and Resource Management" in WNC’s 2020 CSR Report.</p>	
<p>4. Social Issues</p> <p>(1) Does the company specify related management policies and procedures based on related laws/regulations and international human-rights conventions?</p> <p>(2) Has the company established and implemented a reasonable employee benefits program (covering items such as salary,</p>	✓	✓	<p>(1) WNC complies with relevant labor laws and regulations, and promises to follow international regulatory and human rights conventions such as “Universal Declaration of Human Rights” released by the UN, “The UN Global Compact’s Ten Principles,” and the “Core Labor Standards of Fundamental Conventions” released by the International Labor Organization. WNC voluntarily follows the spirit of the RBA’s Code of Conduct. WNC plans to expand implementation of the RBA’s Code of Conduct requirements throughout its entire supply chain. WNC has established the WNC RBA Management Committee and adopted its own WNC RBA Code of Conduct. WNC’s Code of Conduct shall be carried out and followed by all WNC</p>	None

Evaluation item	Implementation status		Discrepancies /reasons
	Yes	No	
<p>compensation, leave, and other benefits) and appropriately reflecting business performance or achievements in employee remuneration?</p> <p>(3) Does the company provide a safe and healthy work environment for its employees and organize safety and health training on a regular basis?</p> <p>(4) Does the company establish effective career-development training plans for employees?</p> <p>(5) Do WNC's products and services comply with relevant laws, regulations, and international guidelines in the areas of customer health and safety, client privacy, marketing, and advertising, and does the company have customer rights protection policies and channels for handling customer complaints?</p> <p>(6) Has the company established a supplier management policy and required its suppliers to comply with related regulations regarding environmental protection, occupational health and safety, and labor rights, and does it monitor suppliers' compliance in these areas?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>employees, subsidiaries, and suppliers. For details, please refer to Section 3.1 "Respect for Human Rights" in WNC's 2020 CSR Report.</p> <p>(2) WNC has formulated a remuneration policy to appropriately adjust employee remuneration in line with the company's operational results and employee performance. WNC also regularly adjusts employees' salaries according to commodity prices, market supply and demand, salary standards, local laws, and other factors. It has also implemented various incentive systems to reward high-performing employees and units, such as performance bonuses, employee dividends, restricted stock awards and other stock incentives, annual long-term employee awards, outstanding team awards, outstanding employee awards, and patent awards. Besides providing labor insurance (which includes injury benefits, disability benefits, maternity benefits, and death benefits) and National Health Insurance as required by law, WNC employees are also covered by group insurance (which includes life insurance, accident insurance, hospital insurance, cancer insurance, and occupational accident insurance), and said employees may also purchase the aforementioned insurance to cover their family members. WNC also provides maternity leave, family care leave, menstruation leave, and paternity leave, and employees can utilize the aforementioned types of leave as their situation requires.</p> <p>(3) WNC has worked proactively to establish a safe and healthy work environment. Besides establishing management regulations regarding labor safety and health, WNC also preemptively conducts related risk assessments, provides controls, and manages changes under those controls for their impact on safety and health. ISO 45001 internal audits and third-party examinations are regularly conducted every year to verify the operating status of the occupational safety and health management systems and to ensure their continuous improvement. In addition, all sites in Taiwan earned CNS 45001 certification (Taiwan Occupational Safety and Health Management System, TOSHMS). For details, please refer to Section 3.5.1 "Occupational Safety and Health Management" in WNC's 2020 CSR Report.</p> <p>(4) WNC values the importance of recruiting fully qualified employees and devotes special attention to improving the skills and general knowledge of colleagues. Based on this concept and the central principle of growth, innovation, and cooperation, employees are provided with training programs designed to enhance job performance and key competencies, as well as supervisory and leadership training. For details, please refer to Section 3.4 "Training and Development" in WNC's 2020 CSR Report.</p>

Evaluation item	Implementation status		Discrepancies /reasons
	Yes	No	
			<p>(5) WNC lets its customers address product-marketing matters, and indications on products are also determined by customer requirements. WNC's Quality Assurance Division is responsible for green-product and customer-service matters. It cooperates with each unit of WNC to ensure WNC products are in accordance with customer requirements, environmental regulations, and related international standards during each phase from product design, through production, to delivery. WNC lets its customers directly address all types of consumer-rights affairs. To raise the level of trust and satisfaction that customers hold for WNC's products and services, our customer services division has also instituted a customer satisfaction mechanism. Every year a satisfaction survey and analysis is carried out on product quality, technology, delivery, and other service items. Based on this customer satisfaction survey, analysis of reasons for dissatisfaction are relayed to related business units, allowing them to draft and execute plans for improvement and track improvement progress.</p> <p>(6) WNC has formulated the "WNC Supplier Code of Conduct" and requires all new suppliers to sign the "Supplier CSR Declaration" and the "WNC Group Supplier's Commitment for Code of Ethics," in which they shall declare their commitment to fulfilling social responsibilities. WNC also asks its suppliers to fill out the "WNC Supplier CSR Questionnaire" in order to ascertain supplier's implementation outcome in the areas of labor, health and safety, environmental protection, management systems, and business ethics. WNC conducts a CSR audit on key suppliers. WNC's Supplier Quality Management Center is responsible for tracking audit results and the improvement plans submitted by the suppliers, and it shall monitor the suppliers in accordance with supplier evaluation management regulations to ensure that the suppliers comply with RBA regulations and continually shows improvement.</p>
5. Does the company reference widely recognized international standards or guidelines when producing corporate social responsibility reports or reports that disclose the company's non-financial information, and are these reports assured or verified by a third-party agency?	✓		WNC's 2020 CSR Report is written in accordance with the Global Reporting Initiative (GRI) Standards. The report has also been verified by SGS Taiwan Ltd., a fair and independent third-party agency, in accordance with the AA1000 Assurance Standard and the GRI Standards, and the report has been confirmed to comply with the core option of the GRI standards and the medium assurance level of the AA1000 Assurance Standard.

Evaluation item	Implementation status		Discrepancies /reasons
	Yes	No	
6. If the Company has established corporate social responsibility principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the principles and their implementation: To summarize the statements above, there is no notable discrepancy between the measures' implementation and WNC's corporate social responsibility principles.			
7. Other important information to facilitate a better understanding of the Company's corporate social responsibility practices: For detailed information, please refer to WNC's CSR report or the CSR page of WNC's website: http://www.wnc.com.tw/index.php?action=csr			

3.3.6. Ethical Corporate Management and the Discrepancies Between Actual Ethical Corporate Management and the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and the Reasons for the Discrepancies

Evaluation item	Implementation status		Discrepancies/ reasons
	Yes	No	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company formulate ethical corporate management policies approved by the Board and declare those ethical corporate management policies and procedures, as well as the commitment by its board and top management to actively implement such management policies in its guidelines and external documents?</p> <p>(2) Does the company establish mechanisms to assess risk of unethical conduct, regularly analyze and assess business activities with higher risk of unethical conduct within the scope of its operations, and formulate policies to prevent unethical conduct based on such mechanisms, and at least include all the listed activities stated in Paragraph 2, Article 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(3) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, have the commitment to implement the</p>	<p>✓</p> <p>✓</p> <p>✓</p>	<p>(1) In order to demonstrate WNC’s willingness to shoulder its social and environmental responsibilities, comply with corporate ethics, enhance the company’s image, and comply with international conventions placing greater scrutiny on the development of labor, health and safety, environmental protection, and ethics standards, WNC has formulated its “Corporate Governance Best-Practice Principles,” “Ethical Corporate Management Best-Practice Principles,” “Code of Ethical Conduct,” “Procedures for Ethical Management and Guidelines for Conduct,” “Supplier Corporate Social Responsibility Code of Conduct,” and “WNC RBA Code of Conduct” for employees to follow. All these have been approved by the Board of Directors. In addition, WNC has disclosed the company’s ethics policies and required that all of its employees and major suppliers sign the commitment to its code of ethics.</p> <p>(2) WNC has mechanisms in place to assess risks of unethical conduct and regularly analyzes and assesses business activities with higher risks of unethical conduct within the scope of business operations through implementation of the RBA management system and relevant relationships. WNC’s RBA management committee represents the company’s RBA management system and is in charge of the formulation, implementation, and maintenance of the company’s related policies. WNC has also formulated the “WNC Reporting and Handling Procedure” to stipulate the procedure and form for reporting unlawful conduct. An independent complaint mailbox (wnc.integrity@wnc.com.tw) has also been established on WNC’s website.</p> <p>(3) With regard to units and personnel that may face situations presenting a higher potential for unethical conduct, WNC administers training and education and compiles relevant work handbooks to increase employee knowledge and provide relevant guidelines. Internal auditing, job rotation, review and adjustment are also implemented on a regular basis to reduce relevant risks. In addition, “WNC Intellectual Property Rights Management Measures” was formulated to further protect WNC’s trade secrets and intellectual property rights.</p>	<p>None</p>

Evaluation item	Implementation status		Discrepancies/ reasons	
	Yes	No		Summary
<p>3. Operation of reporting channels</p> <p>(1) Does the company establish both a reward/punishment system and an integrity hotline? Will a designated person conduct follow-up on the accused party?</p> <p>(2) Does the company establish measures to protect confidentiality and standard operating procedures for investigating accusations as well as the subsequent measures after investigations are closed?</p> <p>(3) Does the company provide proper whistleblower protection?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) WNC’s Human Resources Administration Division is tasked with establishing complaint channels and handling employee complaints and disciplinary matters. In addition to the written reporting mechanism, an independent complaint mailbox (wnc.integrity@wnc.com.tw) has also been established on the WNC website.</p> <p>(2) WNC has formulated the “WNC Reporting and Handling Procedure” that clearly specifies the responsible person for processing the reported matters, the reporting and handling procedure and the violation report form, that the investigation process will be conducted on a confidential basis, and prescribes that the reporting and handling procedure and the violation report form be utilized to detail the handling procedure and record the issue and handling results in writing. After the investigation is concluded, follow-up measures are taken in accordance with the severity of the matter concerned. When necessary, report the matter concerned to the competent authority or transfer it to the judicial units for investigation.</p> <p>(3) The “WNC Reporting and Handling Procedure” specifies that the responsible unit will ensure the identities of reporting parties will be held secret, and that reporting parties are not open to retaliation.</p>	None
<p>4. Strengthening information disclosure</p> <p>Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and the Market Observation Post System?</p>	✓		<p>WNC publishes the “Ethical Corporate Management Best-Practice Principles,” “Code of Ethical Conduct,” and “Procedures for Ethical Management and Guidelines for Conduct” on the company’s internal website for employees to check at any time.</p> <p>WNC publishes the WNC CSR Report to elaborate on its ethical management policies and implementation results, and the information is disclosed on the company website at http://www.wnc.com.tw/index.php?action=csr.</p> <p>WNC also publishes its “Ethical Corporate Management Best-Practice Principles” and “Code of Ethical Conduct” on the MOPS.</p>	None
<p>5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation.</p> <p>There have been no discrepancies.</p>				
<p>6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies).</p> <p>WNC clearly discloses its ethics policies through education and training (including orientation), announcements on the company’s internal website, integration of new practices into the company’s work regulations, and formal announcements. WNC also requires that all its employees (including newly recruited members) and major suppliers sign the commitment to a code of ethics and uphold the highest ethical standards during business interactions. Any/all forms of corruption, extortion, blackmail, embezzlement, and misappropriation of public funds and/or company property are prohibited. Also, bribes or any other form of improper advantage must not be provided or accepted.</p>				

3.3.7 If the company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched for.

Please search for these documents on WNC’s website or on the MOPS website.

3.3.8 Other significant information that will provide a better understanding of the status of the company's implementation of corporate governance may also be disclosed.

■ Related certification of employees who are appointed to ensure transparency of relevant financial information at WNC:

- Globally recognized certified internal auditor: One employee at the audit office.
- Globally recognized certification in internal control self-assessment: One employee at the audit office.
- Number of employee(s) who have passed the R.O.C. CPA examination: One employee at the finance division.

■ Corporate governance related trainings of WNC’s executive officers:

Title	Name	Name of the training course	Hours
Finance and accounting lead	Jona Song	Continuous learning courses for accounting managers of securities issuers, securities traders and securities exchange centers	12
Internal audit lead	Ruth Chen	Discussion of procurement fraud red flags; a case study of monitoring subsidiaries	6
		Case study: Types of fraud and techniques for fraud examiners	6
		Adoption of data analysis as an audit tool (using Excel as an example)	6

3.3.9 Internal Control System Execution Status

■ Statement on Internal Control

Wistron NeWeb Corporation

Statement on Internal Control

Date: March 17, 2021

Based on the findings of a self-assessment, Wistron NeWeb Corporation (WNC) states the following with regard to its internal control system during the year 2020:

1. WNC's Board of Directors and executive officers are responsible for establishing, implementing, and maintaining an adequate internal control system. Our internal controls are a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and WNC takes immediate remedial actions in response to any identified deficiencies
3. WNC evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal controls: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities.
4. WNC has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of this evaluation, WNC believes that, as of December 31, 2020, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of WNC's annual report and prospectus, and is publicly disclosed. Any falsehood, concealment, or other illegality in the content made public will give rise to legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This statement was approved by the Board of Directors in their meeting held on March 17, 2021. All nine attending directors have affirmed the content of this statement.

Wistron NeWeb Corporation

Chairman: Haydn Hsieh

President: Jeffrey Gau

- If a CPA was retained to conduct a special audit of the internal control system, disclose the audit report:
N/A.

3.3.10 Legal penalties imposed by the competent authorities on WNC or its employees, and WNC's discipline of its employees for violation of internal control systems, major deficiencies and improvement measures in the most recent year and as of the publication of this annual report: None

3.3.11 Major Resolutions of Shareholders' Meeting and Board Meetings

■ Major resolutions of shareholders' meeting

WNC held its 2020 shareholders' meeting on June 19, 2020. The resolutions and implementation status are listed below:

Important resolution	Implementation status
<ul style="list-style-type: none"> Directors (including independent directors) election for the 10th BOD 	List of elected directors: Directors: Haydn Hsieh, Corporate Representative of Wistron Corporation: Frank F.C. Lin and Donald Hwang, Jeffrey Gau and Philip Peng Independent directors: Karen Hsin, Neng-Pai Lin, Michael Tsai and T. Y. Lay
<ul style="list-style-type: none"> Ratification of the 2019 Business Report and Financial Statements. 	Motion approved by vote of shareholders in attendance.
<ul style="list-style-type: none"> Ratification of the proposal for distribution of 2019 profits 	Motion approved by vote of shareholders in attendance. The ex-dividend date was set as July 21, 2020, and dividend issuance date as August 6, 2020. According to resolution of the shareholders' meeting, the cash dividend was issued at NT\$2.50005125 per share.
<ul style="list-style-type: none"> Discussion on the amendments to certain parts of the Articles of Incorporation of WNC 	Motion approved by vote of shareholders in attendance. Amendment registration completed on July 6, 2020, announcement made on the company website, and relevant matters executed according to the resolution.
<ul style="list-style-type: none"> Discussion on proposal for release of the prohibition on newly-elected directors and their corporate representatives from participation in competing businesses 	Motion approved by vote of shareholders in attendance, announcement of material information made by the company and relevant matters executed according to the resolution.

■ Major resolutions of board meetings

Board meeting	Major resolutions
2020 first board meeting 03/11/2020	<ul style="list-style-type: none"> • Approved WNC's 2019 business report and financial statements. • Approved the proposal for distribution of WNC's 2019 profits. • Approved the proposal for election of directors (including independent directors) for the 10th BOD. • Approved the audit of the candidates (both directors and independent directors) for the 10th BOD election. • Approved the proposal for release of the prohibition on newly-elected directors and their corporate representatives from participation in competing businesses. • Approved the proposal for the time, location, and matters to be discussed at the 2020 Annual Shareholders' Meeting. • Approved the proposal for the cancellation of 2016 employee restricted stock awards and the record date for capital reduction.
2020 second board meeting 05/11/2020	<ul style="list-style-type: none"> • Approved the 2020 Q1 consolidated financial statements. • Approved the proposal to invest US\$ 26,000,000 in the construction of stage 1 factories at NeWeb Vietnam Co., Ltd. (V2).
2020 third board meeting 06/19/2020	<ul style="list-style-type: none"> • Approved appointment of Haydn Hsieh as the chairperson of the BOD. • Approved the proposal for members of the fourth session of the WNC Remuneration Committee.
2020 fourth board meeting 08/10/2020	<ul style="list-style-type: none"> • Approved the 2020 Q2 consolidated financial statements • Approved the proposal for the cancellation of 2016 employee restricted stock awards and the record date for capital reduction.
2020 fifth board meeting 11/11/2020	<ul style="list-style-type: none"> • Approved the 2020 Q3 consolidated financial statements
2021 first board meeting 03/17/2021	<ul style="list-style-type: none"> • Approved WNC's 2020 business report and financial statements • Approved the proposal for distribution of WNC's 2020 profits • Approved the proposal for the time, location, and matters to be discussed at the 2021 Annual Shareholders' Meeting.

3.3.12 Major issues of record or written statements made by any director or supervisor dissenting from important resolutions passed by the Board of Directors: None

3.3.13 Resignation or dismissal of WNC's key individuals, including the Chairman, President, and heads of accounting, finance, internal audit, corporate governance officer and R&D: None

3.4. Accountant Fee

3.4.1. Range of Accountant Fee

Accounting firm	Name of CPA		Audit period	Remarks
KPMG	Emily Tseng	Hai-Ning Huang	Jan. 1, 2020–Dec. 31, 2020	

Unit: Thousand NT\$

Range	Item	Audit fee	Non-audit fee	Total
1	Under NT\$2,000,000		✓	428
2	NT\$2,000,000–NT\$3,999,999			
3	NT\$4,000,000–NT\$5,999,999			
4	NT\$6,000,000–NT\$7,999,999	✓		6,711
5	NT\$8,000,000–NT\$9,999,999			
6	Over NT\$9,999,999			

3.4.2. In the event that the non-audit fees paid to the CPA, the accounting firms of the CPA and their affiliates account for one-fourth of the audited public funds and above, disclose the amount of the audit fees, non-audit fees, and the non-audit services: None

3.4.3. In the event of a change of accounting firms and the audit fees paid in the year when such change takes place is less than the audit fees of the previous year, disclose the amount of the audit fees before and after the change and the reasons: None

3.4.4. In the event that the audit fees decrease by 10% or more compared to the previous year, disclose the amount, proportion, and the reason for the reduction in the audit fees: None

Unit: Thousand NT\$

Accounting firm	Name of CPA		Audit fee	Non-audit fee					CPA audit period	Remarks
				System design	Company registration	Human resource	Others	Sub-total		
KPMG	Emily Tseng	Hai-Ning Huang	6,711	0	0	0	428 (Note)	428	Jan. 1, 2020–Dec. 31, 2020	

Note: Consists of accountant's fees for reviewing the checklists containing information on the salary of full-time employees in non-managerial positions, verifying completion of inbound fund wire transfers, signing and approving customs examination, issuing restricted stock awards, and auditing of the capital amount.

3.5. Change of CPA:

Previously, the audit CPAs for WNC were Hai-Ning Huang and Sing-Hai Wei from KPMG. Due to staff rotation at KPMG, starting 2019 the audit CPAs for WNC are Emily Tseng and Hai-Ning Huang.

