MEDIATEK

2016

Corporate Social Responsibility Report

A Word from The Chairman

2017 marks the 20th anniversary of MediaTek. Looking to our past, we had grown from a 20 multimedia team into a global corporation of more than 15,000 employees. Everyone's collective effort helped us to overcome many challenges along the way, allowing MediaTek to grow and to prosper. Our strengths and efforts allowed us to become a market leader in Taiwan and to enter the global market, while striving to make the world a better place.

Facing global trends, the United Nations announced 17 "Sustainable Development Goals" (SDGs) in 2015. Besides being the mutual consensus of the UN member states, the SDGs are also collective missions of many multinational corporations. In pursuit of sustainability, the SDGs have almost become a common language among global communities. As a multinational corporation, MediaTek does not shy away from our responsibilities. In this year's Report, we have identified 7 major SDGs that corresponded with MediaTek's core values. Moreover, we will continuously improve our internal actions and actively respond to global trends, as well as pursue a better and more sustainable environment.

In our 20th anniversary, we made a declaration of "Connecting the next billion" –we will strive to innovate technologies to help people connect to the world, and to create endless possibilities. Innovation comes from the interactions between MediaTek employees and talents from all over the world. We turn innovative ideas into practical solutions to enhance and enrich everyone's life. In the future, MediaTek will expand the achievements from the past 20 years, and connect the society, environment, cultural aspects, and everyone's life with technology. We will also continue to fulfill our responsibilities as a corporate citizen.

結無限 意長發

丁酉年 蔡明忻

Chairman & CEO

The square within a circle symbolizes ancient Chinese money, representing wealth and fortune. Also, the square within the circle represents inclusiveness, working together.

Meanwhile, the white box symbolizes the MediaTek chipset, the 20 white pins extending from the chipset represent connection. Each one represents a year of MediaTek existence.

Slogan "Connecting the next billion" is what we have been doing and also our vision of connecting more people all across the globe with great technology via a lot of devices all connected.

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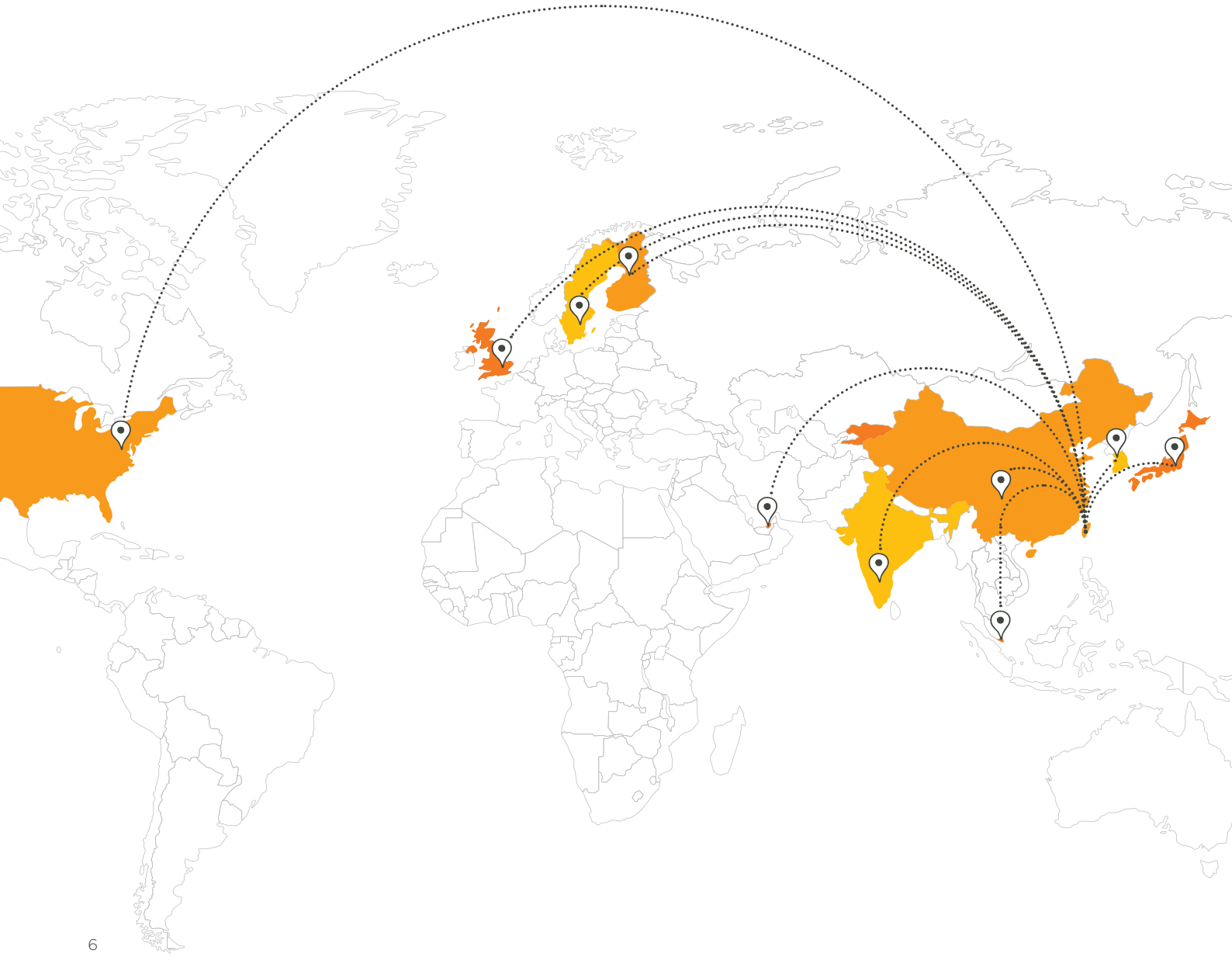
About This Report

Thank you for reading the 2016 Corporate Social Responsibility Report (CSR Report) of MediaTek Inc. (hereafter referred to as "MediaTek" or "the Company"). This Report transparently and comprehensively discloses the results of MediaTek's efforts toward economic, societal, and environmental achievements so that stakeholders can clearly understand the ways in which MediaTek has implemented corporate social responsibility in practice. At the same time, we have also listened to stakeholders' aspirations and needs and responded accordingly in this Report. We shall maintain a humble, down-to-earth attitude to continue to improve and strive to surpass the stakeholders' hopes in areas where we may have been insufficient.