3.6. The company's Chairman, President, or executive officers in charge of its finance and accounting operations who have assumed positions in the independent audit firm or its affiliates in the most recent year: None

3.7. Changes, Stock Trades and Stock Pledges, in Shareholdings by Directors, Supervisors, Executive Officers, and Shareholders with 10% Shareholdings or More in the Most Recent Year and as of the Date of the Publication of this Annual Report

3.7.1. Changes in Shareholdings of Directors, Supervisors, Executive Officers, and Major Shareholders

Job title	Name	2019		2020 (As of April 13)	
		Holding increase (decrease)	Pledged holding increase (decrease)	Holding increase (decrease)	Pledged holding increase (decrease)
Directors and major shareholders	Wistron Corp. Representatives: Frank F. C. Lin and Donald Hwang	0	0	0	0
Chairman & CSO	Haydn Hsieh	0	0	0	0
Director; President & CEO	Jeffrey Gau	0	0	0	0
Director	Philip Peng	0	0	0	0
Director	Max Wu (Note 1)	-	-	-	-
Independent Director	Karen Hsin	0	0	0	0
Independent Director	Neng-Pai Lin	0	0	0	0
Independent Director	Michael Tsai (Note 1)	0	0	0	0
Independent Director	T. Y. Lay (Note 1)	0	0	0	0
Independent Director	Robert Hung (Note 1)	-	-	-	-
Executive Vice President & General Manager of the Business Group	Larry Lee	(47,000)	0	0	0
Senior Vice President & General Manager of the Business Group	Fayu Chen	(247,000)	0	0	0
Vice President & General Manager of the Business Group	Johnson Hsu	0	0	0	0
Vice President	Ray Lee	(34,000)	0	0	0
Vice President	Chris Hwang	0	0	0	0
Vice President	TJ Chen	(202,000)	0	(8,000)	0
Vice President	Apollo Shyong	0	0	0	0
Vice President	Joseph Chi	0	0	0	0
Vice President	Repus Hsiung	0	0	0	0
General Plant Manager	Hugo Chen	0	0	0	0

Job title	Name	2019		2020 (As of April 13)	
		Holding increase (decrease)	Pledged holding increase (decrease)	Holding increase (decrease)	Pledged holding increase (decrease)
Chief Financial Officer	Jona Song	0	0	0	0
Chief Supply Chain Officer	Amy Hsu	(8,000)	0	(8,000)	0
Chief Technology Officer	Horen Chen	12,000	0	0	0
Associate Vice President	Owen Tai	0	0	0	0
Associate Vice President	Robin Wu	0	0	0	0
Associate Vice President	Jack YC Liu	8,000	0	0	0
Associate Vice President	CW Sheu	689	0	0	0
Associate Vice President	David Tsai	15,000	0	0	0
Associate Vice President	ChingLung Chen	0	0	0	0
Associate Vice President	Kidd Huang (Note 2)	0	0	0	0
Associate Vice President	James Chen (Note 3)	-	-	0	0
Vice President	Bird Huang (Note 3)	(81,000)	0	-	-

Note 1: Mr. Michael Tsai and Mr. T. Y. Lay were elected as independent directors of the company at the general shareholders' meeting on June 19, 2020. Mr. Max Wu and Mr. Robert Hung resigned after the election of directors held at the same general shareholders' meeting

Note 2: Mr. Kidd Huang was promoted to Associate Vice President on November 11, 2020.

Note 3: Mr. James Chen was promoted to Associate Vice President on April 1, 2021, while the former Vice President, Mr. Bird Huang, retired on the same day (further shareholding information of Mr. Huang will not be disclosed).

3.7.2. Stock Trades with Related Parties

Name	Reason for the transfer	Transfer date	Transferee	Relationship	Shares	Transfer price
Larry Lee	Gift	03/24/2020	Lee Pei-hua	Daughter	47,000	-
Ray Lee	Gift	06/30/2020	Lee Li-heng	Son	34,000	-

3.7.3. Stock Pledge with Related Party: None

3.8. Related Party Relationship among WNC's 10 largest shareholders

April 13, 2021 Unit: Shares

Name of the shareholder	Shares held by the shareholder		Shares held by spouse or minor children		Shares held in the name of others		Name and relationship of any party among the 10 largest shareholders who is a related party, or is the spouse or a second degree relative of the shareholder		Notes
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Wistron Corp.	89,674,679	22.55	0	0	0	0	Haydn Hsieh	Director of Wistron Corp.	
Cathay Life Insurance Co., Ltd.	14,154,044	3.56	0	0	0	0	None	None	
Chang Gung Medical Foundation	11,715,509	2.95	0	0	0	0	None	None	
Fubon Life Insurance Co., Ltd.	11,706,000	2.94	0	0	0	0	None	None	
Labor Pension Fund (New Scheme)	9,577,561	2.41	0	0	0	0	None	None	
Taiwan Life Insurance Co., Ltd.	9,524,426	2.40	0	0	0	0	None	None	
Bank SinoPac in custody for Wistron NeWeb Corp.'s Restricted Stock Trust Fund (issued in 2019)	7,310,000	1.84	0	0	0	0	None	None	
Haydn Hsieh	5,988,971	1.51	806,575	0.20	0	0	Wistron Corp.	Director	
Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	4,212,787	1.06	0	0	0	0	None	None	
China Life Insurance Co., Ltd.	4,103,000	1.03	0	0	0	0	None	None	

3.9. The total number of shares and total equity stake held in any single enterprise by WNC, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by WNC

December 31, 2020 Unit: Shares

Investee Enterprise	Investments made by WNC		Investments made by directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by WNC		Total investments	
	Shares	%	Shares	%	Shares	%
WNC Holding Corporation	2,633,170	100	0	0	2,633,170	100
NeWeb Holding Corporation	103,300,000	100	0	0	103,300,000	100
W-Neweb Corporation	200,000	100	0	0	200,000	100
WNC UK Limited	60,000	100	0	0	60,000	100
WNC Japan Inc.	400	100	0	0	400	100
WNC Vietnam Co., Ltd.	(Note)	100	0	0	(Note)	100
NeWeb Vietnam Co., Ltd.	(Note)	100	0	0	(Note)	100
WebCom Communication (Kunshan) Corporation	(Note)	100	0	0	(Note)	100
WNC (Kunshan) Corporation	(Note)	100	0	0	(Note)	100
Wistron NeWeb (Kunshan) Corporation	(Note)	100	0	0	(Note)	100
NeWeb Service (Kunshan) Corporation	(Note)	100	0	0	(Note)	100
NeWeb Communication (Kunshan) Corporation	(Note)	100	0	0	(Note)	100
Kunshan Changnun Precision Casting Co., Ltd.	(Note)	47.44	0	0	(Note)	47.44

Note: The company is a limited company

4 Capital Overview

4.1. Capital and Shares

4.1.1. Type of Stock

April 13, 2021

Type of stock	Authorized capital			Remarks
	Issued shares	Un-issued shares	Total shares	
Common stocks	397,624,302 (Note)	402,375,698	800,000,000	Employee stock options: 25,000,000 shares

Note: Including 90,000 shares of expired restricted stock awards yet to be cancelled

4.1.2. Related Information for Shelf Registration: None

4.1.3. Sources of Capital

Unit: Except for the par value (in NT\$), numbers are in thousands (Shares or NT\$)

Month/ year	Par value (NT\$)	Authorized capital		Paid-in capital		Remarks		
		Shares	Value	Shares	Value	Sources of capital	Capital increased by assets other than cash	Other
03/2020	10	800,000	8,000,000	390,232	3,902,323	Cancellation of Restricted Stock Awards: 97 thousand shares	None	Note 1
08/2020	10	800,000	8,000,000	397,632	3,976,323	New issuance of Restricted Stock Awards: 7,400 thousand shares	None	Note 2
09/2020	10	800,000	8,000,000	397,624	3,976,243	Cancellation of Restricted Stock Awards: 8 thousand shares	None	Note 3

Note 1: Approval letter 1090008755 issued on March 31, 2020. Note 2: Approval letter 1090023135 issued on August 14, 2020.
Note 3: Approval letter 1090025409 issued on September 7, 2020.

4.1.4. Composition of Shareholders

April 13, 2021; Unit: Shares

Item	Shareholder types						Total
	Government agencies	Financial institutions	Other institutional shareholders	Foreign institutions & natural persons	Domestic natural persons	Other (Note)	
Number of shareholders	6	6	169	196	40,136	1	40,514
Shareholding (shares)	19,504,726	5,083,920	166,601,615	37,218,736	169,125,305	90,000	397,624,302
Shareholding (%)	4.91	1.28	41.90	9.36	42.53	0.02	100.00

Note: Including 90,000 shares of expired restricted stock awards yet to be cancelled

4.1.5. Shareholding Distribution Status

April 13, 2021; Unit: Shares

Class of Shareholding	Number of Shareholders	Shareholding (Shares)	Shareholding (%)
1-999	10,944	1,825,336	0.46
1,000-5,000	23,660	46,160,127	11.61
5,001-10,000	3,093	23,140,119	5.82
10,001-15,000	997	12,338,166	3.10
15,001-20,000	531	9,530,404	2.40
20,001-30,000	450	11,178,463	2.81
30,001-50,000	343	13,533,220	3.41
50,001-100,000	252	17,528,174	4.41
100,001-200,000	118	16,146,613	4.06
200,001-400,000	65	19,074,156	4.80
400,001-600,000	14	6,867,655	1.73
600,001-800,000	8	5,404,982	1.36
800,001-1,000,000	10	9,114,339	2.29
1,000,001 or over	29	205,782,548	51.74
Total	40,514	397,624,302	100.00

4.1.6. Major Shareholders

April 13, 2021; Unit: Shares

Shareholder's Name	Shareholding	
	Shares	%
Wistron Corp.	89,674,679	22.55
Cathay Life Insurance Co., Ltd.	14,154,044	3.56
Chang Gung Medical Foundation	11,715,509	2.95
Fubon Life Insurance Co., Ltd.	11,706,000	2.94
Labor Pension Fund (New Scheme)	9,577,561	2.41
Taiwan Life Insurance Co., Ltd.	9,524,426	2.40
Bank SinoPac in custody for Wistron NeWeb Corp.'s Restricted Stock Trust Fund (issued in 2019)	7,310,000	1.84
Haydn Hsieh	5,988,971	1.51
Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	4,212,787	1.06
China Life Insurance Co., Ltd.	4,103,000	1.03

4.1.7. Market Price, Net Worth, Earnings, and Dividends per Share During the Most Recent Two Years

Unit: NT\$

Item	Year		2019	2020	Jan. 1, 2021– Mar. 31, 2021
	Market Price per Share	Highest market price	Current	85	86.6
Adjusted			81.5	84.1	
Lowest market price		Current	67	45.1	73
		Adjusted	63.5	42.6	
Average market price		77.13	70.2	77.3	
Net Worth per Share	Before distribution		41.43	42.21	43.14
	After distribution		38.96	(Note 1)	—
Earnings per Share	Weighted average shares (unit: thousand shares)		388,289	390,154	390,224
	Earnings per share		3.76	3.76	0.70
Dividends per Share	Cash dividends		2.50005125	2.5 (Note 1)	—
	Stock dividends	Dividends from Retained Earnings	0	0	—
		Dividends from Capital Surplus	0	0	—
	Accumulated Undistributed Dividends		0	0	—
Return on Investment	Price / Earnings Ratio (Note 2)		20.51	18.67	—
	Price / Dividend Ratio (Note 3)		30.85	28.08 (Note 1)	—
	Cash Dividend Yield Rate (%) (Note 4)		3.24	3.56 (Note 1)	—

Note 1: Dividends per Share will be finalized after ratification at the 2021 shareholders' meeting.

Note 2: Price / Earnings Ratio = Average Market Price / Earnings per Share

Note 3: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share

Note 4: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price

4.1.8. Dividend Policy and Implementation Status

■ Dividend policy

If WNC shows a year-end earnings surplus, it shall firstly pay taxes in full, and then make up any accumulated losses. Thereafter a 10% appropriation of the remaining amount shall be set aside towards the legal reserve, unless the amount in the legal reserve is already equal to or greater than the total paid-in capital. Thereafter an amount shall be set aside or reserved as a special reserve in accordance with related laws, regulations, or provisions of the competent authorities.

Distribution of the remaining profit after setting aside the abovementioned amounts, together with the balance of the unappropriated retained earnings at the beginning of this period, shall be proposed, with no less than 10% as dividends to shareholders, by the Board of Directors and ratified at the shareholders' meeting.

In consideration that WNC is involved in a capital- and technologically-intensive industry and in consideration that WNC is expanding and to ensure its continued and steady growth, a long-term investment plan must be adopted. Therefore, WNC adopts a residual dividend policy as its dividend policy. The cash dividends shall not be less than 10% of the total dividends.

■ Proposed distribution of dividends

The proposal for the distribution of 2020 profits of cash dividends of NT\$2.5 per share, as listed in the table below, was passed at the meeting of the Board on March 17, 2021. The proposal will be implemented after ratification during the Shareholders' Meeting to be held on June 11, 2021.

Earnings Appropriation Statement for Year 2020

Unit: NT\$

Item	Amount
Unappropriated retained earnings at beginning of period	4,754,962,164
Plus: Profit after tax (net income) for the year	1,466,919,504
Minus: Changes in the remeasurements of the defined benefit plans	(12,492,000)
Plus: Share-based payment transactions	20,000
Minus: Legal reserve	(145,444,750)
Plus: Special reserve	77,426,574
Retained earnings for appropriation	6,141,391,492
Shareholder dividends and bonuses (Cash dividend: NT\$2.5 per share)	(993,835,755)
Unappropriated retained earnings at end of period	5,147,555,737

■ Descriptions of any expected significant changes to dividend policies: None

4.1.9. The impact of stock dividends distribution proposed in this shareholders' meeting toward WNC's business performance and EPS: N/A

4.1.10. Profit-Sharing Bonuses for Employees and Directors

- Percentage and scope specified in the “Articles of Incorporation”:

If WNC shows an annual profit (the profit herein indicates the pretax profit without deducting the profit-sharing bonuses for employees and directors), the profit will be appropriated in accordance with the following. However, the amount to make up any accumulated losses shall be set aside:

- No less than 5% as profit-sharing bonuses for employees; where such bonuses are distributed by shares or as cash; employees of controlled companies, with qualifications set by the Board of Directors, can be included;
 - No more than 1% as directors’ profit-sharing bonuses in cash.
- The accounting treatment if there is a difference between the actual distribution and the estimated basis for calculating profit-sharing bonuses for employees and directors, and the shares as stock bonus for employees:

If the actual amounts subsequently paid differ from the above estimated amounts, the difference will be recorded in the year paid as a change in accounting estimate.

- Profit-sharing bonuses distribution approved by the Board of Directors
 - The profit-sharing bonuses approved by the Board of Directors is NT\$175.658 million for employees and NT\$12.547 million for directors. There is no difference between the estimated expense and the proposed amounts approved by the Board of Directors.
 - Ratio of stock bonuses for employees to the net income of the parent-company-only financial statements: N/A
- The actual distribution of the employees' profit-sharing bonuses and directors’ profit-sharing bonuses during the previous year (including the distributed shares, amounts, and stock price): If there is a difference between the proposed amount, the difference, reason, and processing status, it shall be described.

Unit: NT\$

	Proposed amount approved by the Board	Actual distribution amount (Note)
Employees’ profit-sharing bonuses (in cash)	188,228,615	188,228,615
Directors’ profit-sharing bonuses	13,444,903	13,444,903
Total	201,673,518	201,673,518

Note: The above profit-sharing bonuses for employees and directors were expensed under WNC’s 2019 statement of comprehensive income and the same amounts were approved by the Board.

4.1.11. Buyback of Stock: None

4.2. Issuance of Corporate Bonds: None

4.3. Special Shares: None

4.4. Overseas Depositary Receipts: None

4.5. Employee Stock Options: None

4.6. Issuance of Employee Restricted Stock Awards

4.6.1. Issuance of Employee Restricted Stock Awards

May 5, 2021

Type of employee restricted stock awards	Employee restricted stock awards for the year 2016	Employee restricted stock awards for the year 2019
Date of effective registration	September 6, 2016	December 30, 2019
Issue date	November 1, 2016 / July 3, 2017	August 3, 2020
Number of employee restricted stock awards issued	6,990,000/510,000	7,400,000
Issued price	0	0
Employee restricted stock awards as a percentage of shares issued (%)	1.92	1.90
Vesting conditions of employee restricted stock awards	<p>Employees who are still in service at the end of vesting periods, are qualified to receive Restricted Stock Awards on the first anniversary of the grant date of Restricted Stock Awards, in a number determined for grant that year. Based on WNC's overall performance and the employees' performance assessment results, WNC shall determine the number of the Restricted Stock Awards distributable within the total number of shares to be granted during the year.</p> <p>1. WNC's overall performance indicators</p> <p>A. The vested ratio of the total number of Restricted Stock Awards to be granted during the year is determined based on WNC's EPS from the consolidated financial statements (which have been audited and certified by a certified public accountant) of the most recent year upon the expiration of the vesting period. WNC's EPS will be compared with those of other companies in the network-communications industry category:</p> <p>If WNC's EPS ranks among the top 1/3 of the companies in the network communications industry, the vested ratio will be 100%. If WNC's EPS ranks below the top 1/3 but among the top 2/3 of companies in the network communications industry, the vested ratio will be 75%. If WNC's EPS fails to rank among the top 2/3 of the companies in the network communications industry, the vested ratio will be 0%.</p> <p>B. The companies in the same network-communications industry category as WNC refer to: Sercomm Corporation, Gemtek Technology Co., Ltd., Microelectronics Technology Inc., Prime Electronics and Satellitics Inc., Zinwell Corporation, Alpha Networks Inc., CyberTAN Technology, Inc., Accton Technology Corporation, Arcadyan Technology Corporation, AzureWave Technologies, Inc., and Senao Networks, Inc. If there are changes to this list, the Remuneration Committee of WNC is in charge of approving the changes.</p>	<p>Employees who are still in service at the end of vesting periods, are qualified to receive Restricted Stock Awards on the first anniversary of the grant date of Restricted Stock Awards, in a number determined for grant that year. Based on WNC's overall performance and the employees' performance assessment results, WNC shall determine the number of the Restricted Stock Awards distributable within the total number of shares to be granted during the year.</p> <p>1. WNC's overall performance indicators</p> <p>A. The vested ratio of the total number of Restricted Stock Awards to be granted during the year is determined based on WNC's EPS from the consolidated financial statements (which have been audited and certified by a certified public accountant) of the most recent year upon the expiration of the vesting period. WNC's EPS will be compared with those of other companies in the network-communications industry category:</p> <p>If WNC's EPS ranks among the top 1/3 of the companies in the network communications industry, the vested ratio will be 100%. If WNC's EPS ranks below the top 1/3 but among the top 2/3 of companies in the network communications industry, the vested ratio will be 75%. If WNC's EPS fails to rank among the top 2/3 of the companies in the network communications industry, the vested ratio will be 0%.</p> <p>B. The companies in the same network-communications industry category as WNC refer to: Sercomm Corporation, Gemtek Technology Co., Ltd., Microelectronics Technology Inc., Prime Electronics and Satellitics Inc., Zinwell Corporation, Alpha Networks Inc., CyberTAN Technology, Inc., Accton Technology Corporation, Arcadyan Technology Corporation, AzureWave Technologies, Inc., and Senao Networks, Inc.</p>