Reporting Framework

This Report was compiled in accordance with Global Reporting Initiative's G4 Sustainability Reporting Guidelines with core option. Through the use of an internationally recognized reporting framework, this CSR Report comprehensively discloses economic, environmental, and social concerns pertaining to our stakeholders, thereby demonstrating MediaTek's performance and determination in implementing sustainable development.

Reporting Scope

The period of information disclosure is from Jan. 1, 2016 to Dec. 31, 2016. Previous report was published in July, 2016. In the future, we will routinely release reports on our website on an annual basis as a continued effort toward realizing our important mission of sustainable development of our company. The scope of information disclosure is primarily focused on the operational headquarters in the Hsinchu Science Park in Taiwan, and parts of the information also cover MediaTek's overseas branches. If other areas are concerned, they will be noted and mentioned in the Report. In the future, we will gradually adopt significant information from affiliated companies and subsidiaries, demonstrating MediaTek's sustainable influence over our value chain.

Reporting Principles

MediaTek collects data on economic, environmental, and social issues that have attracted global attention and conducts material analysis to determine issues with which stakeholders are concerned, ensuring that the CSR report provides insight into key information. We follow the Principle for Defining Report Content and Quality from GRI G4 Sustainability Reporting Guidelines and have compiled this report in accordance with the AA 1000 AccountAbility Principle Standard (APS) for materiality, inclusivity and responsiveness.

Third-Party Assurance

This Report has been verified by SGS Taiwan, an independent and credible third-party assurance company, according to the Type 1 medium assurance standard of AA1000 AS (2008) and GRI G4 Core. We have adequately communicated the evaluation results upon the completion of the assurance process. Please see the Independent Assurance Report in the attachment for details.

Reporting Management

Relevant data presented in this CSR Report are provided by various responsible departments of MediaTek, subsequently verified by department supervisors for their accuracy and integrity, and then compiled into a report by CSR committee members. The financial report information is publicly available information certified by Ernst & Young. The unit of measurement is NTD (New Taiwan Dollars). The basis and unit of measurement for calculating environment-related data are public government information, and social data comes from the MediaTek Foundation. If there are any special meanings to other quantified data, an explanation will be provided via footnote.

Global Locations

TAIWAN	MediaTek Inc.(Headquarters)
	MediaTek Inc. (Jhubei office)
	MediaTek Inc. (Taipei office)
CHINA	MediaTek (Beijing) Inc.
	MediaTek (Shanghai) Inc.
	MediaTek (Hefei) Inc.
	MediaTek (Shenzhen) Inc.
	MediaTek (Chengdu) Inc.
	MediaTek (Wuhan) Inc.
JAPAN	MediaTek Japan Inc.(Tokyo)
KOREA	MediaTek Korea Inc. (Seongnam)
SINGAPORE	MediaTek Singapore Pte. Ltd.
INDIA	MediaTek Bangalore Private Limited
	MediaTek India Technology Pvt. Ltd (India)
DUBAI	MediaTek Wireless FZ-LLC (Dubai)
UNITED KINGDOM	MTK Wireless Limited (Cambourne)
	MTK Wireless Limited (Kent)
FINLAND	MediaTek Wireless Finland Oy
UNITED STATES	MediaTek USA Inc. (San Jose)
	MediaTek USA Inc. (Austin)
	MediaTek USA Inc. (Irvine)
	MediaTek USA Inc. (Woburn)
	MediaTek USA Inc. (San Diego)
	MediaTek USA Inc. (Seattle)
SWEDEN	MediaTek Sweden AB (Linköping)
	MediaTek Sweden AB (Stockholm)

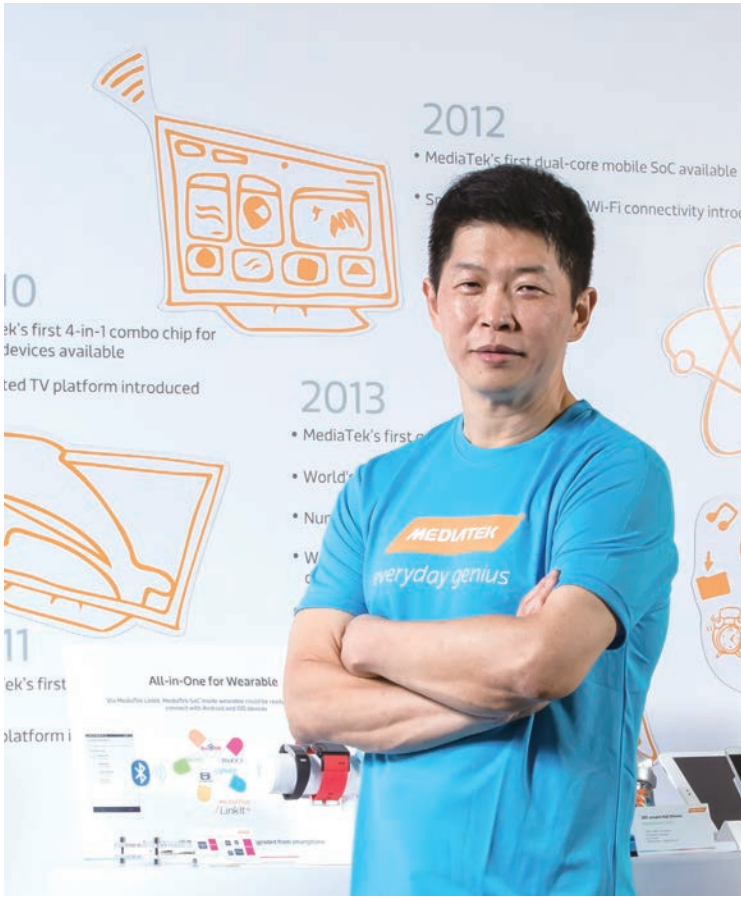
Contact information

To facilitate communication with our stakeholders, we welcome you to contact us and provide us with your valuable suggestions:

MediaTek Inc.
Corporate Social Responsibility Committee
Address: No. 1, Dusing 1st Rd., Hsinchu Science Park, Hsinchu City, Taiwan Tel: 886-3-5670766 E-mail: csr@mediatek.com

Mission of Sustainable Development

A WORD FROM THE HEAD OF CSR COMMITTEE



With the growth of the global economy, billions of people are exposed to eye-opening, ground-breaking technologies. And MediaTek's mission is to enhance and enrich everyone's live via technological innovations. Looking back on our past developments, our journey had been similar to the growth of a tree. Starting with establishing the foundation of MediaTek and contributing to the community, we have planted the seeds for scientific education, which gradually bloomed into a solid semiconductor industry and branched out in different aspects. Finally, we have blossomed and reaped fruitful results all over the world. Therefore, in the design of the 2016 CSR Report, we have adopted the image of a tree to strengthen our brand visual elements. And just like a tree, we hope that all stakeholders can see MediaTek as a strong, firm, and reliable corporation.