	<p>C. With regard to WNC’s overall performance indicators, upon the occurrence of circumstances unforeseeable during the formulation of the current measures (such as international industry and economic situations having a significant impact on WNC’s operations), WNC’s remuneration committee may propose to adjust such indicators or the vested ratio. Any proposed adjustments to the indicators or ratio shall be approved by the Board of Directors before they can be applied.</p> <p>2. Employees’ performance indicators Subject to the company’s overall performance indicators above, Employees with service of one year, two years, and three years following the grant date of Restricted Stock Awards, and who obtain an A or above in their annual performance assessment results in the corresponding year(s), can receive up to the total number of shares to be granted during that/those year(s). Employees with a performance assessment result of A- may receive up to 80% of the total number of shares to be granted during the corresponding year. Employees with a performance assessment result of B or below forfeit any right to shares during the corresponding year.</p> <p>3. If WNC’s overall performance indicators fail to rank among the top 2/3 of the companies in the network communications industry, it is considered, in principle, that the vesting conditions are not met. However, if the employee who has been granted Restricted Stock Awards has made important contributions to the company and if the employee obtains an A or above in their performance assessment results in the same year, WNC’s remuneration committee may propose a different number of vested shares within the total number of Restricted Stock Awards granted to the employee during the year. Such a proposal shall be approved by the Board of Directors before it can be applied. In this case, WNC’s overall performance indicators will be excluded as one of the vesting conditions.</p>	<p>If there are changes to this list, the Remuneration Committee of WNC is in charge of approving the changes.</p> <p>C. With regard to WNC’s overall performance indicators, upon the occurrence of circumstances unforeseeable during the formulation of the current measures (such as international industry and economic situations having a significant impact on WNC’s operations), WNC’s remuneration committee may propose to adjust such indicators or the vested ratio. Any proposed adjustments to the indicators or ratio shall be approved by the Board of Directors before they can be applied.</p> <p>2. Employees’ performance indicators Subject to the company’s overall performance indicators above, employees with service of one year, two years, and three years following the grant date of Restricted Stock Awards, and who obtain an A or above twice in their annual performance assessment results in the corresponding year(s), can receive up to 100% of the total number of shares to be granted during that/those year(s). Employees who obtain an A and an A- in their performance assessment may receive up to 80% of the total number of shares to be granted during the corresponding year. Employees who obtain an A- twice may receive up to 60% of the total number of shares to be granted during the corresponding year. Employees with a performance assessment result of B or below forfeit any right to shares during the corresponding year.</p> <p>3. If WNC’s overall performance indicators fail to rank among the top 2/3 of companies in the network communications industry, it is considered, in principle, that the vesting conditions are not met. However, if the employee who has been granted Restricted Stock Awards has made important contributions to the company and if the employee obtains an A or above twice in their performance assessment results in the same year, WNC’s remuneration committee may propose a different number of vested shares within the total number of Restricted Stock Awards granted to the employee during the year. Such a proposal shall be approved by the Board of Directors before it can be applied. In this case, WNC’s overall performance indicators will be excluded as one of the vesting conditions.</p>
<p>Restricted rights of employee restricted stock awards</p>	<p>With the exception of inheriting stock awards, employees receiving Restricted Stock Awards shall not sell, pledge, transfer, gift to others, assign, or otherwise dispose of their Restricted Stock Awards before meeting the vesting conditions. Once employees meet the vesting conditions, the Restricted Stock Awards will be sent to employees’ settlement account via a trust account in accordance with the stipulations in the security trust agreement. Employees’ right to attend, raise proposals, speak,</p>	<p>With the exception of inheriting stock awards, employees receiving Restricted Stock Awards shall not sell, pledge, transfer, gift to others, assign, or otherwise dispose of their Restricted Stock Awards before meeting the vesting conditions. Once employees meet the vesting conditions, the Restricted Stock Awards will be sent to employees’ settlement account via a trust account in accordance with the stipulations in the security trust agreement. Employees’ right to attend, raise proposals,</p>

	<p>and vote at shareholders' meetings are enforced in accordance with the stipulations in the security trust agreement.</p> <p>Besides the rights stipulated in the security trust agreement mentioned in the previous paragraph, employees who receive Restricted Stock Awards in accordance with the regulations in this section also have the same rights, including but not limited to, stock dividends, bonuses, additional paid-in capital, and stock options via capital increase by cash, as other WNC common stock shareholders have, even before the vesting conditions are met.</p> <p>For employees who meet the vesting conditions for Restricted Stock Awards beginning with: book closure dates for issuance of bonus shares, book closure dates for ex-dividend, book closure dates for issuance of shares for cash capital increase, book closure period for shareholders' meetings as stipulated in Paragraph 3 of Article 165 of the Company Act, or other legal closure periods; and ending with the record date of stock rights distribution, the vesting time and procedures shall be decided in accordance with the security trust agreement.</p>	<p>speak, and vote at shareholders' meetings are enforced in accordance with the stipulations in the security trust agreement.</p> <p>Besides the rights stipulated in the security trust agreement mentioned in the previous paragraph, employees who receive Restricted Stock Awards in accordance with the regulations in this section also have the same rights, including but not limited to, stock dividends, bonuses, additional paid-in capital, and stock options via capital increase by cash, as other WNC common stock shareholders have, even before the vesting conditions are met.</p> <p>For employees who meet the vesting conditions for Restricted Stock Awards beginning with: book closure dates for issuance of bonus shares, book closure dates for ex-dividend, book closure dates for issuance of shares for cash capital increase, book closure period for shareholders' meetings as stipulated in Paragraph 3 of Article 165 of the Company Act, or other legal closure periods; and ending with the record date of stock rights distribution, the vesting time and procedures shall be decided in accordance with the security trust agreement.</p>
Custody status of employee restricted stock awards	Managed by security trust	Managed by security trust
Measures to be taken when vesting conditions are not met	WNC will redeem at no cost and cancel the employee restricted stock awards when vesting conditions are not met.	WNC will redeem at no cost and cancel the employee restricted stock awards when vesting conditions are not met.
Number of employee restricted stock awards that have been redeemed or bought back	655,000	210,000
Number of released restricted stock awards	6,845,000 (Note)	0
Number of unreleased restricted stock awards	0	7,190,000
Ratio of unreleased restricted stock awards to total issued shares (%)	0	1.81
Impact on shareholder rights	As of 2016, 6,845,000 shares of restricted stock awards were vested. Since the rights and obligations of the vested shares are the same as those of the common stock issued by WNC, there is no significant impact on the shareholders of WNC.	Since the restricted stock awards for the year 2019 have not been vested as of May 5, 2021, there is no significant impact on WNC shareholders.

Note: The number of released shares does not include the 655,000 shares that were redeemed and cancelled.

4.6.2. List of executive officers receiving restricted stock awards and the top ten employees with restricted stock awards

May 5, 2021 Unit: NT\$/share

	Job title	Name	No. of restricted stock awards received	Restricted stock awards received as a percentage of shares issued (%)	Released			Unreleased				
					Number of released shares	Issued price	Issued amount	Released restricted shares as a percentage of shares issued	Number of unreleased shares	Issued price	Issued amount	Unreleased restricted shares as a percentage of shares issued (%)
Executive officers	Chairman & CSO	Haydn Hsieh	3,045,000	0.77	0	0	0	0	3,045,000	0	0	0.77
	Director, President & CEO	Jeffrey Gau										
	Executive Vice President and General Manager of Business Group	Larry Lee										
	Sr. Vice President and General Manager of Business Group	Fayu Chen										
	Vice President and General Manager of Business Group	Johnson Hsu										
	Vice President	Ray Lee										
	Vice President	Chris Hwang										
	Vice President	TJ Chen										
	Vice President	Apollo Shyong										
	Vice President	Joseph Chi										
	Vice President	Repus Hsiung										
	General Plant Manager	Hugo Chen										
	Chief Financial Officer	Jona Song										
	Chief Supply Chain Officer	Amy CY Hsu										
Chief Technology Officer	Horen Chen											
Associate Vice President	Owen Tai											

	Job title	Name	No. of restricted stock awards received	Restricted stock awards received as a percentage of shares issued (%)	Released			Unreleased				
					Number of released shares	Issued price	Issued amount	Released restricted shares as a percentage of shares issued	Number of unreleased shares	Issued price	Issued amount	Unreleased restricted shares as a percentage of shares issued (%)
Executive officers	Associate Vice President	Robin Wu										
	Associate Vice President	Jack YC Liu										
	Associate Vice President	CW Sheu										
	Associate Vice President	David Tsai										
	Associate Vice President	ChingLung Chen (Note 1)										
	Associate Vice President	Kidd Huang (Note 2)										
	Associate Vice President	James Chen (Note 3)										
Employees	Vice General Plant Manager	Jason YH Chen	935,000	0.24	0	0	0	0	935,000	0	0	0.24
	Associate Vice President	Jonathan Li										
	Associate Vice President	Joanne Han										
	Associate Vice President	Having Lu										
	CQO	I Wei Tao										
	CTO of the Networking BG	Gene Chuang										
	Associate Vice President	Kris Chang										
	Associate Vice President	Dennis Chan										
	Sr. Associate Vice President	Paul Chen										
	Associate Vice President	Cosine Kuo										

Note 1: Mr. ChingLung Chen was promoted to Associate Vice President on March 11, 2020.

Note 2: Mr. Kidd Huang was promoted to Associate Vice President on November 11, 2020. Note 3: Mr. James Chen was promoted to Associate Vice President on April 1, 2021.

4.7. Status of New Share Issuance in Connection with Mergers and Acquisitions: None

4.8. Financing Plans and Implementation: N/A

5 Overview of Business Operations

5.1. Business Content

5.1.1. Business Scope

Main business services

CC01060	Wired Communication Mechanical Equipment Manufacturing
CC01070	Wireless Communication Mechanical Equipment Manufacturing
CC01101	Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing
CC01080	Electronics Components Manufacturing
F401021	Import trading business of restricted radio frequency machinery, with permission only for radio transmitters
F401010	International Trade

Research, development, manufacturing and sales of the following products:

- Satellite communications products
- Mobile and portable communications products

Import/export trade services for the above-mentioned products

■ Revenue distribution

Revenue Distribution of Products by Category

Unit: Thousand NT\$

Item	Year	2020	
		Amount	Percentage (%)
Wireless communications products		60,582,247	96.70
Others		2,066,484	3.30
Total		62,648,731	100.00

■ Current products

Category	Item
Satellite communications products	<ul style="list-style-type: none"> • DTH TV dish antenna systems • Single cable multi-output outdoor receiver systems and derivative products • Satellite digital signal convertors • Digital satellite radio receiver systems • Digital HD radio receiver systems • Satellite communications transmitters • 4K/8K high-definition digital satellite radio receivers • Lightweight high-frequency satellite two-way communications receivers

Category	Item
Mobile and home communications products	<ul style="list-style-type: none"> • Wireless broadband access network communications equipment and modules • Mobile indoor and outdoor broadband network terminal devices • Next-generation mmWave cellular signal boosters • Embedded antennas for mobile devices • Fiber-optic connectivity devices • Surveillance cameras • Automotive cellular/Wi-Fi/BT modules • V2X communications end devices • Wi-Fi mesh routers • BLE modules and sensors • High-speed datacenter network switches • Next-generation mmWave mobile broadband home gateways • Smart home devices with voice assistant • Next-generation V2X communications OBU • V2X roadside communications modules
Other wireless products	<ul style="list-style-type: none"> • Miniaturized high-frequency forward collision warning automotive radar devices • Miniaturized high-definition automotive cameras • mmWave transmission modules • Industrial cellular modem • Narrow-band IoT asset-tracking devices • RFID portal antennas

■ New products under development

Category	Items
Microwave communications product series	<ul style="list-style-type: none"> • Next-generation high-power mmWave transceivers • Next-generation miniaturized mmWave RF/antenna units • Outdoor mmWave long-range communications equipment • Non-geostationary satellite broadband equipment
Mobile and home communications product series	<ul style="list-style-type: none"> • 802.11ax smart devices with voice assistant • Wi-Fi 6E enterprise-level access points • Microcell base station radio units • Mobile network infrastructure distribution units • AIoT image sensors • Automotive AI image sensors • Fleet management recording and tracking devices • UWB positioning devices

5.1.2. Industry Overview

■ Industry development trends and current market conditions

WNC has historically paid great attention to industry trends in wireless technology across a range of frequency bands, and has cultivated professional competencies in high-speed wireline networks and future communications technologies over time. Implementation of next-generation network frameworks will drive a new wave of market growth, as exemplified in the following sections:

For smart internet applications in the home, as of Q3 2020, there were more than 1.16 billion households worldwide with wired broadband of which more than 60% were using fiber-optic broadband. The number of households using fiber-optic broadband increased by 10.9% in 2020 from 2019 due to the COVID-19 pandemic. In North America, the deployment of coaxial cable broadband is the main driving force in the market, whereas the European market is seeing the continued deployment of Fiber-to-the-home (FTTH). Fiber-optic and coaxial cable broadband are increasing global network speeds, which in turn is accelerating the upgrade of internet infrastructure and creating demand for high-bandwidth LAN in the home. These deployments are also paving the way for next-generation mobile wireless communications technologies, where the integration of wireline and wireless connectivity will further improve internet services. Smart home applications made possible by integrating home Wi-Fi meshes, continually improving AI algorithms, and voice assistants such as Google Assistant or Amazon Alexa have brought greater convenience to people's lives.

For next-generation mobile communications, after many years of development, 4G transmission speeds have increased from LTE Cat. 4 to LTE Cat. 20, matching current fiber-optic speeds. Telecommunications companies around the world are investing heavily in next-generation 5G mobile networks due to its extremely low latency and low power consumption characteristics, and wireless internet is gradually replacing wired internet, just as fiber-optics replaced copper wiring. In 2019, the United States began active deployment of 5G networks, further accelerating the implementation of 5G mobile broadband. Due to the ongoing COVID-19 pandemic, seamless broadband connectivity has become a necessity for work as well as social interaction, leading to greatly increased demand for mobile broadband networks. The gradual popularization of 5G networks has increased the scope of its applications to include IoT markets, such as automotive communications, which require extremely low-latency connectivity and integration of sensors based on radar, camera, lidar, and other technologies. Connected devices need to process much more data in a shorter period of time than in the past, which highlights the importance of AI-assisted data screening. The edge computing capabilities of GPUs, TPUs, and other high-speed processing units combined with deep learning algorithms will expand network applications beyond those of specialized networks. AI algorithms will enable the full utilization of the transmission capabilities and bandwidth of next-generation networks, creating many new business opportunities for the market.

In recent years, the automotive sector has become a hot market for the electronics industry. According to a report published by TSR, a marketing research company in Japan, in 2018/2019 about 30% of cars had internet connectivity as standard equipment, and more than half of new cars produced in 2023 will have internet connectivity. In the future, Telematics Service Providers (TSPs) will bring about new IoV services, such as car control, parking space searching, real-time traffic monitoring and route planning, rental car sharing, voice-controlled automotive entertainment systems, and better automotive safety and driving assistance systems. The maturation of voice-control devices will allow them to expand from the general consumer market to the automotive industry. In connected vehicles, voice control will allow drivers and passengers to have more intuitive control of automotive entertainment systems. Smart home services may also be integrated into such systems. Development of V2X technologies such as DSRC and C-V2X has proceeded steadily, and upstream chip vendors began developing V2X-capable automotive products and roadside equipment in 2019 due to the implementation of 5G C-V2X standards. V2X technologies, integrated into ADAS systems, have become standard in many cars on the U.S. automotive market, filling the gaps which standard sensors cannot fill and providing drivers with more safety information such as on upcoming traffic conditions. The V2X market is expected to grow significantly. This technology will benefit all road users and reduce the number of

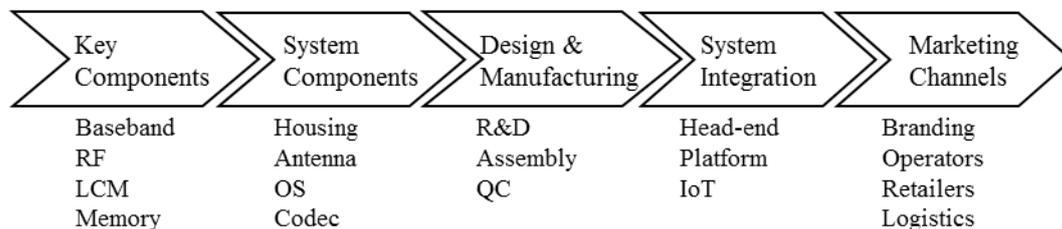
accidents. Sensor fusion and the integration of V2X with ADAS are key for cars to quickly achieve Level 4 autonomous driving.

According to a report published by IDC, global IoT spending will grow to around US\$1 trillion in 2022 for a CAGR of 13.2%, mainly in the areas of production line management, smart home applications, and shipment monitoring. The U.S. will account for 25.2% of global IoT spending in 2022, with China coming in second at 24.3%. Hardware spending in IoT will primarily be for infrastructure, with demand for LPWAN connectivity technologies such as NB-IoT and Cat-M growing rapidly. In software, many enterprises have started to use customized open source software platforms to reduce software costs.

Logistics management in e-commerce has become much more important in light of the COVID-19 pandemic. Ecosystems and customized modules will need to be established via IoT platforms, and the integration of AI and the IoT (AIoT) will lead to rapid growth for the IoT market and create new business services. The incorporation of AIoT in the Cloud, end devices, and the Internet has led to the integration of voice control and visual identification in many consumer products in 2019-2020, turning them into smart end devices. In the future, more and more home appliances and end devices are expected to become AIoT devices. AIoT will also reduce costs and enable more flexible production for the Industrial IoT, allowing it to better adapt to rapidly changing markets. In 2020, many service operators have been actively promoting 5G private networks, which will lead to faster growth for the IoT in the vertical applications market.

■ Industry value chain

The electronics industry is characterized by its long supply chain, numerous components, and complex cooperative-competitive partnerships. Coinciding with the integration of a variety of product categories and diversified operational strategies, members within the industry value chain have steadily increased. Recent trends demonstrate that antiquated boundaries between specialized divisions and within vertically integrated structures are becoming blurred as the complexity of products increases.



■ Product development trends

- Popularization of voice control

Amazon Alexa, Google Assistant, and Apple Siri are currently the three most popular voice assistants. Their success has pushed many makers to improve the voice control functionality of their digital applications, and their influence has expanded from personal and family products to the automotive and industrial sectors. IoT products are improving rapidly in connectivity, processing and human-machine interaction, and their self-learning capabilities. Alongside comprehensive platform services and analysis functions, they will facilitate fully functional smart living. A rapidly growing market of voice-controlled devices is expected to play an important role in the networks of the future.

- Upgrades in wireless bandwidth

With the maturation of online streaming and extended reality (XR) technologies, there is growing demand for convenient, high-bandwidth wireless connectivity. This demand has led to the rapid growth of 802.11ad, 802.11ax (Wi-Fi 6), Mesh, 5G, and other high-bandwidth wireless communications technologies. 5G will be a key technology in the next decade, because it can bring about a world of ubiquitous real-time connectivity. According to a report, there were 5.3 billion mobile end devices worldwide in 2010, and this number has grown to around 11 billion in 2020 and is expected to reach 17 billion in 2030. In China alone, the monthly network traffic of mobile users is projected to be 130 times higher in 2030 compared to 2010, presenting gigantic growth in economies of scale. Since

different wireless communications technologies have different characteristics, more diverse antenna design capabilities, more precise manufacturing, and more flexible production resource allocation will be required. These capabilities will be the keys to success in the upcoming connectivity revolution.

- **Commercialization of AI**

In 2017, AlphaGo, a computer program developed by Google, achieved a decisive victory over one of the highest ranked professional Go players in the world. Later on, through self-learning, AlphaZero achieved Go skills that no human has ever achieved. In the span of a few years, AI has achieved exponential growth, and its self-learning processes and convolutional neural networks are being implemented in the industrial sector, transportation, IoT analysis, and other big data applications. In the future, we hope that the varied infrastructure supporting our daily lives will all have self-learning, self-adapting, and self-adjusting capabilities. The realization of such capabilities will rely on software development capabilities, and will pose a great challenge to network reliability. Striking a balance between cloud and edge computing will be key in determining whether AI services will be successful.

- **Virtualization of network architecture**

The disruptive technologies and developments mentioned above are all closely linked to the Internet. Without the Internet, it would have been difficult to develop technologies such as voice services, wireless broadband, and AI. Because many things depend on the Internet, a lot of stress has been placed on network backbones around the world, and has brought people's attention to SDN/NFV and other network virtualization technologies. The implementation of virtualization technology has grown from massive data centers to include various network service platforms. Virtualization is seen as the solution that can meet the bandwidth demand in the 5G age. Using virtualization technology as a foundation enables more flexible data transformation using network slicing, allowing for a variety of new applications to be developed. Open network infrastructure along with universal hardware and virtualization will make networks more flexible and more compatible. It will also make them easier to organize, set up, and manage. The standardization of network equipment marks an expansion in scope and will pave the way for new supply chains and the establishment of an open and free Internet.

- **Competitive environment**

With the development of IoT, big data, AI, and new network applications, the demand for network products is rapidly increasing, related technologies are continuously being upgraded, and more and more peer manufacturers are flocking to new business opportunities. Nevertheless, compared to ordinary wired network products, wireless communications products possess higher technical requirements for wireless RF, antenna design, and network access verification. To fulfill an IoT project-type market that often requires diverse products requested in small quantities, within multi-element applications fields, and with high levels of customization, only manufacturers with deep experience in wireless product design and the capacity for efficient design, effective verification, and scalable mass production can occupy crucially advantageous positions in the new market.

In light of changes to global economies and trade as well as impacted production and materials the cost for manufacturing and raw materials has increased. Manufacturers now need to be able to procure key materials through strategic partners and obtain price advantages in mass procurement by efficiently utilizing automated flexible production and by avoiding overly diversified raw material parts in their designs; this has become a crucial element for success in the manufacturing industry. Chips as raw materials, due to the integration trend, are also experiencing intensified market competition. Thus one of the main factors for achieving success is determining how to maintain competitiveness in emerging supply chains, while obtaining direct technical support from chip suppliers. All in all, only technology leaders that have firm control over these supply chains and any technical improvements therein, and that effectively leverage their interactions, can widen the gap between themselves and their peers, maintain their advantage, and provide customers with superior products and services.

5.1.3. Technology Research and Development

Research and development expenditures during the last fiscal year and the current fiscal year.

Unit: Thousand NT\$

Year	2020	Jan. 1, 2021–Mar. 31, 2021
Research and development expenditures	2,563,770	652,564
Percentage of total revenue (%)	4.09	4.25

Successfully developed technologies or products in 2020

Category	Technology or product
Mobile and home communication products	<ul style="list-style-type: none"> • Next-generation outdoor mmWave cellular signal boosters • Next-generation mobile broadband base station RF antenna units • Next-generation high-power mmWave mobile broadband access point • Wi-Fi 6E enterprise network access equipment • Wi-Fi 6 wireless mesh router • C-V2X roadside communications devices
Other wireless products	<ul style="list-style-type: none"> • Miniaturized high-resolution in-car cameras • Industrial cellular modem • SD-WAN appliances • Automated RFID tunnel antennas

5.1.4. Long-Term and Short-Term Business Development

Category	Marketing strategy	Operations management
Short-term business development	<p>Focusing on technology-oriented ODM/JDM services, WNC sets short-term goals to fully understand and cooperate with all major service operators, channel operators and branding companies in corresponding sales regions, and to improve its interaction with distributors, aiming to establish integrated marketing channels.</p>	<ul style="list-style-type: none"> • Sustained technology development WNC is built on its professional management team with many years of technological experience. In addition to continuous improvement in the quality of current products, WNC will continue developing products with higher transmission rates and richer functionality to respond to market demands. • Improving production capacity and manufacturing capability In coordination with business expansion and new product development schedules of the company, WNC plans to consolidate and make full use of existing production capacity to actively improve its manufacturing capability and lower costs. It aims to turn its manufacturing strength into the core competency that can create profits.
Long-term business development plans	<p>WNC plans long-term marketing strategies to strengthen current customer relationships and broaden its market share of products. In addition, WNC emphasizes interaction and communication with its customers. WNC's aim is to meet customer demands through effective communication to provide the right product for the right market and proactively develop products for niche markets.</p>	<ul style="list-style-type: none"> • Implementing internal control systems WNC's operations management planning process involves establishing complete management measures and effectively implementing internal control systems, confirming that all areas of operations achieve their goals with efficiency and favorable outcomes. It also involves releasing reliable financial reports and complying with corresponding laws and regulations. By undertaking all of these actions, WNC aims to ensure the profit levels, performance standards, and asset security of the company. • Enhance product research and development With deep understanding of every change in both markets and technologies, development of niche products that feature high profits and growth rates are possible. WNC continues to invest in research and development to grasp key component technologies with the aim of achieving the highest level of consumer satisfaction and product profit levels. • Establishing economies of scale By proactively developing new customers and product lines to realize the effects of economies of scale, and with production capacity expansion and manufacturing capability enhancement, WNC aims to lower manufacturing costs and improve overall competency as well as obtain reasonable growth of both business scale and business profits. • Operational scale in coordination with financial policy <ol style="list-style-type: none"> a. Establish and integrate domestic and overseas productivity according to operational needs. b. Enhance asset and liability management capability, maintain reasonable cash conversion cycles, and provide a healthy financial structure.

5.2. Market and Sales Overview

5.2.1. Market Analysis

Geographic distribution of major product markets

Unit: Thousand NT\$

Area \ Year	2019		2020	
	Amount	Percentage of revenue (%)	Amount	Percentage of revenue (%)
The Americas	30,742,987	49.39	28,309,531	45.19
Asia	14,715,950	23.64	15,363,164	24.52
Europe	16,690,134	26.82	18,927,150	30.21
Others	90,511	0.15	48,886	0.08
Total	62,239,582	100.00	62,648,731	100.00

Market share

From its establishment in 1996 WNC has continuously developed wireless technologies, accumulating much practical experience, and achieving the following milestones:

- Highest revenue of listed network communications manufacturers in Taiwan
- Largest worldwide supplier of satellite TV antennas
- Leading supplier of in-vehicle satellite radio and vehicle network devices
- Major supplier of in-vehicle wireless modules, HF radar products, and smart meter communications solutions
- Preferred partner of key global chip suppliers for enterprise-level wireless communications products
- 30% market share of laptop built-in antennas (no. 1 globally)

In terms of mobile communications networks and enterprise-level wireless devices WNC is second-to-none as a global supplier. In addition to long-term development of 3G and 4G technology the company was a pioneer in the development of 5G technology as well as being the first company to release enterprise-level Wi-Fi 6 products. These indicate that WNC's technological capability and product quality is recognized by customers from each industry. In the future, WNC will continue to follow its core values to serve its customers.

Future market status and growth potential

Improvements in Internet technology bring about new applications, which in turn lead to the development of various new technologies. Then, as the new technologies are commercialized, the Internet requires further upgrades, forming a never-ending cycle of technological advancements. As we progress toward the goal of a completely wireless world, wireless technologies have developed from one-way control to two-way communications tools. In the future, wireless power/energy transfer will free human creativity from the constraints of power cables, leading to major advancements in product design. As a leader in broadband communications, WNC has always believed that broadband wireless technology development is a never-ending journey. Just as athletes always strive to become faster and stronger, companies are continually working to increase the transmission speed/distance and lower the power consumption of communications technologies. Through this process, we have learned how to overcome environmental, physical, and cost limitations to painstakingly craft our products. In today's overly saturated consumer electronics market, products need to become more refined to remain competitive. Service suppliers, brand companies, and system integrators are starting to emphasize ease-of-use, aesthetics, and low power consumption, because in today's world, electronics products not only need functionality, but also need to focus on various design aspects and find a balance within limitations. In the age of integration, the only companies that can survive are those who have mastered diverse technologies and have extensive experience in development. WNC has a solid foundation in

wireless communications technologies, and our software development and system integration capabilities are core competencies that our customers rely on. These unique traits and our know-how are the reasons that WNC is continuing to grow and thrive today.

Competitive Advantages

■ Competitive advantages of WNC

- Professional management team

The management team at WNC has accumulated many years of experience and management capability in the communications field enabling us to fully understand market changes. The management team leads all functional teams to create, practice, and continuously enhance our competitive advantages. The management team at WNC leads the company toward its customer satisfaction goals through a company culture of fundamentals advocacy, teamwork cohesion, customer focus, and value creation.

- Complete product technical solutions

WNC applies its fundamental strengths in antenna and RF design capabilities. Those strengths are focused in the broadband, multimedia, and IoT domains and in the development of a full range of short-, medium-, and long-distance communications products. WNC has rich experience in microwave communications, digital wireless communications, antenna design, software engineering, and multimedia integration development. Through its outstanding research and development capabilities and in-depth cooperation with global industries, WNC not only provides multi-product solutions but is also able to provide complete technical services including product conception, design, verification, production, and logistics.

- Comprehensive quality management systems

WNC devotes itself to product and service quality and efficiency and has continually made improvements to its management systems. The management system certifications that WNC has obtained include: Quality-related certifications such as ISO 9001:2015, IATF 16949:2016, TL9000-H R5.5/M5.0, ANSI/ESD S20.20:2014, and ISO/IEC 17025:2005; green product certifications such as IECQ QC 080000, SONY Green Partner, and FSC™ Chain-of-Custody; ESH-related certifications such as ISO 14001:2015, ISO 14064-1:2006, OHSAS 18001:2007, CNS 15506:2011, and ISO 50001:2011; and information safety-related certifications such as ISO/IEC 27001:2013 and AEO. WNC also continues to implement Six Sigma and Business Process Improvement (BPI) projects in order to provide the highest quality products and services to our customers. WNC established a complete customer advisory system and after-sales service to enhance customer satisfaction and maintain long-term partnerships.

- Lean cost control mechanism

Markets are continuously expanding, and WNC is able to preserve its advantage by maintaining competitive economies of scale. By its lean cost-control mechanism, WNC not only assures the company's steady profit-making capabilities but also continuously improves the company's total operational performance.

Future development factors and response strategies

Type	Description	
Favorable factors	<ul style="list-style-type: none"> 5G and mmWave <p>2020 was a year of expansion for 5G networks. With a need for high speed, low latency, and widespread deployment every large operator and network and communications manufacturer has joined in the roll out of 5G. The deployment of open 5G networks has driven the upgrade of basic network infrastructure. This next-generation virtualized infrastructure uses universal interfaces to connect high speed/bandwidth RF and processing units, in turn bringing about increased business opportunities for network communications companies. Besides its investment in 5G technologies, WNC is also an active member of the O-RAN Alliance, contributing with its extensive knowledge of mmWave technology. This has enabled WNC to conduct R&D of 5G mmWave head-end and user-end products from an advantageous forward position. In addition to wireless networks, WNC is already shipping high level wired network equipment and is gradually staking out a position in wired network technology fields, participating alongside the major basic infrastructure players, laying a solid foundation for its involvement in the deployment of 5G backbone networks.</p>	
	<ul style="list-style-type: none"> AIoT <p>Smart products have existed in the consumer market for some time, but in recent years, advancements in AI have boosted the value of such products. Increasingly advanced algorithms and deep learning made possible by big data analysis have helped smart products become more able to adapt to different usage scenarios. However, with convenience comes new issues. Increased bandwidth loading, increased network latency, and security concerns are all issues that need to be quickly addressed. Thus, it is necessary to properly allocate the processing resources of smart products so that time-critical data that requires secure transfer is transmitted by the quickest and most secure method, and that this data is transferred back on a secure and stable network to enhance the overall user experience of smart products. These requirements have previously and repeatedly been discussed during the development of autonomous vehicles. Developers and manufacturers of smart products will create many new opportunities and face many new challenges.</p>	
Type	Description	Response measures
Unfavorable factors	<ul style="list-style-type: none"> Slow economic growth <p>According to the evaluation report of the World Bank, due to the ongoing COVID-19 pandemic, economic growth forecasts for 2021 are not optimistic. The US-China trade war and geopolitical tensions are expected to subside after the 2020 US presidential election. However, due to supply chain shortages and slowdowns in the economies of many countries, the overall outlook for the global economy remains gloomy.</p>	<p>In response to the US-China trade war WNC establishes factories in Vietnam (V1) and Tainan (S2) giving customers greater flexibility in choice of manufacturing locations. Now, with the onset of the COVID-19 pandemic we have accelerated the optimization of global capacity as well as the upgrade of supply chains. In this way production yields can be improved and revenue and profit growth increased.</p>
	<ul style="list-style-type: none"> Operational costs have increased and customer costs have been reduced <p>Labor costs in mainland China are rising due to new local regulations, and this has placed great pressure on the entire manufacturing industry regarding cost of materials and manufacturing. Current operators need to invest in even larger scale equipment for 5G take up, thus also needing to massively reduce operational costs and capital expenditure. Global political risks and uncertainties still exist, which may have a direct or indirect influence on the operations and profit-earning ability of the company.</p>	<p>In addition to continue optimizing its global production capacity allocation to support future business growth, WNC will also look to reduce its labor costs and utilize flexible marketing strategies with rapid product integration development capability to match the right product to the right niche market while responding to market demand. The above measures allow WNC to pursue maximum profits, expand the scope of operations, and lower manufacturing costs. Meanwhile, as operators seek to reduce costs and switch from branded to unbranded equipment, many new opportunities abound for WNC who has maintained good relationships with these operators.</p>
	<ul style="list-style-type: none"> Weak US and European currencies influence company profits <p>Since WNC is mainly focused on export sales of products, changes in exchange rate can affect the profitability of the company.</p>	<p>The finance units must focus on changes in exchange rates and the demand for capital at all times and take all necessary measures to mitigate risks.</p>

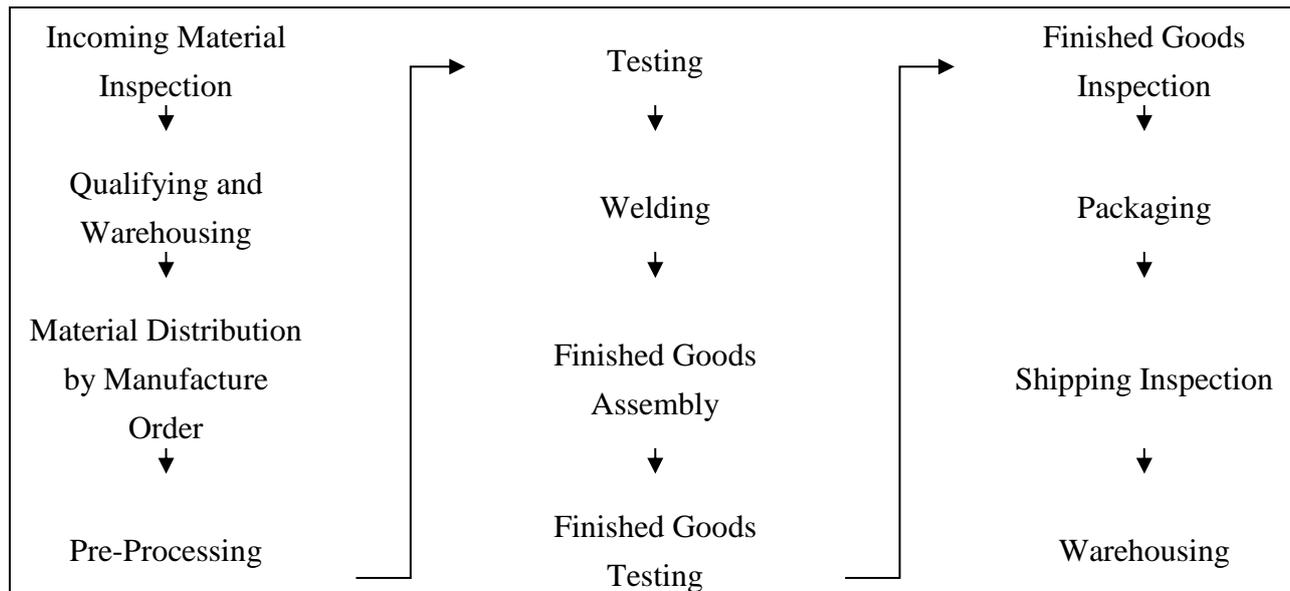
5.2.2. Primary Applications of Major Products and Production Processes

Primary Applications

Type	Functions and features of products	Main applications
Antenna Solutions	<ul style="list-style-type: none"> • Key technologies include satellite antennas, multi-band antennas and embedded antennas (for use in laptops and tablets). • Provision of fast and complete customization services according to different system requirements, as well as antenna modification designs in accordance with ECN. • Cutting edge manufacturing equipment, high performance processes and reliable automated production enable processes to be adjusted according to different product application environments, ensuring antenna quality and cost effectiveness. • IoT module solutions for connectivity devices, platforms include Bluetooth, Bluetooth Low Energy, UHF RFID and NFC. 	<ul style="list-style-type: none"> • Signal receiving and transmission for all kinds of wireless communications devices • Wireless receiving and transmission for IoT devices • Satellite HF signal receiving and transmission
Module Solutions	<ul style="list-style-type: none"> • Provision of all kinds of form factors and technologies (Wi-Fi, Bluetooth, 3G/4G/5G, mmWave, LPWA) in support of a wide range of application requirements. • Specialized RF design capability to enhance transmission strength and achieve outstanding performance. • Module and system design experience, automated production and test process capabilities, monthly output can achieve millions of units. • System in Package capabilities means requirements for small form factor IoT device manufacturing can be easily met. 	<ul style="list-style-type: none"> • Expansion and flexible conversion of a wide range of wireless communications technology
Internet Access Solutions	<ul style="list-style-type: none"> • 3G/4G/5G user equipment • Verification of 5G vRAN software/hardware platforms • 5G mmWave High Power CPE & Repeater • Enterprise networks software/hardware platforms • Precision integration of wireless and wireline networks • High speed next generation fiber optics network (XGS-PON, NG-PON2) access equipment and platform integration 	<ul style="list-style-type: none"> • Enterprise intranet construction and management • Telcom WAN end user access • Wi-Fi hotspot equipment
Smart Home Solutions	<ul style="list-style-type: none"> • Integration of cutting edge IPTV technologies such as DRM, middleware, Video on Demand, and high performance chip sets for UHD and FHD OTT decryption. • Specialized design and manufacture of antennas and signal converters for all types of DBS product applications. • Capability in system integration design of high frequency circuits, antenna feed subsystems and dish reflectors, so as to achieve highest product performance and smallest form factor. • Integration of all kinds of wireless technologies, supporting monitoring and control of all types of smart devices. • PSIA certified full-HD indoor/outdoor IP cameras with HDR and image analysis functions 	<ul style="list-style-type: none"> • Sharing, broadcast and control of multimedia content • Smart home security monitoring

Type	Functions and features of products	Main applications
Enterprise Networks and Data Centers solutions	<ul style="list-style-type: none"> • Enterprise Wi-Fi terminal access gateways and Mesh software design • Enterprise mmWave P2P Base Station Backhaul • Data center 400G grade spine switch • Data center Leaf/TOR (Top Of Rack) switch • vCPE/uCPE for SD-WAN 	<ul style="list-style-type: none"> • Enterprise use LAN and management systems • Software Defined Networks and data centers and core network equipment
AIoT Solutions	<ul style="list-style-type: none"> • Smart meters: supplying 3G/4G communications module solutions to Europe, US, Japan, Australia markets as well as home use meter communications modules and smart meter communications hubs • Satellite positioning asset trackers • Wearable satellite positioning asset trackers • Hybrid cloud computing self-organizing network (SON) wireless relay system prototypes • IoT hybrid cloud system big data processing software and SON software • Hybrid cloud environment IoT learning system design • System integration and verification ability approved by major European, US and Japanese operators 	<ul style="list-style-type: none"> • Wireless communications for IoT vertical applications markets
Automotive solutions	<ul style="list-style-type: none"> • TS16949 verification equipment, complete testing lab and quality control systems for end to end services • Telematics: WLAN/Bluetooth, 3G/4G automotive communications modules and other telematics applications • Vehicle trackers: high level system integration capability for US/Japan/Europe markets OBD-II and fleet management devices • Contract SDARS module manufacturer for major US satellite broadcasters • Tier 2 supplier for international automobile manufacturers, skilled in design and manufacture of RF and microwave related products for satellite and terrestrial communications applications • Comprehensive design and R&D capabilities in HD Radio™ satellite broadcast and DAB broadcast products • Scalable and price competitive blind spot detection (BSD) radar sensor solutions • Complete 24 GHz and 76/77 GHz technology portfolios, supporting advanced driver assistance system (ADAS) applications and functions 	<ul style="list-style-type: none"> • Telematics receiving and network equipment • Vehicle-to-everything (V2X) equipment • Advanced Driver Assistance Systems (ADAS)

Production Process



5.2.3. Supply/Demand Status of Major Raw Materials and Components

The primary raw materials and components of WNC comprise items such as integrated circuits, storage devices, LCDs, filters, chipsets, connection cables and connectors, mechanical components, dish antennas, and PCBs. WNC maintains business relations with at least two and sometimes more suppliers for each type of raw material or component, and, once vendors are qualified, maintains stable and favorable relationships with them.