Innovative Technology

MediaTek has received the "Top 100 Global Innovators" compiled by Clarivate Analytics for three consecutive years. MediaTek is also the only Taiwanese company to be selected for such accolade for three consecutive years. We have successfully blended innovation into our business strategies, and demonstrated the forward-thinking rationale in the 21st century expected of a top 100 business in the world. In the next five years, MediaTek aims to invest over NTD 50 billion toward the following 7 fields: IoT, 5G, Industry 4.0, IoV, VR/AR, AI, software and web services. MediaTek possesses many core IP technologies and diversified products as well as customers. In addition to synergies from the MediaTek Group, the interactions and integrations between the abovementioned factors will doubtlessly enable us to solidify our leadership position in relevant SOC solution chip markets, making us a pioneer in smart devices.

Corporate Governance

With the effort from all of our employees, the 2016 consolidated net revenue had reached NT$275.5 billion, showing nearly 30% growth compared to that of the previous year. We increased our market share through comprehensive product lineup, and shipped out a historical height of 550 million sets of smartphone and tablet chips. To steadily enhance business performance, MediaTek continues to upgrade our corporate governance structure. In 2016, we established a set of "Procedures for Performance Evaluation of the Board of Directors" in which Directors will undertake self-assessment. The total evaluation result was "Outstanding." Concurrently, we have also implemented routine assessment of the independence of Certified Public Accountant (CPA), and disclosed improvement measures including evaluation procedures in details in the Annual Report. In 2016, we have ranked among Top 5% in the 3rd Corporate Governance Evaluation. This demonstrated competent authorities' recognition for MediaTek's improvements in governance. Having received such positive results in the corporate governance evaluation has inspired us to achieve an even better governance structure.

Workplace Environment

Our policy has always been to create a friendly workplace environment for our employees. To continuously improve our workplace environment, in 2016 MediaTek has also launched the "Global Employee Survey," which was actively participated by nearly 90% of all employees. We have received over 5,000 open comments and feedback, showing that everyone was willing to provide suggestions to make MediaTek even better. Listening to how employees truly feel is a critical way to retain the best employees. MediaTek strives to establish a positive workplace environment that meets the expectations of our employees.

Partnership

Our robust partnerships are based on long-term culture of understanding between MediaTek and our customers and suppliers. In 2016, MediaTek has launched many new technologies, products, and services in collaboration with our customers, including Amazon Echo Dot, Samsung, LG, and Verizon and more. This is all based on the strong support and assistance we have received from our suppliers. On average, one in every three cell phones around the world uses products from MediaTek. This shows the widespread influence from our products, and also demonstrates the importance of supply chain management. Hence, MediaTek undertakes sustainable management from economic, social, and environmental aspects, and requires our suppliers to be in compliance with the EICC Code of Conduct. During the Supplier Conference, we have also declared that, to enhance the sustainable development of the entire semiconductor industry, environmental and social evaluation standards would be incorporated into our assessment process in the future, in which the best-performing suppliers in terms of sustainable development would be rewarded.

Natural Environment

Climate change has already become a highly valued international issue, and the Taiwanese government has also set goals to control GHG emissions, where the anticipated emission rate in 2050 should be 50% lower than the emission rate in 2005. MediaTek has proposed strategies and adaptive measures to slow the process of climate change. We have also established short, mid- and long-term objectives for "green product" and "carbon reductions and energy conservation." In 2016, in our effort toward offering environmentally-friendly, green products, we have also undertaken internal improvements based on our international customers' management needs for hazardous substances, as well as launched green audit on our suppliers. Moreover, the carbon footprint of an accumulated 36 IC chip products have been inspected to-date. We have grasped the primary sources as well as quantities of carbon emissions, and proposed appropriate reduction measures. Therefore, we have established the second high-density data center in 2016. It is anticipated to save up to 2.5 million kWh in power and up to NTD 7.5 million in electricity fees.

Social Welfare

Knowing that high-tech personnel forms the core competitiveness in Taiwanese economy, MediaTek is actively committed to scientific education and uses innovative technology to solve social and environmental issues. We continue to engage Taiwan through the three aspects of scientific education, talent development, and social innovation. We have already contributed nearly NTD 70 million toward this goal, and strategically integrated CSR with our core values, including IoT technology, LinkIt developer platform and corporate volunteers. We provide appropriate high-tech resources to each stage of learning, and the scope of which covers all the way from elementary, middle, and high school to graduate and Ph.D. studies. Moreover, we also incubate teachers for maker education and aspire to foster high-tech talents capable of solving social and environmental issues by hands-on applications. In 2016, MediaTek has also promoted innovative technological applications and assisted in solving major social problems through the "Cloud-based smart disease prevention, NCTU children safety protection program," and "Security monitoring system in Rixin Elementary School."

"2016 MediaTek Corporate Sustainability Report" is the third CSR Report that that we have issued to-date. Demonstrating our resolve for sustainable operations through information transparency and accountability in practice, the Report shares MediaTek's influences and contributions to the economy, society, and the environment to all stakeholders including the government, customers, suppliers, shareholders, and employees. MediaTek's CSR Committee meets in each quarter to device strategic objectives and action plans, and undertakes routine discussions to review project progress and status of implementing said objectives. Our employees' effort has also been widely recognized by external parties in 2016. We were awarded the Gold Medal in Electronics and IT Manufacturing Section of the "2016 Taiwan Corporate Sustainability Awards" from the Taiwan Institute for Sustainable Energy (TAISE); moreover, we also ranked in No. 15 in Large-Scale Business section of CommonWealth Magazine's Corporate Social Responsibility Awards. We will continue to pursue endless possibilities by achieving sustainable operations with our core value of "continuous improvement."

In entering our 20th year of operations, we would like to wholeheartedly thank everyone for journeying MediaTek through every challenge, enabling us to prosper into a corporate citizen that fulfills its social responsibilities and works toward sustainable development in practice.

Senior Vice President & CFO & Spokesperson David Ku

Sustainable Development Objectives and Performance

Each year, over 1.5 billion

consumer products use our technology

Short-term Objectives

Innovation	Continue to strengthen core competencies: Develop processing chip below 16 nm, SoC multi-core technology and software platform. Enhance 4G/LTE communication technology. Continue to research for applications: Develop applications for smartphone and tablets and critical technology for the Internet of Things (IoT) and virtual (VR). Interactions with academia: Proactively participate in information exchange with academia to enhance interactions between industry, academia, and R&D in terms of IC design technology.
Corporate Governance	Enhance information transparency in operations and strengthen authority of the Board: Proactively participate in Evaluation of Corporate Governance to strengthen information disclosure and protect shareholder rights. Hold true to integrity, honesty, and core values: Establish the Corporate Code of Conduct. Abide by management procedures and mechanisms and incorporated such mechanism into the annual self-assessment of internal control to evaluate employee awareness of ethical conduct. Strengthen the risk management mechanism: Identify critical operational risks and relevant contingency measures.
Workplace Environment	Establish a recruitment policy and processing platform which are compliant with multi-national business practices. Design and strengthen non-monetary incentives and ensure overall competitiveness of compensations. Establish an alert mechanism for physiological and psychological health conditions for employees. Provide work environment that is gender-friendly and friendly to physically and mentally-challenged individuals. Integrate global learning resources and established Global Learning Website. Assist employees in establishing IDP to effectively implement OJT in practice. Improve performance and talent evaluation mechanism to strengthen talent development. Implement global communications mechanism to enhance effectiveness of communications. Enhance volunteer participation rate and influence to help employees achieve self-actualization.
Partnership	Conduct customer satisfaction survey to understand customer needs for systematic improvement. Conducted QBR to strengthen interactions between customers and senior management. Signing rate of supplier CSR statement: 100% Supplier Economic, Social, and Environment evaluation and audit: 100% for major domestic suppliers. Supplier EICC SAQ: 80% Supplier CDP return rate: 80%
Natural Environment	Continued to inspect the carbon footprint of 10 IC products. Strengthened supplier management of hazardous materials and ensured that no conflict minerals were used in 100% of the products. Enhanced energy efficiency and utilization of renewable energy.
Social Welfare	Established the AaPaTo Honor Society. Partnered with NTU, NTHU, and NCTU to establish innovation research centers. Scholarship for ASEAN and Southern Asian students to study in Taiwan (focusing on India in the inaugural year).

Approximately 1/3

of all cell phones worldwide use our technology

Mid-term Objectives

Commit to R&D resources, anticipate the development of the advanced processing chip below 10 nanometers in the future, and establish core competitiveness.

Proactively participate in international standard organization activities (such as 2.5G communication technology and H.266 image compression) and propose standards during meetings.

Protect rights of stakeholders and strengthen the functionality of the Board and Audit Committee: Diversified members in the Board and control on financial operations. Enhance information transparency.

Created the whistle-blower system platform, which discloses all types of incidents to strengthen anti-corruption and prevent fraud and crime.

Implement corporate risk management operations in practice, and incorporate societal and environmental risks.

Enhanced the reach of global recruitment and brand social platforms.

Established critical technology field: Global Talent Pipeline.

Coordinated resources for academia-industry collaborations to establish and strengthen relations with major colleges throughout the world.

Established medical assistance resources compliant with legal regulations. Proactively planned improvement measures for abnormal physiological and mental health indicators in employees. Won healthy workplace accreditation from the government and/or credible institutions.

Construed a cross-site best management practice sharing platform. Integrated innovation into the designing process of Company activities and structure. Communicated planned topics, strengthened the effectiveness of incentives and cohesion through a diversified platform.

Planned and implemented cohesion program for worldwide employees and their spouses for the Company's 20th anniversary. Implemented improvement measures: The post-employee feedback survey.

Supply chain CIP for weaker items

Supplier Economic, Social, and Environment evaluation and audit: 100% for major overseas suppliers.

Newly added evaluation items: CSR report, greenhouse gas, energy, and water resource management system.

Supplier EICC SAQ: 100%

Supplier CDP return rate: 100%, rating above B and C

Hosted the Supplier Conference - Sustainable Supplier Awards

Conducted carbon and water footprint inspection for primary products and organizations.

Collaborated with suppliers to control products carbon emissions, effectively reducing GHG emissions.

Responded to the call for energy conservation and carbon reduction, and conserved 4% power consumption throughout the corporate data center within three years.

Accomplished 100% of supplier CSR audits.

Responded to global proposition of sustainable development and implemented the relevant questionnaires.

Confronted social problems through technological innovation by using core R&D competencies.

Continued to sponsor scientific knowledge promotions and science education in schools. Promoted academic knowledge exchange, technological development, and social movements.

Collaborated with overseas branch companies on volunteering projects.

South-bound scholarships expanded to include Southern Asia and ASEAN countries, promoting talent influx to Taiwan.

1st in the world

Android tablet, functional cell phone, digital TV, Blu-Ray / digital visual and audio player, and optical disc drive chip provider

2016 Performance

Innovation

Received Top 100 Global Innovator 2016 for three consecutive years

Received "Asia-Pacific Exemplary Semiconductor Company" from the Global Semiconductor Alliance (GSA) for 5 consecutive years.

Nominated as a Top 20 Global Brand in Taiwan by Interbrand for two consecutive years.

Only Taiwanese company whose paper is nominated for the International Solid-State Circuits Conference (ISSCC) for 13 consecutive years.

Growth through Innovation Award from the "2016 Taiwan Corporate Sustainability Awards"

Increased innovation R&D budget by 12% in 2016 to reach NTD 55.7 billion.