In addition to fully controlling the integrity of incoming raw materials and components, WNC has strict requirements regarding the source of materials, quality, and delivery to ensure that there are no issues with the supply of raw materials and components.

5.2.4. Accounts Representing At Least 10% of Total Sales & Purchases During the Most Recent Two Years

Key Buyers: None

Key Suppliers: None

5.2.5. Production Value During the Most Recent Two Years

Unit: Set; Thousand NT\$

Year Production Major product	2019			2020		
	Capacity	Quantity	Value	Capacity	Quantity	Value
Wireless communications products	268,000,000	265,720,061	64,385,983	325,000,000	310,452,524	63,504,435

Note: WNC's major products are wireless communications products. The changes in capacity and quantity were primarily caused by changes in the product portfolio.

5.2.6. Sales Value During the Most Recent Two Years

Unit: Set; Thousand NT\$

Year Sales Major Product	2019				2020			
	Domestic		Export		Domestic		Export	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Wireless communications products	12,862,517	1,860,055	189,053,621	58,566,947	12,160,377	1,554,183	222,892,076	59,028,064
Others	0	165,209	0	1,647,372	0	145,544	0	1,920,940
Total	12,862,517	2,025,264	189,053,621	60,214,318	12,160,377	1,699,727	222,892,076	60,949,004

5.3. Employee Data During the Most Recent Two Years and the Current Fiscal Year up to the Date of Printing of the Annual Report

Year		2019	2020	Jan. 1, 2021– Mar. 31, 2021
Number of employees	Sales	400	395	406
	Research and development	1,204	1,281	1,281
	Manufacturing	1,886	1,934	1,902
	Administration	682	688	695
	Direct labor employee	7,014	7,655	7,330
	Total	11,186	11,953	11,614
Average age		32.04	30.5	31.9
Average years of service		3.2	3.1	3.3
Education	PhD (%)	0.40	0.34	0.37
	Master's (%)	11.00	11.25	11.75
	Bachelor's (%)	35.30	33.25	34.19
	Others (%)	53.30	55.16	53.69

5.4. Environmental Protection Measures

In our technology-intensive industry, WNC's main manufacturing processes cover the fields of SMT, precision assembly, product testing, and technical development. These processes produce little pollution. Although WNC is not included in the industries that are regulated for waste emission control by the Environmental Protection Administration (EPA) according to relevant stipulations, WNC is taking the initiative to improve our environmental protection measures. WNC utilizes appropriate equipment to process waste gas produced during manufacture to reduce environmental impact, and arranges for testing at a fixed interval to detect waste gas density in order to ensure our processing efficiency. In managing waste materials, WNC has entrusted qualified suppliers that are recognized by the EPA to conduct waste clearance and processing, and to file declarations electronically in accordance with the relevant legal stipulations. In addition, we have made arrangements for our suppliers to conduct on-site audits at a fixed interval to ensure the process flows and the suppliers' processing methods are in compliance with relevant regulations to prevent pollution-related issues from arising. WNC has been certificated based on the ISO 14001 environmental management system since 2005, and has been conducting systematic management to ensure full implementation of operational policy and its continuous improvement. WNC successfully obtained the ISO 14001:2015 certificate in November 2017 and passed third party verification in September 2020 to maintain the validity of the certificate.

To enhance corporate social responsibility and strive for environmental sustainability, WNC has in-plant energy-saving, carbon reduction, and waste reduction plans designed to promote illumination energy conservation, rainwater recycling, and reuse of waste in our factories and their vicinity. Further, a plan to construct solar panels at different sites was launched in 2017, and green electricity was officially adopted in December 2017 in the WNC headquarters. Solar panels were also installed in Hsinchu (S1) plant as planned and became operational in 2018. In 2018, we purchased the Tainan (S2) plant, where solar panels were also installed. Currently, all WNC sites in Taiwan have adopted green electricity. In 2020 construction began on the S3 plant in the Tainan Science Park. Solar power generation systems have already been incorporated in the design.

Following the introduction of the ISO50001 energy management system in 2017, WNC developed an energy management platform in 2018. Energy baselines are established through data collection and modular computing, which enables real-time monitoring of energy use. The system automatically distributes energy and resource usage reports, assisting monitoring and management by the responsible units so that abnormalities can be detected at an early stage. Focus is placed on high-power consumption units and equipment, enabling management to reduce consumption and waste and to achieve energy conservation, carbon reduction, and to reduce impact on the environment. To continue promoting our in-plant energy saving and carbon emissions reduction plan, WNC participated in a program hosted by the Hsinchu Science Park Bureau, which invited experts as consultants to conduct on-site inspections, support examination of equipment efficiency, and provide diagnostic results and suggestions.

In order to control the company's greenhouse gas emissions more closely, WNC implemented the ISO14064 GHG inventory system in September 2018, allowing comprehensive identification of carbon emission sources and calculating the carbon dioxide equivalents of different plants, with verification performed by a third party starting from 2019. These initiatives will be simultaneously introduced in newly purchased/newly constructed plants and cooperation with a third party verification organization began at the end of 2020 with the introduction of a carbon management platform. Via the platform all global emissions data of the company will be gathered so as to understand related trends and to serve as a basis for carbon reduction strategies in compliance with government directives and to meet customer expectations.

In May of 2020 WNC passed ISO50001 energy management system migration verification. In addition to promoting the system migration plan the S2 plant was added to the annual verification scope. Via this system energy usage at each plant can be monitored and wastage prevented. In response to the continued expansion of our S1 plant and increasing worker numbers, and to meet legally set emissions standards, in August 2020 installation was completed of a wastewater treatment facility within the plant along with water pollution measures, approval of the competent authority was granted in February 2021.

Taiwan also currently faces a further issue, that of its ability to process waste materials. Trans-national freight is also producing greater quantities of packaging waste causing a rise in processing costs and a lack of third party processing resources. WNC initiated a response in 2019 by, in addition to adding good quality processing vendors, negotiating more favorable handling fees, seeking out up and down stream opportunities for cooperation and looking for ways to reuse waste materials. In 2020 we continued to pursue more sustainable solutions achieving a recycling rate of 81% and a reduction in waste processing fees.

5.4.1. Total losses (including compensation) and fines for environmental pollution in the most recent fiscal year and the current fiscal year up to the date of printing of the annual report:

WNC did not/does not have any environmental pollution issues. Therefore, there were no fines nor losses incurred.

5.4.2. Countermeasures and possible expenses in the future:

WNC has made great efforts to achieve environmental sustainability and to become a green manufacturer. We will continue to promote carbon reduction and waste reduction initiatives. In addition to solar power systems already in place our new S3 and V2 plants will also be adopting solar power systems.

Due to upgraded production capacity in our Taiwan plants, wastewater treatment operations at our S1 plant, and increased waste materials handling categories and output, we anticipate fee increases in the future. In addition, unbalanced supply and demand, risk of price competition in waste materials handling, and the relocation of many companies back to Taiwan due to the Sino-American trade war, means WNC has been looking for opportunities to cooperate with large scale waste materials processing companies so as to secure stable channels and prices.

Due to expansion of water cleaning processes at S1 and introduction of new manufacturing processes at S2, we are evaluating expansion of the capacity of wastewater treatment operations at S1 and are initiating operations of the in-plant wastewater treatment facility at S2.

5.5. Labor Relations

5.5.1. Benefits, continuing education, training, and pension systems for employees and their implementation status, as well as labor agreements and various measures that protect employee rights:

- Employee benefits:
 - Taiwan sites:

Employees at Taiwan sites have labor insurance and National Health Insurance as required by law. In accordance with related laws, the Employee Welfare Committee handles items related to employee welfare, such as distributing welfare funds in accordance with regulations and organizing activities and gatherings for employees. Other employee benefits include employee stock ownership trust, childbirth subsidies, wedding cash gifts, funeral subsidies, and birthday/holiday gifts. Employee recreation centers, reading rooms, health centers, massage services, lactation rooms, and designated parking spaces for women, including pregnant women, are also available at WNC's Taiwan sites.
 - China sites:

As required by law, employees at WNC's China sites have comprehensive insurance coverage (five types of insurance and a mutual housing fund) as well as accident insurance. A union and an employee meal service committee have been established, and events such as dinner gatherings and arts/outdoor activities are held for employees. Other benefits include childbirth subsidies, holiday gifts, and raffle drawings. There are also employee recreation centers and reading rooms.
 - Vietnam site:

As required by labor laws, employees at WNC's Vietnam site have medical insurance, social insurance, unemployment insurance, occupational injury insurance, and may establish a union. Other employee benefits include birthday/holiday gifts, and care given to employees who encounter family difficulties.
- Employee education and training:

Classroom-based courses and the eHRD online learning system provide WNC employees with convenient learning channels that enable busy employees to arrange classes that fit their schedules, thus improving flexibility and learning efficiency. To ensure class quality, after-class surveys are conducted to ascertain employees' understanding of the classes, assess the teaching skills of instructors, and seek advice on how to improve future courses.

WNC also encourages employees to participate in external training, including conferences, seminars, and professional training and education courses, to broaden the scope of occupational training. Subsidies are provided for employees taking such training.

Through the establishment of a comprehensive internal instructor system, WNC is able to quickly cultivate the talent it needs and to implement training in the form of work cases for employees to share and discuss. This allows employees to quickly learn skills that they can apply to their work, which in turn deepens their occupational competency and establishes the talent and teams that WNC requires.

WNC has always placed great emphasis on providing employees with training on professional skills and knowledge, management skills, company culture, and related items. Five WNC colleges have been set up for the planning and implementation of employee training in accordance with WNC's 2019 directives. The directors of each college are responsible for the training programs, class quality, and training efficacy of their college. In 2020, the amount of time spent on training employees at Taiwan sites was 80,484 hours, of which 59,655 hours were spent on IDL employee training and 20,829 hours were spent on DL employee training. A total of 2,574 IDL employees and 2,206 DL employees underwent training during the year. Joint classes were held with academia, other companies in the industry, and suppliers, and the professionalism of the courses was lauded by employees. Recurrent training was also arranged so employees could review what they had learned and enhance their learning and growth.

Areas of emphasis for WNC colleges in 2020:

- Management College

The Management College focuses on the cultivation of management skills for supervisors. Courses are established in accordance with the management responsibilities of supervisors at various levels, and their content includes the cultivation of managerial, leadership, motivational, training, self-growth, and other skills required of supervisors and key talent, as well as the cultivation of comprehensive business management skills for mid- to high-level supervisors. In 2020, the Management College organized a total of 30 courses aimed at improving the management capabilities of supervisors at various levels and

providing targeted training for specific personnel.

- **Marketing College:**
In accordance with WNC's operational directives and global trends, the Marketing College's courses focus on project management, the job duties of sales personnel, and professional knowledge, aiming to cultivate talented marketing and sales personnel by instilling knowledge regarding project management, cost control, industry trends, market data, customer analysis, briefing/communication skills, conference skills, international trade, customer management, and other service skills. In 2020, the Marketing College organized a total of 13 courses. High-level supervisors were invited to share their successful strategies and experiences in interacting with customers. Through such sharing and interaction, employees can learn from each other and grow as a whole.
- **Research and Development (R&D) College:**
Besides implementing basic R&D course training, the R&D College has, in accordance with WNC's R&D directives, divided R&D into six primary areas, established an R&D forum, and introduced new R&D methods to enrich the knowledge of R&D personnel and stimulate innovation. The WNC RD Forum (WRDF), established in 2011, has fostered cross-disciplinary technology exchanges and learning, enabling R&D personnel from different fields to obtain a more comprehensive perspective and share design ideas regarding innovation and R&D. A chairman from each area participates in course planning. Through industry-academia cooperation, outside experts are invited to serve as instructors and to help continuously build employees' technological knowledge and expertise. In 2020, the college organized 22 courses, including professional courses in various technical fields.
- **Manufacturing Quality College:**
The goals of the Manufacturing Quality College are to help implement WNC policies related to quality and provide customers with high quality, competitive products. The college provides courses on 6 Sigma, manufacturing processes, green product design, quality systems, equipment, and problem analysis/solving, as well as courses regarding training for, and application of ISO/IATF 16949, IECQ QC080000, TL9000, and other quality standards. All new employees participate in ANSI/ESD training courses. This college also conducts annual recurrent training and internal ANSI/ESD auditor training. In 2020, the Manufacturing Quality College organized 32 courses.
- **General Knowledge College:**
During their probation period, new employees take a total of 19 mandatory e-learning courses to enable them to quickly understand WNC's culture, work environment, information safety (ISO27001), and system operation methods, as well as to enhance their work efficiency and self-management capability. The college also formulates and administers training courses in accordance with occupational safety regulations, and organizes many occupational safety and health competency and skills training courses to enhance the occupational safety and environmental awareness of employees. In 2020, the General Knowledge College organized 99 courses, including courses on operational safety, occupational disease prevention, emergency response drills, teamwork, internal lecturer training, and more. Training was also provided to mentors of new employees to give mentoring tips, teach them how to better understand new employees, and how to assist new employees adapt to their work environment and become a part of the WNC family.
- **AI and Digital College:**
In December of 2019 WNC established an AI and Digital College in order to effectively integrate, study and share internal and external resources in response to the rapid development in recent years of AI and digital tools. The College will convene information, software, R&D and automation supervisors to form a management committee as well as forming a learning unit, a platform unit and a project audit unit to carry out the planning and promotion tasks of the College and to unify AI and digital learning related matters. In 2020 a masters' seminar and seven online courses were hosted, enabling employees to learn about the current development and limitations of AI.
- **Pension system:**
 - **Taiwan sites:**
For the benefit of employees after their retirement, WNC's Taiwan sites have established regulations regarding employee retirement in accordance with the Labor Standards Act and the Labor Pension Act. These regulations cover retirement conditions, payment standards, procedures used to apply for pensions, and the payment of pensions. Besides providing six percent of an employee's monthly wage as pension for eligible employees as per the Labor Pension Act, WNC has also established the Employee Pension Supervisory Committee to oversee the employees' pension fund in accordance with law. This committee

allocates pension preparation funds monthly according to our regulations on the appropriation and management of employee pensions, and deposits funds at a designated financial agency, in an account under the name of the Employee Pension Supervisory Committee.

- China sites:
WNC's China sites provide 16% of an employee's monthly wage each month as pension for eligible employees as per related labor and social insurance laws of the People's Republic of China.
- Vietnam site:
WNC's Vietnam site provides 21.5% of an employee's monthly wage each month as pension for eligible employees as per related insurance laws of Vietnam.
- Labor-manager agreements:
- Taiwan sites:
Establishment of employee suggestions platform and optimization of the platform user experience: Employees may make suggestions by using the platform on their PCs or scanning the provided QR code using their cellphones. Responsible units respond on the same platform upon receiving of suggestions meaning that employees can receive updates at any time.
Establishment of labor-management meetings: meetings are held regularly to communicate and coordinate items related to labor-management cooperation, improve measures that protect employee rights and enhance labor relations.
- China sites:
For WNC's China sites, meetings between high-level supervisors and employees are arranged to regularly communicate and coordinate labor-management cooperation and other items related to the enhancement of employee rights.
- Vietnam sites:
Group agreements have been stipulated. The company representatives are arranged to quarterly communicate with employees, so as to enhance labor relations.

5.5.2. Losses due to labor dispute in the past year and up to when the annual report is published (including violations of the Labor Standard Act as discovered in inspections, list date of violation, violation number, legal regulation violated, content of violation, content of penalty): N/A

5.5.3. Possible current and future estimated monetary amounts and countermeasures: N/A

5.5.4. WNC has established various rules and regulations regarding employee behavior and ethics and expects employees to understand the moral and ethical standards they must uphold in their work as well as their rights and duties. The rules and regulations are as follows:

- WNC's 10 beliefs and 10 principles: Since its establishment, WNC has been very active in cultivating its company culture. The 10 beliefs and 10 principles have thus been established for all employees to follow.
- Service principles in work regulations: Employees shall comply with the service principles stated in WNC work regulations, including principles related to company honor, team spirit, and loyalty, to enable us to gain the respect and trust of customers, suppliers, and industry players.
- WNC Employment Regulations: Principles regarding human resource management and employee behavior are explicitly stated and listed in WNC's work regulations.
- Chart detailing hierarchical human resource management responsibilities: This chart stipulates the authorization levels for various levels of management in WNC regarding issues related to human resources.
- Measures for the Prevention and Punishment of Sexual Harassment in the Workplace: These regulations have been established to prevent sexual harassment, protect the dignity of employees, and ensure workplace equality.
- Employee leave regulations: These regulations include descriptions and related rules regarding various types of employee leave.
- Regulations for governing employee overtime work and compensatory leave: These regulations list the definitions of overtime work and compensatory leave, how the hours for such work and leave are calculated, and how to apply for overtime work or compensatory leave.
- Implementation measures for annual leave: These measures state the method by which special leave days

are calculated, how unused annual leave is handled, and other related regulations.