Corporate Governance

Chairman Mr. Ming-Kai Tsai selected as one of the "Best-Performing CEOs in the World" by Harvard Business Review.

Ranked #15 among large-scale corporations in Common Wealth Magazine's Corporate Social Responsibility Awards and included among the "Top 10 Best Reputation Enterprises." Chairman Ming-Kai Tsai was also selected as one of the "Most Respected Businesspeople by Other Businesspeople."

Rank in the top 5 percentile in 3rd Corporate Governance Evaluation.

Received the Gold Medal in "2016 Taiwan Corporate Sustainability Awards - Electronics and Information Manufacturing Industry".

Workplace Environment

Total number of employees worldwide: 10,749

Referral from existing employees: approximately 2,000

Attracted over 100 students in recruitment campaign in Indian universities

Education/training expenses: NTD 32.21 million

Employee feedback survey: 88% return rate

Health promotional activities: 6,077 individuals participated in health promotional activities

Partnership

Overseas training: Trained 42 middle-rank supervisors and senior engineers from 22 telecom companies in India.

Received "China Mobile VoLTE Hundred-Day Conference Outstanding Contribution Award" from China Mobile Group Device Co., Ltd.

Received Supplier Management Award from "2016 Taiwan Corporate Sustainability Awards"

Completed ISO 9001: 2015 Edition

Maintain 100% rate of not using carbon products that are questionable or pose conflicts.

Natural Environment

Carbon footprint inspection: Currently up to 36 IC chips

Total participants in emergency evacuation drill: 4,995

Conserved NTD 19.13 million in electricity bill

Reduced 2,505 tons of CO_2 emissions

High-density energy conservation data center anticipated to reduce NTD 11.08 million in electricity bill.

Social Welfare

Contributed approx. NTD 170 million toward partnerships with NTU, NTHU, and NCTU and social welfare projects.

Influenced over 3,000 teachers and students annually through the Technology Cultivation Program.

Youth Seminar Professor Incentive Program: Allocated NTD 7.2 million in 4 years.

Rewarded over 500 graduate and Ph.D. students

2016 Telecommunication Competition: over 348 participants

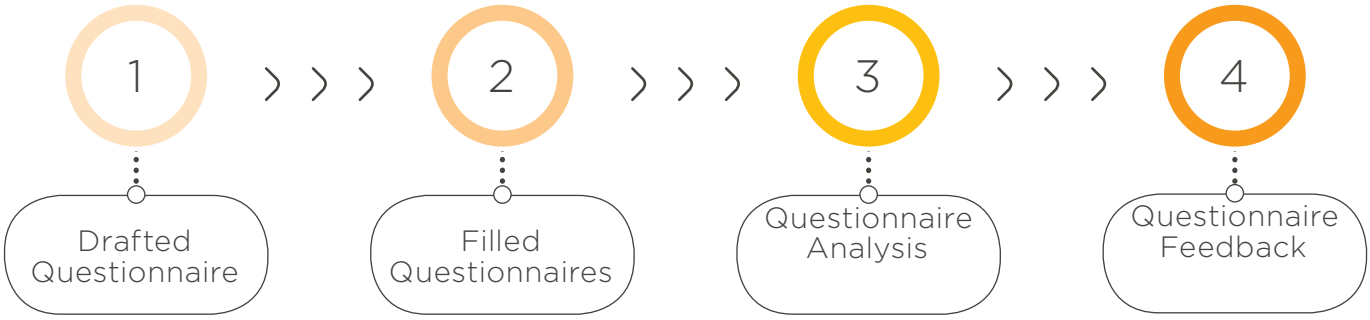
"Spreading Love during Christmas": realized over 1,800 wishes

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The United Nations officially launched the Sustainable Development Goals (SDGs) in September 2015. SDGs are challenges that the world must face together in the next 15 years, in which businesses play a crucial role. According to international research, 92% of all international enterprises have already realized the importance of SDGs. Moreover, 71% of these businesses have begun relevant planning, linking their core values and social responsibility to SDGs and mutually contributing toward sustainable development.

In the process of introducing SDGs, businesses should first understand the true implications of the SDGs together with their own positioning and target objectives. MediaTek has already verified correlations between SDGs and the Company in 2016. In addition to identifying 11 goals, we have also taken action toward these goals. To comprehensively apply the material implications of the SDGs to MediaTek, we proposed the "Materiality Analysis of SDGs Questionnaire" in 2017 and invited CSR Committee members to respond. This would help us to fully examine the correlations between MediaTek and all 17 SDGs to identify the materiality of each goal. After four analytical procedures, 7 SDGs have been identified, and corresponding measures and contributions to each SDG will be explained.

Process of analyzing materiality of the SDGs



To facilitate the filling of the questionnaires in order to better comprehend the core visions of the SDGs and MediaTek's various actions relevant to the SDGs, the Abstract attempts to explain about each sustainable development goal in addition to compiling a list of relevant actions MediaTek has undertaken in response to SDGs.

In 2017, we invited 14 CSR Committee members from 7 distinct departments, who have some degree of understanding of CSR, to fill out the relevant questionnaire, and then assess the importance of each SDG through their professional background.

To prioritize the 17 SDGs according to their respective importance, we have selected 7 major SDGs by selecting the median in the standard deviation of the data.

Toward the end of the questionnaire, a feedback mechanism is also included to better comprehend whether the employees had perceived a better understanding to the SDGs and MediaTek's relevant actions to sustainability while answering the questionnaire. Based on our results, 86% of the employees felt that they had perceived more in-depth understanding to the SDGs by filling out the questionnaire.

Sustainable Development Goals (SDGs)	SDGs Material Secondary Goals	MediaTek's Corresponding Measures	MediaTek's Contributions to SDGs	Corresponding Chapter
8 DECENT WORK AND ECONOMIC GROWTH Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services. By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization.	In the semiconductor industry, MediaTek is an upstream R&D and design fabless semiconductor manufacturer which meets high levels of demand for innovation and pioneering technology. The Company strives to create products and services with high added value.	2016 consolidated net revenue has reached NTD 275.5 billion, showing a 30% increase from the previous year. Consolidated EPS is NTD 15.16 per share. MediaTek Labs helps small companies or individual developers to acquire the resources they need to develop their businesses. The Internship Program is offered to attract domestic and overseas students to join us in Taiwan, the United States, Europe, India, China, and Singapore for summer-term or year-round internships.	Business Model MediaTek Labs Global Talents
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending. Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020.	MediaTek's brand vision is to help its customers innovate, to inspire endless potential through the power of technology so that everyone can enjoy its benefits, and to provide accessible internet to all.	10,749 total employees worldwide, of which R&D personnel account for 89.4%. In 2016, historical heights in R&D expenses were reached, in which approximately NTD 55.7 billion was allocated to R&D, accounting for 20% of sales revenues. One in every three cell phones in the world has MediaTek inside them. Our revenue ranks No. 3 worldwide in the fabless semiconductor industry.	Innovative Development Business Model

Sustainable Development Goals (SDGs)	SDGs Material Secondary Goals	MediaTek's Corresponding Measures	MediaTek's Contributions to SDGs	Corresponding Chapter
3 GOOD HEALTH AND WELL-BEING Ensure healthy lives and promote well-being for all at all ages	By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and wellbeing. By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes. Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.	In terms of the workplace vision, we aspire for our employees, their departments and families to work and live together in ways that are most beneficial to their physical and mental health. Approaching this goal from four strategic directions, we planned and implemented the "Safeguarding Employee Physical and Mental Health - Comprehensive Care for Employees and their Families" plan, which consists of three major aspects.	Each MediaTek personnel member enjoys up to a subsidy of NTD 6,500 in health checkup and a half-day of health checkup leave. We also host periodic health seminars and proactively provide necessary preventative checkup items for employees with elevated health risks. Ensure all employees are working in a safe environment and provide all sorts of preventative and treatment measures: Promoting healthy eating and drinking habits, onsite medical team services, relieving mental and physical stress, health protection for mothers, and health promotion activities.	Health Care
12 RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns	By 2030, achieve the sustainable management and efficient use of natural resources. By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	In terms of green product environmental policy, we utilize the "three R policies" - reduction, reuse, recycling of raw materials in green design, green procurement, green manufacturing, and green transportation. We also strive to design green products that are low toxin, low carbon, and low energy-consumption.	Established hazardous matter management and received SONY GP partnership accreditation, QC08000 certification and more. We are also in compliance with 14 sets of environmental protection laws across Europe and Asia. For sustainable management of the supply chain, we have confirmed the completeness of supplier sustainability information through written and onsite inspection. We also drafted the "Supplier CSR Code of Conduct" based on the Electronic Industry Citizenship Coalition (EICC) Code of Conduct, and we have maintained 100% non-usage of conflict minerals for three consecutive years.	Green Innovation Supply Chain Partners

Sustainable Development Goals (SDGs)	SDGs Material Secondary Goals	MediaTek's Corresponding Measures	MediaTek's Contributions to SDGs	Corresponding Chapter
7 AFFORDABLE AND CLEAN ENERGY Ensure access to affordable, reliable, sustainable and modern energy for all	By 2030, double the global rate of improvement in energy efficiency	Systematically manage and align environmental protection goals with strategies through the ISO 14001 Environmental Management System. We have also established a pollution prevention and improvement mechanism.	Enhanced energy efficiency through improving equipment, managing air conditioning, and managing lighting and electricity usage. Saved NTD 19.13 million in electricity expenses in 2016, and decreased CO_2 emissions by 2,505 tons.	Energy Resource Management
5 GENDER EQUALITY Achieve gender equality and empower all women and girls	End all forms of discrimination against all women and girls everywhere Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	We strictly abide by the Labor Standard Act and prohibit any form of discrimination. Established "Procedures for Prevention, Complaint, and Punishment of Sexual Harassment" and established a Sexual Harassment Handling Committee and Sexual Harassment Prevention hotline to deal with gender equality issues.	Our "Workplace Sexual Harassment Prevention Program" has been listed as a mandatory course for all employees. As of year's-end in 2016, we achieved a completion rate of 94.5% for current employees and a 100% completion rate for all new entrants. Since most of our employees are in R&D and relevant departments in universities are mostly attended by males, the percentage of females in managerial roles is 7.7%, which is lower than the 14.5% for males.	Global Talents
13 CLIMATE ACTION Take urgent action to combat climate change and its impacts*	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries Integrate climate change measures into national policies, strategies and planning	Introduced a product carbon footprint management system to grasp the environmental impact that may result from the production of every IC chip. We also prevent natural disasters that may occur through a continuous operations management mechanism.	Ten IC products have been inspected in 2016, and an accumulated 36 products have been inspected to date. We have mostly inspected the 8-core processor, the four-core smartphone chip, and DVD players. Planned contingency measures for halts in operations and listed potential risks to evaluate the influences and levels of impact from each risk.	Climate Change GHG Management Risk Management

Sustainable Development Strategies

MediaTek follows its six core values: Integrity, Customer Focus, Innovation, Conviction Inspired by Deep Thinking, Inclusiveness, and Constant Renewal. As the foundation of sustainable development, these core values are the collective DNA of all of MediaTek employees, as well as a source of pride for MediaTek's corporate culture. Therefore, we infused our core values in the context of sustainable development, formulated development strategies for Innovation, Corporate Governance, Professional Environment, Partnership, Natural Environment, and Social Welfare. Furthermore, we have continued to advance our innovation practices and implementation performance in relevant dimensions to become the industry benchmark of sustainability.

Innovation

Promote a culture of innovation and encourage comprehensive creative inventions

Focus on the latest evolutionary progress in technological developments

Submit patent application to protect our R&D technologies

Develop next-generation technologies in pursuit of becoming an industry leader

Partnership

Focus on customers and become their best partners

Maximize influence of industry leaders and assist suppliers in improving their competitiveness in sustainability

Professional Environment

Attract outstanding talents around the world

Care for employee physical and mental health

Create a challenging and learning-oriented work environment

Enhance the loyalty and identification of employees and their families toward the company

Corporate Governance

Protect the Rights and Interests of Shareholders

Strengthen the Roles and Powers of the Board of Directors

Ensure functions of supervisors are fully exercised.