- Employee performance evaluation regulations: These regulations detail the procedures for employee performance/goal management and performance evaluation. The results of performance evaluations will be used as a basis for promotions, salary raises, bonuses, and employee training/development. The results will also be used to demonstrate what is expected of employees.
- Procedures for evaluating employees during their probation period: These procedures are used to evaluate new employees to ascertain whether their performance (including behavior) meet WNC requirements. The results of these evaluations are used to decide whether employees meet the standards of official employees.
- Regulations governing the posting of announcements on the WNC website and employee Internet usage: These regulations provide a set of rules for the posting of announcements on the WNC website and employee Internet usage to prevent misuse of network resources and ensure work discipline.
- Procedures governing employee awards and punishments / Procedures governing DL employee awards and punishments regarding quality and discipline: These procedures list the standards and processes for employee awards/punishments.
- Regulations governing employee resignation procedures: These regulations stipulate how employees, supervisors, and HR personnel in charge of handling resignation shall handle the resignation process.
- Regulations governing employee changes: These regulations stipulate how employees, supervisors, and HR personnel in charge of handling job assignments shall establish employee shift schedules and handle procedures related to internal job changes.
- Code of Ethical Conduct: The WNC ethical behavior code of conduct helps ensure that employee behavior complies with ethical standards and enables stakeholders to better understand WNC's ethical standards.

5.5.5. WNC has adopted the measures below to provide a safe work environment and ensure employee safety:

- ESH principles: WNC has announced ESH & Energy management policy and established ESH management rules which provide employees with a point of reference regarding ESH compliance and management, demonstrating WNC's strong emphasis on ESH principles.
- ESH units: The unit responsible for safety and health operations in WNC sites is a top-tier unit. In accordance with regulations, each unit has its occupational safety and health supervisor as well as occupational safety and health management personnel. The unit also includes special operations personnel, including a production process supervisor, who ensure work safety is maintained in operation areas in order to protect the health and safety of personnel.
- Management systems: WNC regularly conducts checks to ensure that it is in compliance with the ISO 14001 environmental management system standard, ISO 45001 occupational health and safety management system standard, and the CNS 45001 occupational health and safety management standards.
 - WNC has established a management system committee, with the WNC's CEO serving as the Chairperson and the heads of WNC's Business Groups and Business Units serving as committee members. The committee convenes management and review meetings regularly to ensure that WNC's ESH management systems retain their effectiveness and suitability and are continually improved.
 - WNC conducts regular assessments of domestic and international occupational safety and health regulations as well as the requirements of stakeholders to ensure WNC is compliant with relevant requirements.
 - WNC conducts annual internal and external audits and regularly organizes training for its internal audit personnel (including initial and recurrent training). Reviews on the teamwork operations of ESH management systems are conducted, and improvements to this aspect are constantly made.
 - ESH management performance indicators (including management plans) are established to regularly review the implementation and effectiveness of ESH management systems.
 - WNC conducts assessments of environmental protection factors and occupational safety and health risks and also implements management and control of pollutants according to their characteristics and risk level to effectively reduce environmental pollution and the safety and health risks for employees.
 - Emphasizing communication between internal/external units is beneficial for benchmarking and implementation of ESH items and establishing good relationships with other companies near WNC.
 - WNC is continually and actively implementing employee health management, health promotion, and occupational disease prevention plans, as well as annually monitoring the work environment to protect the safety and health of its employees.

- In accordance with regulations, WNC employs qualified and licensed personnel particular to each task, and also provides the following education and training:
 - Safety and health education and training for new employees.
 - Safety and health education and training for all WNC employees.
 - Training and establishing one qualified first aider for every 50 employees.
 - In accordance with regulations, WNC provides regular on-the-job safety management training to employees responsible for special tasks, such as fire prevention management personnel, supervisors for operations involving organic solvents, personnel in charge of operations involving radiation, operators of equipment involving high pressure gases, and forklift operators. The training provided is adjusted to fit the job requirements of different tasks.
- Firefighting equipment safety:
 - WNC has established a comprehensive firefighting system, which includes alarm systems, escape tools, and firefighting equipment, in accordance with firefighting regulations.
 - In addition to monthly inspection of firefighting equipment, WNC conducts audits from time to time to ensure the efficiency of the equipment and the systems. In accordance with regulations, qualified personnel are commissioned to conduct annual maintenance of firefighting equipment, and the maintenance results are reported to the competent authority.
 - A monitoring and alarm system for high-temperature/hazardous equipment has been established, and drills have been conducted monthly to ensure the efficiency of real-time warning and risk response mechanisms.
 - Raise electrical safety in plants, lessen the risk of electrical fires, in addition to adding regulations on cable layout etc., boosting power source management and increasing frequency of inspection of low voltage capacitor discs, and introducing regular inspection of extension cords, high-temperature/dangerous equipment circuit IR.
 - Regularly organize group firefighting/fire prevention training, record abnormalities, earthquakes etc., combined disaster scenario drills, accumulate operational experience of employees and response organization, raise plant response capabilities for all kinds of disasters.
 - Buildings are inspected for public safety every two years, and inspection results are reported to the competent authority.
 - Fire monitoring and control measures for hot work have been implemented.
 - WNC's participation in the civil defense force of the Hsinchu Science Park has enhanced its regional mobilization and response capabilities.
 - WNC has established cooperative relations with clinics and neighboring companies to enhance emergency rescue capabilities, including a system for providing first aid to injured personnel and for securing their transportation to medical care facilities, in order to save lives and reduce property loss should a major disaster occur.
- Employee health:
 - New employees undergo physical examinations before they report to work.
 - Physical examinations, including additional examination items for employees responsible for special tasks, are provided annually.
 - Free influenza vaccinations are provided to employees annually.
 - Quarterly health lectures are held to increase the health care knowledge of employees.
 - Health promotion activities such as cancer screenings, hiking events, and weight-loss programs are held quarterly.
 - Physicians make monthly visits to WNC, including on-site visits to operations sites, to provide services such as health consultation and employee reinstatement evaluation.
 - The water quality of water dispensers is inspected every two months.
 - Articles on health care and disease prevention information are posted on the WNC portal site for employee's reference.
 - Inspections on special working areas are conducted every half year to check the levels of chemical substances, organic solvents, dust, and noise. Results of these inspections are provided to employees.
- Mechanical equipment / personnel safety:
 - To lessen operational risk, protective devices are installed on all production-related equipment, safety SOPs are provided, and equipment operators are given education and training.
 - Continuous improvement of machines, equipment and jigs/fixtures that carry potential risk of injury, and strictness of audits for the supply of equipment, so as to prevent occupational injuries.
 - Periodic maintenance of production machinery to ensure stability and safety of equipment, lessening operational risk.
 - Periodic maintenance of dangerous machinery and equipment is entrusted to qualified contractors and annual

inspections are carried out according to the law.

- Scheduled and unscheduled inspections of production equipment/facilities/environments, inspection and supervision of improvements so as to ensure operational safety.
- Qualified electrical technicians are hired to regularly inspect and maintain high and low voltage equipment as well as carry out infra-red safety testing.
- Strengthen management of hazardous chemicals, safety inspections on arrival at warehouse, protective measures, to prevent incidents and lessen damage.
- Chemical storage areas are established to store chemical substances, personal protective gear and other emergency equipment.
- Train operators in sub-packaging operations, hazards recognition, protective equipment, to ensure operational safety and emergency response capabilities.
- To protect the safety and health of employees, local exhaust systems are installed in special work areas that have quantifiable dust particles in the air, or involve the use of chemical substances and organic solvents. Protective equipment is provided for employees to use.
- Meetings with contractors are regularly held to keep them up to date with plant regulations. Contractors are required to sign the "Commitment to Work Safety for Contractors in the WNC Plant". Before contractors enter WNC sites, they are briefed on the hazards they may encounter as well as on safety and health/environmental protection regulations.
- Contractors are required to submit a work application to facilitate risk evaluation and preparation of protective measures. Additionally, WNC continues to provide supervisor education to enhance their knowledge on the safety and health management of work supervision and maintain on-site safety and health monitoring. Personnel from the Industrial Safety Department of WNC will conduct an inspection of work sites from time to time to manage and control worksite safety and health.
- Implement toolbox safety meeting system to enhance communications and awareness of safety before construction begins, so as to lessen contractors' and employees' operational risk.
- Occupational safety and health training courses on various topics are held, and information on road traffic and operational safety is posted on internal websites to increase hazard awareness, defensive driving skills, and safety of employees.
- Personnel safety control: WNC employees shall wear their ID badge when entering/exiting WNC sites. Security personnel are stationed at the primary entrances and exits of WNC sites. They are responsible for conducting security checks, ensuring employee safety, and protecting the security of WNC property.
- Food safety and hygiene:
 - WNC selects qualified catering companies to provide catering services at WNC canteens, and these companies are required to comply with laws and regulations related to food safety and hygiene.
 - Catering personnel undergo regular health examinations and training in food safety.
 - Catering personnel undergo regular health examinations. Personnel who have contracted pulmonary tuberculosis, hepatitis, sexually transmitted diseases, and skin diseases, or those that are carriers of contagious diseases such as typhoid fever, are prohibited from working as catering personnel.
 - WNC requires catering companies to use food ingredients that have passed inspections, and has compiled a key ingredients-vendor list. WNC also conducts audits on the food ingredients used in its canteens from time to time to ensure food safety.
 - WNC's general affairs and industrial safety personnel conduct monthly inspections of kitchens to ensure catering operations and the kitchen equipment meet safety and sanitation regulations.
- Environmental protection:
 - WNC maintains its environmental management systems to ensure compliance with ISO14001, ISO 14064, and ISO 50001 standards, and continually makes improvements to these systems.
 - Promote sustainable products design concepts, from materials sourcing, low carbon production, transportation loading, product use and end-of-life recycling, incorporate design phase consideration and planning so as to lessen environmental impact and reduce GHG emissions.
 - Promote green products, introduce lead-free manufacturing, and purchase incoming material inspection equipment in accordance with customer and RoHS requirements.
 - In-plant wastewater treatment facility with water quality monitoring instruments.
 - WNC commissions qualified inspection agencies to conduct tests on wastewater from everyday use, air pollutants, and waste to ensure that WNC is compliant with related regulations.
 - Waste sorting and reduction as well as resource reuse management plans have been implemented at WNC.
 - Appropriate hazardous, general and recyclable waste materials storage area, with protection and prevention of environmental pollution.

- Disposal of waste materials is entrusted to companies with EPA certification. Regular site inspections at the processing facility to ensure waste is managed according to regulations. On selection of new waste processing companies evaluation is conducted to ensure legality of operations.
- Environmental operations for poisonous substances management, waste items handling etc. are reported and expedited according to the law.
- We continue to promote our annual energy conservation plan and green culture activities.
- To reduce waste, including plastic waste, reusable eating utensils are provided in WNC canteens, no straws are provided, and employees are encouraged to use reusable bags and cups.
- WNC organizes large-scale activities with environmental protection in mind, including adopting digital media, e-vouchers, and on-line systems to reduce paper usage. These activities provide case studies for reducing carbon emissions and production waste that WNC hopes others may find applicable.
- WNC is continually enhancing the environmental awareness of its employees by encouraging employees to reduce their impact on the environment, and protect the Earth in their daily work and lives by taking actions such as digitizing operational processes, reducing the amount of leftover food, and using electronic files instead of paper files.
- WNC has adopted a policy which bans the use of conflict minerals in order to help protect human rights, reduce the impact on the global environment, and meet its global corporate social responsibility.
- WNC proactively participates in government and civil projects focused on environmental protection, such as energy conservation, greenhouse gas inventory reporting, leftover food reuse, and beach cleanup in order to fulfill its responsibility in environmental protection.

5.6. Important Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Plant lease	Wiwynn Corporation	01/07/2019 to 01/18/2023 (automatic renewal after expiration)	Plant leasing in Southern Taiwan Science Park (S2)	Legal use, priority given to continuous leases
Land lease	Hsinchu Science Park Bureau	08/01/2019 to 12/31/2026	Changes to the Act for Establishment and Administration of Science Parks	Observance of the law, legal use
	Southern Taiwan Science Park Bureau	10/18/2019 to 10/17/2039	Land leasing	Observance of the law, legal use
Authorization	MPEG LA, L.L.C.	01/01/2008 to 12/31/2023 (MPEG4.P2)	Patent licensing	Confidentiality clauses and authorization limits
	MPEG LA, L.L.C.	10/26/2014 to 12/31/2025 (HEVC)	Patent licensing	Confidentiality clauses and authorization limits
	HDMI Licensing L.L.C.	03/18/2008 to 03/17/2023	Patent licensing	Confidentiality clauses and authorization limits
	Dolby Laboratories Licensing Corporation	07/14/2015 to 03/31/2022	System licensing	Confidentiality clauses and authorization limits
	Via Licensing Corporation	06/03/2011 to 06/02/2021	Patent licensing	Confidentiality clauses and authorization limits
	Broadcom Corporation	07/01/2015 to termination from either side	Software licensing	Confidentiality clauses and liability limits
Construction	Yih Shin Construction Co., Ltd.	04/15/2020 to 06/24/2022	Establishment of plant (S3 in Tainan) – civil engineering	Acceptance and warranty clauses
	Acter Group Corporation Ltd.	09/11/2020 to 06/06/2022	Establishment of plant (S3 in Tainan) –mechanical and electrical engineering	Acceptance and warranty clauses
	Auto Tech Corporation Inc.	06/16/2020 to completion of the acceptance of the construction	Establishment of plant (S3 in Tainan)– Automated Storage/Retrieval System (ASRS)	Acceptance and warranty clauses

6 Financial Standing

6.1. Most Recent Five-Year Condensed Financial Information

6.1.1. Consolidated Financial Information

■ Condensed Balance Sheets

Unit: Thousand NT\$

Year		Most recent five-year financial information					Jan. 1, 2021– Mar. 31, 2021
		2016	2017	2018	2019	2020	
Current assets		22,718,403	23,448,048	25,793,877	24,637,286	28,189,008	28,572,224
Property, plant, and equipment		6,165,546	5,620,272	6,353,679	7,050,586	7,043,544	7,250,355
Intangible assets		40,914	49,557	224,088	188,517	109,231	122,501
Other assets		847,049	814,465	792,508	2,560,338	2,597,193	2,595,593
Total assets		29,771,912	29,932,342	33,164,152	34,436,727	37,938,976	38,540,673
Current liabilities	Before distribution	14,621,080	13,878,386	17,094,483	16,197,980	17,949,263	17,955,331
	After distribution	15,927,614	15,235,461	18,460,916	17,173,561	Note	Note
Non-current liabilities		1,982,192	1,832,317	220,458	2,073,349	3,204,124	3,430,689
Total liabilities	Before distribution	16,603,272	15,710,703	17,314,941	18,271,329	21,153,387	21,386,020
	After distribution	17,909,806	17,067,778	18,681,374	19,246,910	Note	Note
Equity attributable to parent's shareholders		13,168,640	14,221,639	15,849,211	16,165,398	16,785,590	17,154,653
Capital stock		3,531,173	3,667,772	3,894,121	3,902,323	3,976,243	3,976,243
Capital surplus		2,835,611	3,059,564	4,013,683	4,196,118	4,538,207	4,538,207
Retained earnings	Before distribution	7,164,068	7,815,783	8,346,593	8,428,762	8,907,628	9,181,659
	After distribution	5,751,599	6,458,708	6,980,160	7,453,181	Note	Note
Other equity		(362,212)	(321,480)	(405,186)	(361,805)	(636,489)	(541,456)
Treasury stock		-	-	-	-	-	-
Non-controlling interest		-	-	-	-	-	-
Total equity	Before distribution	13,168,640	14,221,639	15,849,211	16,165,398	16,785,590	17,154,653
	After distribution	11,862,106	12,864,564	14,482,778	15,189,817	Note	Note

Source: Consolidated financial statements audited by a CPA; 2021 Q1 financial information reviewed by a CPA

Note: The resolution for earnings distribution for 2020 has not yet been approved at the Shareholders' Meeting; the distribution numbers are not listed.

■ Condensed Statements of Comprehensive Income

Unit: Thousand NT\$

Item \ Year	Most recent five-year financial information					Jan. 1, 2021– Mar. 31, 2021
	2016	2017	2018	2019	2020	
Net operating revenues	52,779,497	56,889,794	56,049,676	62,239,582	62,648,731	15,343,587
Gross profit	7,315,631	7,624,996	7,112,667	7,089,931	6,950,837	1,670,940
Operating income (loss)	2,677,189	2,561,310	2,016,073	1,595,299	1,472,463	268,827
Non-operating income and expenses	(47,446)	129,324	209,513	288,426	253,289	23,196
Income before income tax	2,629,743	2,690,634	2,225,586	1,883,725	1,725,752	292,023
Continuing operations' profit for the period	2,042,600	2,063,690	1,929,345	1,461,173	1,466,920	274,031
Losses from discontinued operations	-	-	-	-	-	-
Net income (loss)	2,042,600	2,063,690	1,929,345	1,461,173	1,466,920	274,031
Other comprehensive income for the period (net after-tax)	(303,839)	(108,420)	(210,625)	24,047	64,934	60,246
Total comprehensive income for the period	1,738,761	1,955,270	1,718,720	1,485,220	1,531,854	334,277
Profit to parent's shareholders	2,042,600	2,063,690	1,929,345	1,461,173	1,466,920	274,031
Profit to non-controlling interests	-	-	-	-	-	-
Total comprehensive income to parent's shareholders	1,738,761	1,955,270	1,718,720	1,485,220	1,531,854	334,277
Total comprehensive income to non-controlling interests	-	-	-	-	-	-
EPS before adjusted (NT\$)	5.95	5.76	5.21	3.76	3.76	0.70

Source: Consolidated financial statements audited by a CPA; 2021 Q1 financial information reviewed by a CPA

6.1.2. Parent-Company-Only Financial Information

■ Condensed Balance Sheets

Unit: Thousand NT\$

Item		Year	Most recent five-year financial information				
			2016	2017	2018	2019	2020
Current assets			18,652,804	18,000,769	19,610,831	19,097,334	20,629,232
Property, plant, and equipment			3,301,377	3,219,239	4,351,194	5,433,406	5,430,315
Intangible assets			40,800	49,484	223,995	187,401	105,943
Other assets			6,177,635	6,563,629	7,235,636	9,201,993	10,161,144
Total assets			28,172,616	27,833,121	31,421,656	33,920,134	36,326,634
Current liabilities	Before distribution		13,021,784	11,779,165	15,351,987	15,769,241	16,391,059
	After distribution		14,328,318	13,136,240	16,718,420	16,744,822	Note
Non-current liabilities			1,982,192	1,832,317	220,458	1,985,495	3,149,986
Total liabilities	Before distribution		15,003,976	13,611,482	15,572,445	17,754,736	19,541,045
	After distribution		16,310,510	14,968,557	16,938,878	18,730,317	Note
Equity attributable to parent's shareholders							
Capital stock			3,531,173	3,667,772	3,894,121	3,902,323	3,976,243
Capital surplus			2,835,611	3,059,564	4,013,683	4,196,118	4,538,207
Retained earnings	Before distribution		7,164,068	7,815,783	8,346,593	8,428,762	8,907,628
	After distribution		5,751,599	6,458,708	6,980,160	7,453,181	Note
Other equity			(362,212)	(321,480)	(405,186)	(361,805)	(636,489)
Treasury stock			-	-	-	-	-
Non-controlling interest			-	-	-	-	-
Total Equity	Before distribution		13,168,640	14,221,639	15,849,211	16,165,398	16,785,589
	After distribution		11,862,106	12,864,564	14,482,778	15,189,817	Note

Source: Parent-company-only financial statements audited by a CPA

Note: The resolution for earnings distribution for 2020 has not yet been approved at the Shareholders' Meeting; the distribution numbers are not listed.