Strengthen risk management

Control financial operations

Respect the rights and interests of stakeholders

Increase the transparency of information disclosure

Natural Environment

Actively seize opportunities and challenges resulting from climate change

Comply with environmental laws and regulations

Implement green innovation and reduce the depletion of energy resources

Raise employees awareness on environmental protection

Implement environmental, safety, and health management systems

Prohibit the use of conflict minerals

Social Welfare

Support the promotion of science and technology education in schools

Support the development of science and technology education for students

Advocate academic exchanges

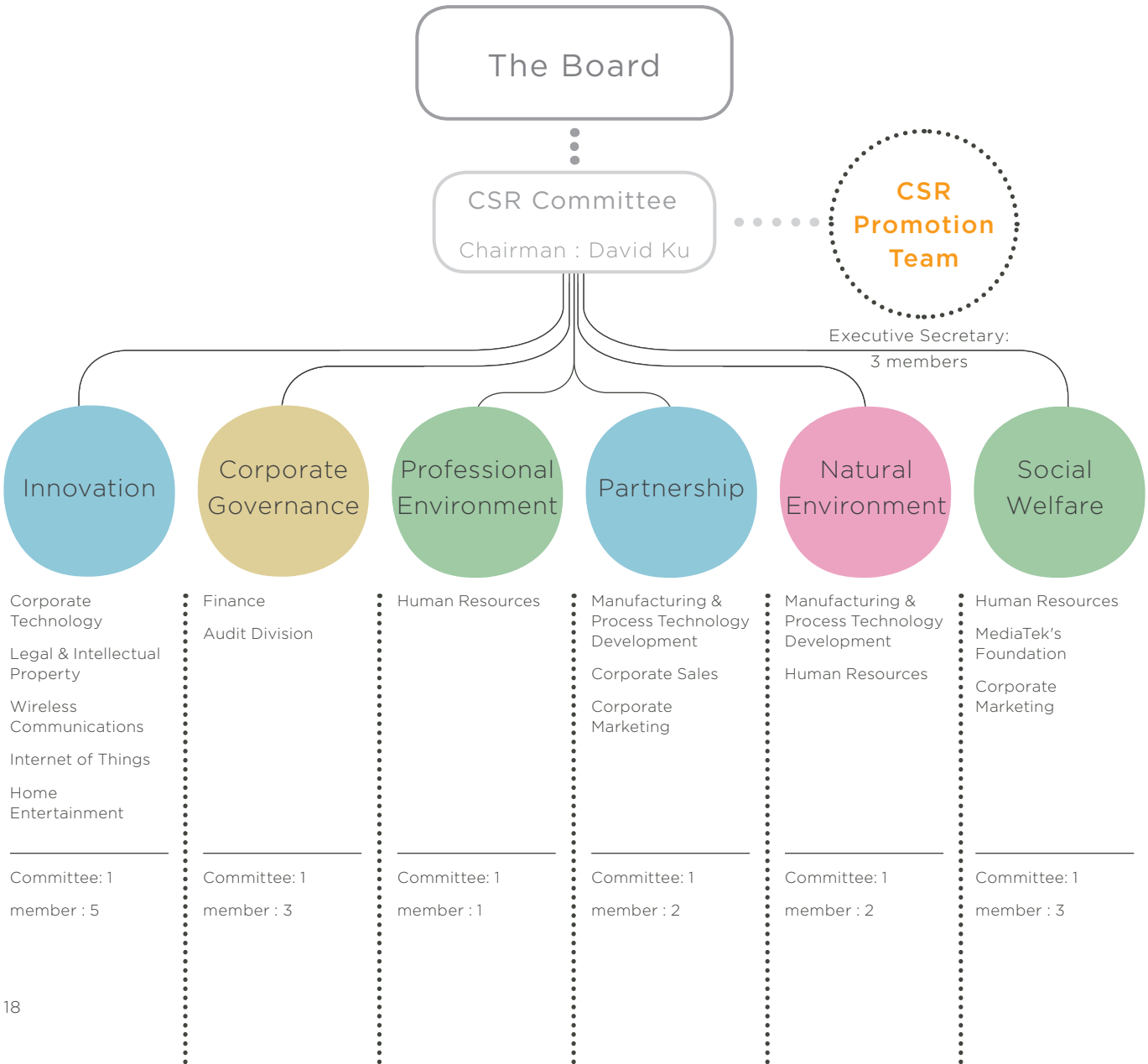
Promote the growth of science and technology domains