■ Condensed Statements of Comprehensive Income

Unit: Thousand NT\$

Item	Year	Most recent five-year financial information				
		2016	2017	2018	2019	2020
Net operating revenues		52,009,586	55,199,381	54,990,399	58,889,906	58,839,430
Gross profit		6,007,178	6,244,293	5,616,720	5,555,906	5,501,702
Operating income (loss)		2,217,721	2,034,102	1,432,790	1,108,061	1,033,334
Non-operating income and expenses		304,007	467,340	598,099	610,966	570,886
Income before income tax		2,521,728	2,501,442	2,030,889	1,719,027	1,604,220
Continuing operations' profit for the period		2,042,600	2,063,690	1,929,345	1,461,173	1,466,920
Losses from discontinued operations		-	-	-	-	-
Net income (loss)		2,042,600	2,063,690	1,929,345	1,461,173	1,466,920
Other comprehensive income for the period (net after-tax)		(303,839)	(108,420)	(201,625)	24,047	64,934
Total comprehensive income for the period		1,738,761	1,955,270	1,718,720	1,485,220	1,531,854
Profit to parent's shareholders		2,042,600	2,063,690	1,929,345	1,461,173	1,466,920
Total comprehensive income to parent's shareholders		1,738,761	1,955,270	1,718,720	1,485,220	1,531,854
EPS before adjusted (NT\$)		5.95	5.76	5.21	3.76	3.76

Source: Parent-company-only financial statements audited by a CPA

6.1.3. CPA Opinions in the Most Recent Five Years

Year	Name of CPA firm	Name of CPA	Auditor's opinion
2016	KPMG	Sing-Hai Wei, Hai-Ning Huang	Unmodified opinion
2017	KPMG	Sing-Hai Wei, Hai-Ning Huang	Unmodified opinion
2018	KPMG	Hai-Ning Huang, Sing-Hai Wei	Unmodified opinion
2019	KPMG	Emily Tseng, Hai-Ning Huang	Unmodified opinion
2020	KPMG	Emily Tseng, Hai-Ning Huang	Unmodified opinion

6.2. Most Recent Five-Year Financial Analysis

6.2.1. Consolidated Financial Analysis

Item		Period	Most recent five-year financial information					Jan. 1, 2021– Mar. 31, 2021
			2016	2017	2018	2019	2020	
Financial ratio	Total liabilities to total assets (%)	55.77	52.49	52.21	53.06	55.76	55.49	
	Long-term debts to property, plant, and equipment (%)	235.97	273.92	249.45	230.78	257.48	258.33	
Ability to pay off debt	Current ratio (%)	155.38	168.95	150.89	152.10	157.05	159.13	
	Quick ratio (%)	111.74	119.00	95.45	106.16	109.35	101.36	
	Interest coverage ratio	55.75	36.25	28.13	19.46	26.99	22.98	
Ability to operate	A/R turnover (times)	5.39	5.72	4.89	4.88	4.81	4.78	
	A/R turnover days	68	64	75	75	76	76	
	Inventory turnover (times)	7.13	7.65	6.20	6.83	7.26	5.96	
	Accounts payable turnover (times)	5.14	6.10	5.52	5.73	5.55	4.97	
	Average days to sell inventory	51	48	59	53	50	61	
	Property, plant, and equipment turnover (times)	8.40	9.65	9.36	9.29	8.89	8.59	
	Total assets turnover (times)	1.83	1.91	1.78	1.84	1.73	1.60	
Earnings ability	Return on assets (%)	7.23	7.13	6.32	4.56	4.20	2.98	
	Return on equity (%)	15.98	15.07	12.83	9.13	8.90	6.46	
	Profit before tax to paid-in capital ratio (%)	74.56	73.36	59.53	48.27	43.40	29.38	
	Net income ratio (%)	3.87	3.63	3.44	2.35	2.34	1.79	
	EPS (NT\$)	5.95	5.76	5.21	3.76	3.76	0.70	
Cash flow	Cash flow ratio (%)	23.53	12.26	4.67	28.41	19.84	Note 1	
	Cash flow adequacy ratio (%)	95.24	81.47	45.36	68.25	87.16	54.76	
	Cash reinvestment ratio (%)	10.17	1.70	Note 2	13.16	9.34	Note 2	
Leverage	Operating leverage	1.50	1.48	1.60	1.91	2.07	2.46	
	Financial leverage	1.02	1.03	1.04	1.07	1.05	1.05	
<p>Analysis of items whose increased or decreased amounts are above 20% in the last two years:</p> <ol style="list-style-type: none"> “Interest coverage ratio” increased mainly due to reduction in interest expenses. “Cash flow ratio” and “Cash reinvestment ratio” decreased mainly due to reduction in net cash flow from operation activities. “Cash flow adequacy ratio” increased mainly due to increase in net cash flow from operation activities, reduction in capital expenditure, and reduction in inventory increase in the most recent five years. 								

Source: Consolidated financial statements audited by a CPA; 2021 Q1 financial information reviewed by a CPA

Note 1: Net cash flow generated from operating activities was negative and has no analytical value.

Note 2: Net cash flow generated from operating activities with cash dividends deducted was negative and has no analytical value.

6.2.2. Parent-Company-Only Financial Analysis

Item		Period	Most recent five-year financial information				
			2016	2017	2018	2019	2020
Financial ratio	Total liabilities to total assets (%)		53.26	48.90	49.56	52.34	53.79
	Long-term debts to property, plant, and equipment (%)		440.70	478.23	364.25	299.47	333.98
Ability to pay off debt	Current ratio (%)		143.24	152.82	127.74	121.10	125.86
	Quick ratio (%)		125.70	132.34	100.87	91.96	91.47
	Interest coverage ratio		70.43	39.77	30.40	21.79	29.30
Ability to operate	A/R turnover (times)		4.57	5.13	4.71	4.71	5.03
	A/R turnover days		80	71	77	77	73
	Inventory turnover (times)		18.89	22.25	16.42	13.23	10.99
	Accounts payable turnover (times)		5.55	6.63	6.18	5.56	5.29
	Average days to sell inventory		19	16	22	28	33
	Property, plant, and equipment turnover (times)		16.94	16.93	14.53	12.04	10.83
	Total assets turnover (times)		1.94	1.97	1.86	1.80	1.68
Earnings ability	Return on assets (%)		7.74	7.56	6.70	4.67	4.31
	Return on equity (%)		15.98	15.07	12.83	9.13	8.90
	Profit before tax to paid-in capital ratio (%)		71.41	68.20	52.15	44.05	40.35
	Net income ratio (%)		3.93	3.74	3.51	2.48	2.49
	EPS (NT\$)		5.95	5.76	5.21	3.76	3.76
Cash flow	Cash flow ratio (%)		30.27	10.05	6.83	18.48	19.35
	Cash flow adequacy ratio (%)		108.49	100.26	55.01	56.20	78.58
	Cash reinvestment ratio (%)		15.45	Note	Note	7.76	9.68
Leverage	Operating leverage		1.29	1.22	1.42	1.74	2.02
	Financial leverage		1.02	1.03	1.05	1.08	1.06
<p>Analysis of items whose increased or decreased amounts are above 20% in the last two years:</p> <ol style="list-style-type: none"> 1. "Interest coverage ratio" increased mainly due to reduction in interest expenses. 2. "Average days to sell inventory" increased mainly due to increase in inventory. 3. "Cash flow adequacy ratio" increased mainly due to increase in net cash flow from operation activities in the most recent five years. 4. "Cash reinvestment ratio" increased mainly due to reduction in cash dividends. 							

Source: Parent-company-only financial statements audited by a CPA

Note: Net cash flow generated from operating activities with cash dividends deducted was negative and has no analytical value.

The formulas used for calculating the figures in the above table are as follows:

1. Financial ratio

- (1) Total liabilities to total assets = Total liabilities/total assets
- (2) Long-term debts to property, plant and equipment = (Net equity + non-current liabilities)/net property, plant and equipment

2. Ability to operate

- (1) Current ratio = Current assets/current liability
- (2) Quick ratio = (Current assets – inventory – prepaid expenses)/current liability
- (3) Interest coverage ratio = Net income before interest and taxes/interest expenses

3. Ability to operate

- (1) Accounts receivable (including accounts receivable and notes receivable from operations) Turnover = Net sales/average accounts receivable (including accounts receivable and notes receivable from operations) balance
- (2) Accounts receivable turnover days = 365/accounts receivable turnover
- (3) Inventory turnover = Cost of goods sold/average inventory
- (4) Accounts payable (including accounts payable and notes payable from operations) turnover = Cost of goods sold/average accounts payable (including accounts payable and notes payable from operations) balance
- (5) Average number of days to sell inventory = 365/inventory turnover
- (6) Property, plant and equipment turnover = Net sales/net fixed assets
- (7) Total assets turnover = Net sales/total assets

4. Earnings ability

- (1) Return on assets = [Profit after tax + interest expense × (1 – effective tax rate)]/average total assets
- (2) Return on equity = Profit after tax/average net equity
- (3) Net income ratio = Net income/net operating revenue
- (4) Earnings per share (EPS) = (Net income attributable to shareholders of the parent – preferred stock dividends)/weighted average of outstanding shares

5. Cash flow

- (1) Cash flow ratio = Net cash flows generated from operating activities/current liabilities
- (2) Cash flow adequacy ratio = (Net cash flows generated from operating activities in the most recent five years/(capital expenditure + increase in inventory + cash dividends) in the most recent five years
- (3) Cash reinvestment ratio = (Net cash flows generated from operating activities – cash dividends)/(gross property, plant and equipment + long-term investments + other non-current assets + working capital)

6. Leverage

- (1) Operating leverage = (Net operating revenue – variable operating cost and expense)/net operating income
- (2) Financial leverage = Net operating income/(net operating income – interest expenses)

6.3. 2020 Audit Committee's Review Report

The Board of Directors has prepared the Wistron NeWeb Corporation 2020 business report, financial statements, and the profit distribution proposal. The CPA firm KPMG was retained to audit the financial statements of Wistron NeWeb Corporation and has issued an audit report relating to the financial statements. The business report, financial statements, and the profit distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee of Wistron NeWeb 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 NeWeb Corporation, 2021 Annual Shareholders' Meeting

Chairman of the Audit Committee: Karen Hsin

March 17, 2021

6.4. Financial Reports

Representation Letter

The entities that are required to be included in the combined financial statements of Wistron NeWeb Corporation as of and for the year ended December 31, 2020, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Wistron NeWeb Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Wistron NeWeb Corporation
Chairman: Haydn Hsieh
Date: March 17, 2021

6.5. Parent Company Only Financial Statements

Independent Auditors' Report

To the Board of Directors

Wistron NeWeb Corporation:

Opinion

We have audited the financial statements of Wistron NeWeb Corporation (“the Company”), which comprise the balance sheets as of December 31, 2020 and 2019, and the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2020 and 2019, and notes to the parent-company-only 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 of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended 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 auditors' responsibilities for the audit of the parent-company-only 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 parent-company-only financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters should be reflected in our report are as follow:

1. Valuation of Receivables

Please refer to Note 4(6) “Summary of Significant Accounting Policies – Financial instruments” , Note 5 “Major Sources of Accounting Judgments, Estimations and Assumptions of Uncertainty” , and Note 6(2) “Description of Significant Accounts – Financial assets” to the parent-company-only financial statements.

Wistron NeWeb Corporation

Statement of Finance Costs

December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

For related information, please refer to Note 6 (20) “Finance Costs”
of the parent-company-only financial statements.

**Summary Statement of Current Period Employee
Benefits, Depreciation, and Amortization Expenses
by Function**

For related information, please refer to Note 12 “Employee Benefits, Depreciation and Amortization Expenses
Incurred in the Current Period” of the parent-company-only financial statements.

- 6.6. The Company should disclose the financial impact to the Company if the Company and its affiliated companies have incurred any financial or cash flow difficulties in the most recent year and as of the date of the Publication of this Annual Report: None**

7 Financial Analysis, Financial Performance Analysis, and Risk Management

7.1. Financial Analysis (Consolidated)

Financial Analysis

Unit: Thousand NT\$

Item	2020	2019	Increase/decrease amount	Change percentage (%)
Current assets	28,189,008	24,637,286	3,551,722	14.42
Property, plant, and equipment	7,043,544	7,050,586	(7,042)	(0.10)
Intangible assets	109,231	188,517	(79,286)	(42.06)
Other assets	2,597,193	2,560,338	36,855	1.44
Total assets	37,938,976	34,436,727	3,502,249	10.17
Current liabilities	17,949,263	16,197,980	1,751,283	10.81
Non-current liabilities	3,204,124	2,073,349	1,130,775	54.54
Total liabilities	21,153,387	18,271,329	2,882,058	15.77
Capital stock	3,976,243	3,902,323	73,920	1.89
Capital surplus	4,538,207	4,196,118	342,089	8.15
Retained earnings	8,907,628	8,428,762	478,866	5.68
Other equity	(636,489)	(361,805)	(274,684)	(75.92)
Total equity	16,785,589	16,165,398	620,191	3.84
<p>Analysis of items whose increased or decreased amounts are above 20%:</p> <p>"Intangible assets" decreased mainly due to reduction in deferred royalty.</p> <p>"Non-current liabilities" increased mainly due to increase in long-term borrowings.</p> <p>"Other equity" decreased mainly due to issuance of restricted stock awards.</p>				

7.2. Financial Performance Analysis (consolidated)

Financial Performance Analysis

Unit: Thousand NT\$

Item	2020	2019	Increased/ decreased amount	Change percentage (%)
Net operating revenues	62,648,731	62,239,582	409,149	0.66
Operating costs	55,697,894	55,149,651	548,243	0.99
Gross profit	6,950,837	7,089,931	(139,094)	(1.96)
Operating expenses	5,478,374	5,494,632	(16,258)	(0.30)
Net operating income	1,472,463	1,595,299	(122,836)	(7.70)
Total non-operating income and expenses	253,289	288,426	(35,137)	(12.18)
Income before income tax	1,725,752	1,883,725	(157,973)	(8.39)
Income tax	258,832	422,552	(163,720)	(38.75)
Net income	1,466,920	1,461,173	5,747	0.39
Analysis of items whose increased or decreased amounts are above 20%: “Income tax” decreased mainly due to adjustment on overestimation of income tax for the prior period.				

The estimated sales quantities and the basis of the estimation, which may influence the company’s finance and business in the future, and strategies in response:

WNC’s products cover a wide range of applications, with large price differentials across diverse products. Therefore it’s not appropriate to use sales quantity as a basic metric. WNC, as a leader in the integration of wireline and wireless communications technologies, will continue devoting resources into new technologies and new product development to retain its leading position in the industry. WNC accelerates upgrades of cross-platform hardware and software integration capabilities and provides continuous development of key communications technologies. With years of experience in antenna design, system integration and applicable interface development, WNC aims to provide professional and flexible communications solutions for the IoT. We will continue promoting Industry 4.0 from a macro management perspective to strengthen operational management efficiency and competitiveness.

7.3. Cash Flow Analysis

7.3.1. Cash Flow Analysis for the Last Fiscal Year:

Unit: Thousand NT\$

Cash at beginning	Net cash flows generated from operating activities	Cash flows of investing and financing activities	Effect of exchange rate changes	Cash at end	Contingency plans for insufficient cash position	
					Investing activities	Financing activities
3,044,019	3,561,676	(2,140,809)	66,135	1,487,002	-	-

■ Cash flow analysis:

The positive net cash flows generated from operating activities of NT\$3.562 billion was mainly due to operating profit.

The negative net cash flows used in investing activities of NT\$1.934 billion were mainly due to purchase of new equipment and new plant construction in Tainan.

The negative net cash flows used in financing activities of NT\$206 million was mainly due to cash dividend payments.

■ Remedial Actions for Liquidity Shortfall: None

7.3.2. Cash Flows Projection for the Next Year:

WNC's policy is to maintain stable cash flow. It regularly assesses its account cash balance and the cash flow of its operating activities, investment activities, and financing activities, and also assesses the status of the financial market, carefully planning and managing its cash flow to ensure the sufficiency and suitability of capital required for business operations.

7.4. Effects of Significant Capital Expenditures on Financial Operations

7.4.1. Significant Capital Expenditures and Capital Sources

Unit: Thousand NT\$

Project	Actual or anticipated capital sources	Anticipated amount of capital required	Actual or anticipated use of capital			
			2020	2021	2022	2023
Establishment of plant/office building (S3 in Tainan)	Cash flow generated from operations; bank loans	2,100,000	202,000	600,000	1,098,000	200,000
Establishment of plant/office building (V2 in Vietnam)	Cash flow generated from operations; bank loans	810,480	91,248	700,000	19,232	-

7.4.2. Effects of Significant Capital Expenditures on Financial Operations

The significant capital expenditures described above are in line with WNC's mandate to expand production capacity in Taiwan and Vietnam in order to meet global production capacity deployment planning needs as well as business development needs.

7.5. Policy for Investment

WNC's policy for investment is to target long-term strategic investment. In 2020, the investment loss recognized under the equity method was NT\$3.854 million. In the future, WNC will continue to carefully evaluate the investment plan for adherence to this principle of long-term strategic investment.

7.6. Risk Management

7.6.1. How do interest rate, exchange rate, or inflation influence WNC's profits and losses, and how can it manage concomitant risks?

Unit: Thousand NT\$

Item	2020
Interest income	32,390
Interest expense	66,401
Exchange gain/(loss)	(150,086)

WNC had around NT\$5.245 billion in cash and open-end funds investment funds as of the end of 2020; we invested the surplus funds after considerable evaluation of the risks involved while closely monitoring fluctuations in bank lending rates regularly to reduce interest rate risks.

Approximately 97.3% of WNC's revenue was from export sales, and most of the export-sale amounts were quoted in U.S. dollars. Most of the material-purchasing amounts were also quoted in U.S. dollars. Therefore, the majority of WNC's currency exchange risk can be reduced and offset by regular import/export activities (a natural hedge). Other small amounts of foreign currencies can be exchanged to NT dollars depending on capital needs or market situations.

There was no major inflation influence on WNC during the past year.

The action plans to cope with the impact from interest rates, exchange rates, and inflation are:

1. Further mutually offset foreign assets and liabilities to avert risk.
2. Make plans and arrangements in advance for fund yields and borrowing costs in light of WNC's business anticipation and funds requirements.
3. Use auxiliary tools, such as derivative financial products, to avoid risks under proper risk guidelines.

7.6.2. What were the major reasons for WNC to engage in high-risk or leveraged investments, make loans, make guarantees, or buy derivatives? What were the reasons for gains or losses in these and what are the future measures for response?

WNC has not engaged in any high-risk or highly leveraged investments in the past year. It has not loaned funds or endorsed or entered into guarantees for any parties other than the subsidiaries wholly owned by itself, and no loss has been incurred.

WNC executed derivatives transactions under the related regulations of the company, and the transactions were within our business scope. The goal of such transactions is to avoid most market price risks.

Looking ahead, WNC will adhere to its existing principles and will not make high-risk and highly leveraged investments. We will only loan to other parties or endorse and enter into guarantees for other parties under WNC's applicable regulations. Derivatives transactions will be performed strictly in compliance with the Rules and Procedures for Derivative Transactions set forth by WNC.

7.6.3. Future R&D and Expected R&D Investment

■ Future R&D

Category	Items
Microwave communications	<ul style="list-style-type: none"> • Non-geostationary satellite bi-directional mobile communications ground terminals • Next-generation mobile microwave RF antenna units • Next-generation mmWave mobile communications microcells
Mobile and home communications	<ul style="list-style-type: none"> • Next-generation mmWave mobile access points • Interactive smart home displays • 10G fiber gateways • AI-assisted IoT image sensors • Next-generation automotive NAD modules • Wireless bio-monitors • UWB positioning and tracking devices • Private cellular network edge processing platform • Programmable smart NIC

■ Revenue to be invested in research and development

WNC will continue to invest in equipment for the above-mentioned products and recruit outstanding research and development personnel for innovation and development in order to maintain a leading role in the technologies involved, taking full advantage of market opportunities. In view of this, it is estimated that 4% of WNC's revenues will be invested in research and development in 2021.

7.6.4. The impact of legal and regulatory changes on WNC

Significant policy and law changes internationally and domestically will be understood by the related responsible personnel and appropriate response measures will be enacted.

7.6.5. Impact of technological and industrial changes on WNC

Technology and industry advancements in recent years have not directly and materially impacted the company's finance and businesses. Nevertheless, WNC will respond to fierce market competition by strengthening product functions, cutting product costs, and strictly controlling operating expenses.

7.6.6. Impact of corporate image change on risk management and the related action plan:

N/A.

7.6.7. Possible risks relative to the expected gains from acquisitions and their solutions:

N/A. WNC does not have any acquisition plans.

7.6.8. Possible risks relative to the expected gains of plant facility expansion and related solutions:

A feasibility study and financial analysis is conducted by a designated task force for all plant facility expansions to understand all scenarios and prepare appropriate countermeasures.

7.6.9. Supply and distribution concentration:

There is no concentration risk pertaining to suppliers and customers.

7.6.10. How do share transfers made by directors, supervisors or shareholders with greater than 10% shareholdings affect WNC? What are the countermeasures?

None

7.6.11. Impact of management changes on WNC and action plans:

Major business plans are properly evaluated and then presented as the result of an overall assessment of the industry and market conditions by WNC's professional executive officers and executed after approval by the Board of Directors. WNC has established a complete and organized business structure with each department being distinguished by their assigned responsibilities and duties. The management strategy is fully applied through the implementation of an internal management system and communication between each department. Management is therefore efficient, business results are assured, and the risk and negative impact of management changes on company operations are reduced significantly.

7.6.12. Where (1) WNC and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10%, and/or any company or companies controlled by WNC are involved in litigious and non-litigious matters that have been concluded by means of a final and unappealable judgment or are still under litigation and (2) where such a dispute could materially affect shareholders' equity or the price of WNC's stock, the facts of the dispute, amount of money at stake in the dispute, the date of the litigation's commencement, the main parties in the dispute, and the status of the dispute as of the date of printing of this annual report:

Alacritech filed a lawsuit against Wistron Corporation with the United States District Court for the Eastern District of Texas in June 2016. The alleged infringing products were servers, network cards, and other related products. This lawsuit is temporarily suspended, pending the review results of the Patent Trial and Appeal Board in the U.S. regarding the specific patents of Alacritech.

7.6.13. Information Security Risk

WNC strictly adheres to the contracts and confidentiality agreements entered into with customers, implements control over confidential information, and has established an information security policy. In 2014, WNC set up an Information Security Committee, which oversees the creation and promotion of various information protection measures. The Information Security Management Review Committee is composed of top-tier supervisors of each departmental unit, with the President and CEO as the chairman of the committee and the head of the DMIS unit as the convener. An ISMS management review meeting is held every six months to ensure the promotion and implementation of information security policies and related laws and regulations, and to check and review the implementation effectiveness and progress of various information security projects and matters.

■ Information Security Control Mechanism

WNC conducts the following on a yearly basis: Inventory and updating of information asset lists, risk assessment, business impact analysis, disaster recovery drills, review of user accounts and access privileges, review of firewall rules, security awareness and training, vulnerability scanning and penetration testing, deployment of notebook hard drive encryption, installation of software asset systems for legal authorization controls and illegal software monitoring, installation of system log archive platform, installation of daily inspection & irregularity reporting platform, and ISO27001 compliance checks. We also adopt social interaction project drills and other control mechanisms as needed and continuously improve the entire information security management system to ensure the confidentiality, integrity, and availability of the company's information-related systems.

■ Information Security Risk Management

To protect WNC and its customers' confidential information (including trade secrets and intellectual property) and reduce various types of losses and operational impact, WNC's headquarters, manufacturing sites in Hsinchu Science Park, Tainan Science Park, Vietnam, and China, and subsidiaries in the United States and United Kingdom have acquired ISO/IEC 27001 information security management system verification, developed information security risk assessment and management processes, and adopted an Information Security Policy that regulates operating procedures to manage account password access privileges, manages account holder access, manages portable storage devices, protects information system security, manages information backup and restoration, controls confidential information, and classifies and protects the documents of all departments. These security measures serve to avoid the improper accessing of and tampering with the company's information systems and prevent the theft or leakage of the company or its customers' trade secrets and intellectual property.

Although WNC has established the aforementioned policies, processes, and information security control measures, we still cannot guarantee that controls or important operating information systems can completely circumvent the impact of new risks and cyber attacks. These attacks may destroy company operations or attempt to steal the company's trade secrets and other sensitive information by illegally hacking into our Intranet systems or our supply chain networks. When under cyberattack, relevant information systems may lose important information or cause service suspension. WNC continuously adopts the PDCA cycle to check and evaluate applicable regulations and operating procedures so as to ensure their appropriateness and effectiveness.

The Digital Information Management Division installs internal cloud-based R&D platforms for centralizing the storage and management of R&D information to protect the company's R&D results and confidential information and to provide a safe and secure space for information access and exchange. We also initiate trade secret inventory operations that involve identifying and organizing each department's trade secrets and to remind employees of and confirm their access and custody measures. WNC sees suppliers as partners who are vital to the success of the company. In addition to having suppliers sign a confidentiality agreement, we also adopt supplier questionnaires and conduct audits on suppliers' compliance status, experience sharing activities, and review and improvement plans to encourage suppliers to actively support and comply with our information security policies and regulations.

In 2020, we conducted the annual ISO27001 internal/external audit and risk assessments, carried out operational impact analysis, and performed recovery drills according to our business continuity plans. We also carried out anti-virus/anti-hacker response drills and self-monitoring and self-evaluations related to COVID-19 and external information security incidents and planned and implemented an information security protection network. We completed controls for on-site visits by suppliers etc., establishing an information security device checkpoint.

In 2021 the COVID-19 pandemic is still raging. As AI and 5G technologies have become more prominent the challenges to information security have increased. WNC has continued to strengthen controls and protective measures in both management aspects and technical aspects. In terms of the management aspect ISO 27001 implementation has been optimized with reference to NIST frameworks and Capability Maturity Models. By integrating external resources to execute phishing and social engineering drills information security awareness of company employees has been boosted. In terms of the technical aspect we are planning to introduce a third party threat detection system and an intrusion and behavior detection joint defense system to boost the transparency of system weaknesses and vulnerabilities, building a multi-level defense network to ensure continuity of operations.

7.6.14. Other risks

None

7.7. Other Important Matters

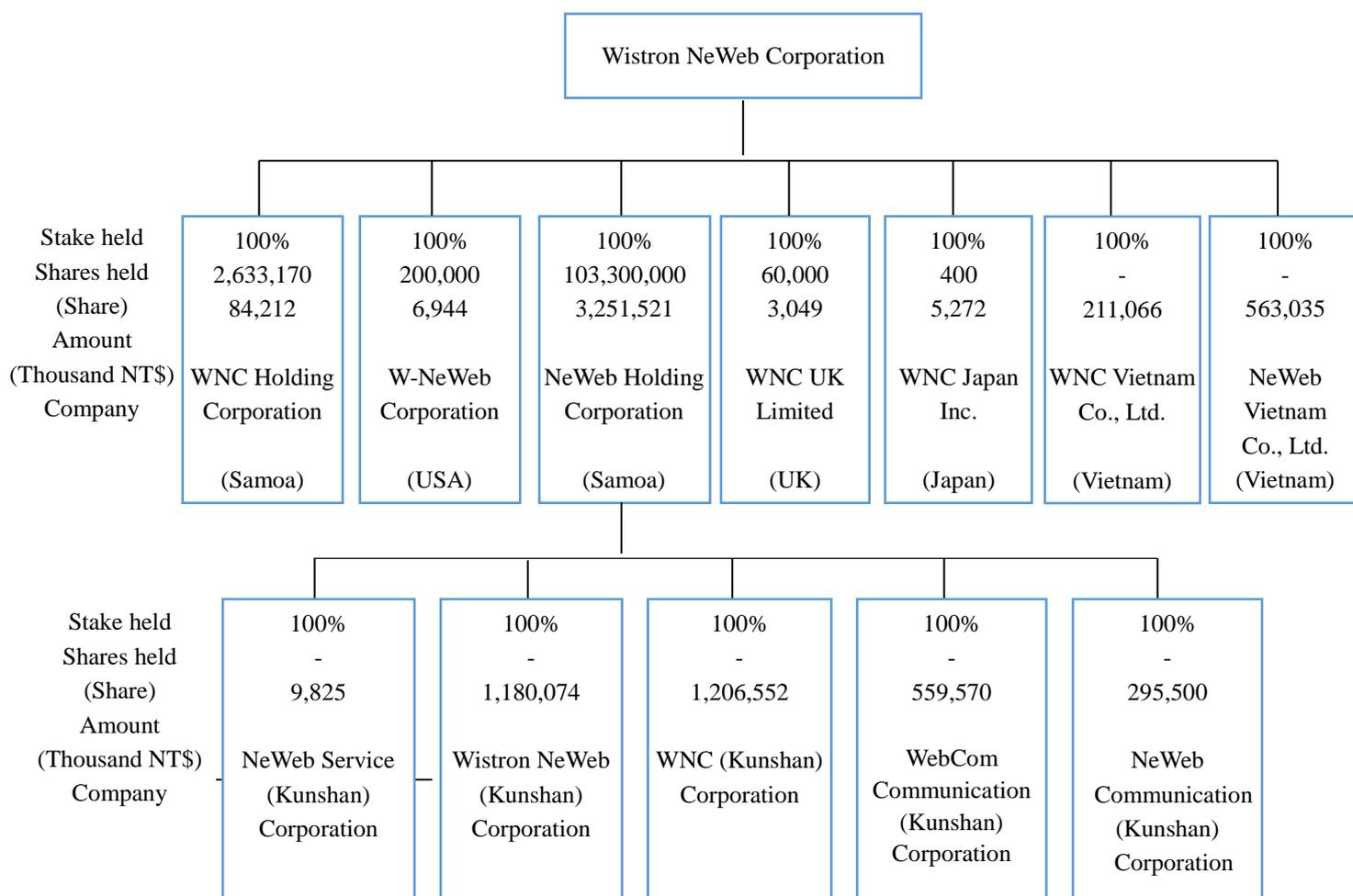
None

8 Special Disclosure

8.1. Summary of Affiliated Companies

8.1.1. Organizational Chart

As of December 31, 2020



8.1.2. Information Disclosure Statement for Affiliated Companies in Accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”:

Consolidated Financial Statements of Affiliated Companies

Representation Letter

The entities that are required to be included in the consolidated financial statements of affiliated companies of Wistron NeWeb Corporation as of and for the year which ended December 31, 2020, under the *Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises* are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements” that have been certified by the Financial Supervisory Commission, R.O.C. The information required to be disclosed is included in the consolidated financial statements. Consequently, Wistron NeWeb Corporation has not prepared a separate set of consolidated financial statements for affiliated companies.

Company Name: Wistron NeWeb Corporation

Chairman: Haydn Hsieh

Date: March 17, 2021

8.1.3. Business Scope of WNC and Its Affiliated Companies

The business scope of WNC and its affiliated companies includes the design, research and development, production, and sales of networking and communications products, as well as services for the products.

8.1.4. Affiliated Companies Information

As of December 31, 2020

Company	Date of Establishment	Address	Capital Stock	Business Activities
WNC Holding Corporation	10/09/2001	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa	USD 2,633,170	Holding company
NeWeb Holding Corporation	05/17/2002	P.O. Box 217, Apia, Samoa	USD 103,300,000	Holding company
W-Neweb Corporation	02/27/2003	1525 McCarthy Blvd, Suite 206, Milpitas, CA 95035	USD 200,000	Sales of satellite communications product series and mobile communications product series
WNC UK Limited	06/04/2014	Herschel House 58 Herschel Street Slough SL1 1PG	GBP 60,000	Related services for wireless communications products
WNC Japan Inc.	01/23/2015	Yokohama Wise Next Shin Yokohama, 3F, 2-5-14 Shin-Yokohama Kohoku-ku Yokohama-shi, Kanagawa-ken, Japan	JPY 20,000,000	Related services for wireless communications products
WNC Vietnam Co., Ltd.	01/23/2019	Factory H2, Lot G1-3-4-6-8, Que Vo Industrial Park, Van Duong Ward, Bac Ninh City, Bac Ninh Province, Vietnam.	USD 7,000,000	Processing and assembly of satellite communications product series and mobile communications product series
NeWeb Vietnam CO., Ltd.	04/06/2020	Land Lot No. CN01, Dong Van III Supporting Industrial Zone, Duy Tien Town, Ha Nam Province, Vietnam	USD 19,000,000	Sales of satellite communications product series and mobile communications product series
WebCom Communi-cation (Kunshan) Corporation - Kunshan Plant	11/14/2003	121 DuJuan Rd., Precision Machinery Industrial Park, KunShan City, Jiangsu Province, P.R.C.	USD 17,000,000	Sales of satellite communications product series and mobile communications product series
WNC (Kunshan) Corporation	03/01/2004	88 Central Avenue, Comprehensive Free Trade Zone, Kunshan City, Jiangsu Province, P.R.C.	USD 38,000,000	Sales of satellite communications product series and mobile communications product series
Wistron NeWeb (Kunshan) Corporation	04/07/2006	789 Yujinxiang Rd., Comprehensive Free Trade Zone, Kunshan City, Jiangsu Province, P.R.C.	USD 38,000,000	Sales of satellite communications product series and mobile communications product series
NeWeb Service (Kunshan) Corporation	08/02/2007	88 Central Avenue, Comprehensive Free Trade Zone, Kunshan City, Jiangsu Province, P.R.C.	USD 300,000	Sales of satellite communications product series and mobile communications product series
NeWeb Communi-cation (Kunshan) Corporation	01/12/2018	88 Central Avenue, Comprehensive Free Trade Zone, Kunshan City, Jiangsu Province, P.R.C.	USD 10,000,000	Sales of satellite communications product series and mobile communications product series

8.1.5. Shareholders in Common of WNC and Its Affiliated Companies with Deemed Control and Subordination: None

8.1.6. Affiliated Companies' Directors, Supervisors, and Key Managers Information

As of December 31, 2020

Company	Title	Name / Representative	Shareholding	
			Shares	%
WNC Holding Corporation	Director	Wistron NeWeb Corp. Representative: Haydn Hsieh, Jeffrey Gau	2,633,170	100
NeWeb Holding Corporation	Director	Wistron NeWeb Corp. Representative: Haydn Hsieh, Jeffrey Gau	103,300,000	100
W-Neweb Corporation	Director	Wistron NeWeb Corp. Representative: Feng-Yuh Juang	200,000	100
WNC UK Limited	Director	Wistron NeWeb Corp. Representative: Chun Lee	60,000	100
WNC Japan Inc.	Director	Wistron NeWeb Corp. Representative: Jeffrey Gau	400	100
WNC Vietnam Co., Ltd.	Director	Wistron NeWeb Corp. Representative: Jeffrey Gau	Limited company	100
NeWeb Vietnam Co., Ltd.	Director	Wistron NeWeb Corp. Representative: Jeffrey Gau	Limited company	100
WebCom Communication (Kunshan) Corp.	Director	NeWeb Holding Corporation Representative: Haydn Hsieh, Jeffrey Gau, Larry Lee	Limited company	100
WNC (Kunshan) Corp.	Director	NeWeb Holding Corporation Representative: Haydn Hsieh, Jeffrey Gau, Larry Lee	Limited company	100
Wistron NeWeb (Kunshan) Corp.	Director	NeWeb Holding Corporation Representative: Haydn Hsieh, Jeffrey Gau, Larry Lee	Limited company	100
NeWeb Service (Kunshan) Corp.	Director	NeWeb Holding Corporation Representative: Haydn Hsieh, Jeffrey Gau, Larry Lee	Limited company	100
NeWeb Communication (Kunshan) Corporation	Director	NeWeb Holding Corporation Representative: Haydn Hsieh, Jeffrey Gau, Larry Lee	Limited company	100

8.1.7. Affiliated Companies' Business Operations

Unit: Thousand NT\$, except for EPS, which is in NT\$

As of December 31, 2020

Company	Capital	Total asset	Total liability	Net value	Operating revenue	Operation profit (loss)	Net income (loss)	EPS
Wistron NeWeb Corp.	3,976,243	36,326,634	19,541,045	16,785,589	58,839,430	1,033,334	1,466,920	3.76
W-NeWeb Corp.	6,944	2,607,792	2,029,248	578,544	9,863,455	86,903	67,061	-
WNC GmbH (Note)	-	-	-	-	-	(9)	2,237	-
WNC UK Limited	3,049	31,452	7,551	23,901	68,705	3,295	2,591	-
WNC Japan Inc.	5,272	7,742	1,038	6,704	7,339	606	365	-
WNC Vietnam Co., Ltd.	211,066	428,859	158,709	270,150	719,815	99,883	78,253	-
NeWeb Vietnam Co., Ltd.	563,035	574,876	35,305	539,571	-	(1,289)	(2,121)	-
WNC Holding Corp.	84,212	107,423	-	107,423	-	(25)	(3,879)	-
NeWeb Holding Corp.	3,251,521	6,694,796	-	6,694,796	-	-	220,854	-
WebCom Communication (Kunshan) Corp.	559,570	2,053,365	728,008	1,325,357	2,240,081	26,677	8,541	-
WNC (Kunshan) Corp.	1,206,552	4,649,619	1,749,626	2,899,993	5,524,506	67,444	102,121	-
Wistron NeWeb (Kunshan) Corp.	1,180,074	5,253,279	3,120,659	2,132,620	13,753,227	153,366	108,560	-
NeWeb Service (Kunshan) Corp.	9,825	56,508	17,452	39,056	37,214	2,286	774	-
NeWeb Communication (Kunshan) Corporation	295,500	297,765	-	297,765	-	(8)	858	-

Note: Completed asset settlement in November 2020

8.1.8. Affiliated Companies' Annual Reports: None

8.2. Private Placement Securities in the Most Recent Year and as of the Publication Date of this Annual Report: None

8.3. Status of WNC Common Shares Acquired, Disposed of, and Held by Affiliated Companies in the Most Recent Year and as of the Publication Date of this Annual Report: None

8.4. Other Necessary Supplements: None

9 Any Events in the most recent year and as of the Publication Date of this Annual Report that Had Significant Impact on Shareholders' Rights or Security Prices as Defined by Item 3, Paragraph 2 of Article 36 of the Securities and Exchange Law of Taiwan: None