Focus on the dynamics of society

Improve people's quality of life

CSR Committee

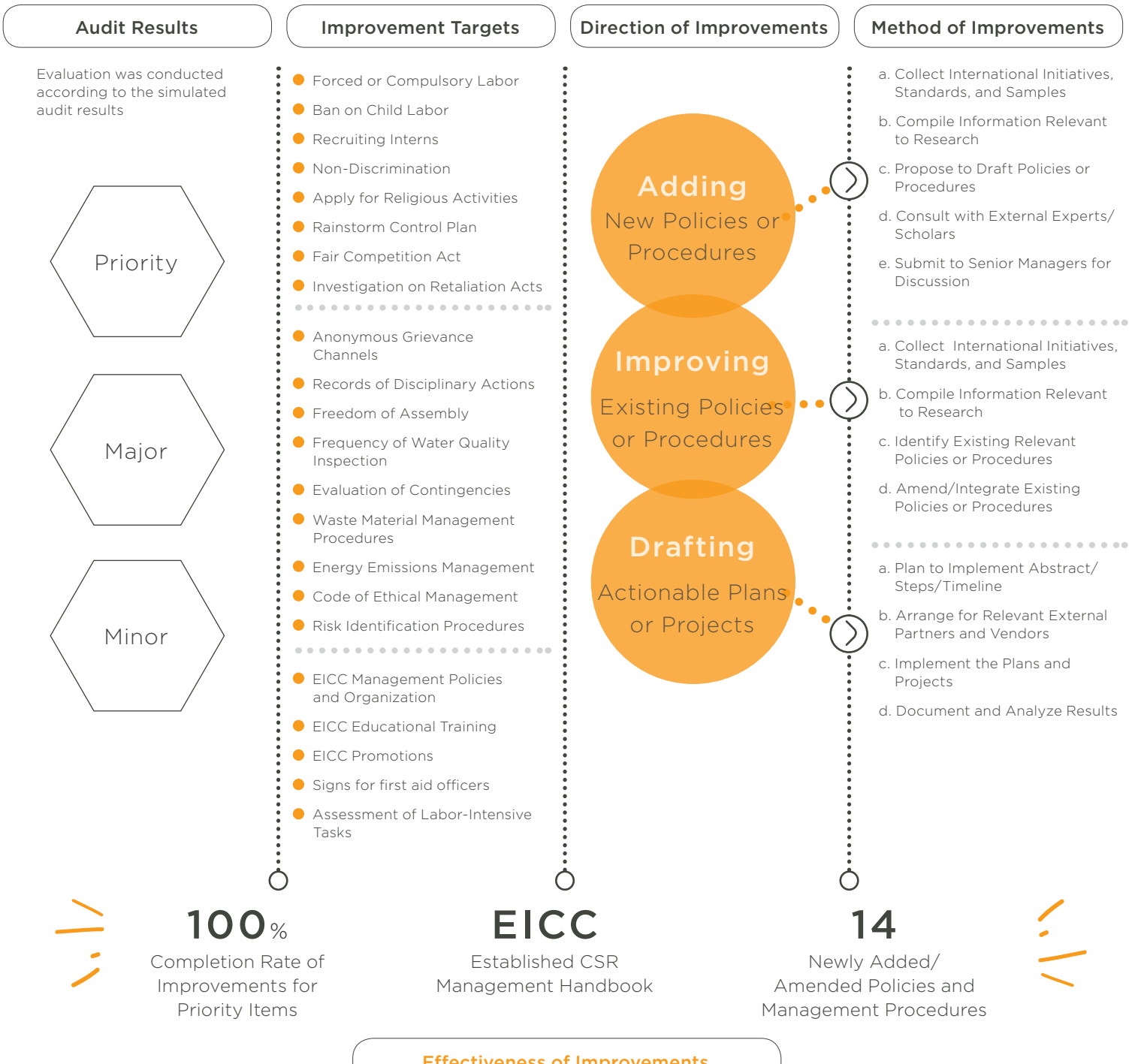
The MideaTek "Corporate Sustainable Development Team" is chaired by Senior Vice President, CFO and company spokesman David ku, and the company's chairman & CEO Ming-Kai Tsai oversees its operation as the highest-ranking officer responsible. The Committee's most important guidance policy is sustainable development, and it leads each responsible department to plan and implement project proposals targeted at different perspectives. This includes tasks and missions such as establishing the primary target and direction of the Company's sustainable development in a given year, communications and negotiations between the Company's senior officers and each department, allocation of internal resources, control of project progress, and application for verifications, audits, and awards. The Committee hosts discussions and meetings periodically each year, in which the execution plan of the 6 development strategies for the given year are reported and the previous year's implementation results are reviewed, to realize continuous improvement and achieve the highest policy of sustainable business development. To continuously pursue sustainable business development and understand the overall economic, societal, and environmental trends and movements in both domestic and overseas markets, in addition to arranging core personnel to undertake internal and external CSR educational training, the Chairman, Mr. Ming-Kai Tsai, and Independent Director Chung-Yu Wu have also studied "Strengthening the Blueprints of Corporate Governance, CSR and Comprehensive Information Disclosure" and "Practices of How a Business Could Perform CSR and Report-Writing Well," respectively, to continuously enhance MediaTek's sustainability.



Proactively Responded to the EICC Code of Conduct

The Electronic Industry Citizenship Coalition (EICC) is an alliance formed by HP, Dell and IBM. In 2004, the organization published a Code of Conduct. The purpose of the Code is to establish a standardized CSR behavioral guide for the supply chain in the global electronic industry. This is to ensure that employees are respected and work in a dignified and safe work environment, and abide by a code of ethics. It also establishes a consistent communication channel (EICC-ON) so that enterprises can focus on improving social and environmental problems and reduce any obscurities in their supply chain management.

MediaTek autonomously initiated a mock EICC audit inspection in 2016 in which differences between the Company's internal actions and the EICC Code of Conduct were analyzed, and 65 items were identified for improvement. The primary improvement targets have to do with indicators regarding labor and health and safety. The executive secretary of the CSR Committee will oversee the improvement procedures and establish policies, standards, management procedures, promotions and education/ training based on the priority and materiality of the improvement measures. We strive to ensure that MediaTek is in compliance with the EICC Code of Conduct. To take the initiative in corresponding with CSR trends in the global electronics industry, we completed improvement measures for our priorities in 2016 and submitted newly added and amended policies and management procedures to senior management for review.

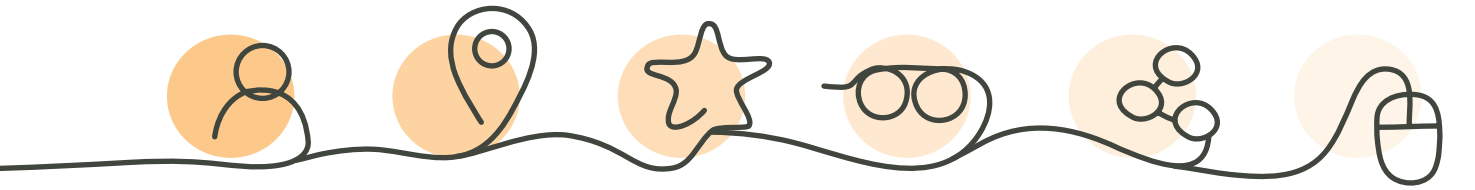


Stakeholder Engagement

To achieve sustainable development, firms must communicate with their stakeholders to determine issues that they are concerned about. Subsequently, these issues should be transparently and comprehensively disclosed in CSR reports to address stakeholders' concerns. During the stakeholder engagement process, we also identified deficiencies requiring improvement, which we believe is a process for continual advancements and growth. Through stakeholder engagement, MediaTek cooperates with our stakeholders to advance toward a future filled with endless possibilities.

Communication with Stakeholders

Stakeholders are individuals or groups that have interest or concern with the performance of MediaTek. When identifying our stakeholder groups, our Corporate Sustainable Development Work Group conducts brainstorming, producing a list of 10 stakeholders relevant to MediaTek. A questionnaire survey of five executive managements is then conducted, focusing on the five major principles of the AA 1000 Stakeholder Engagement Standard (SES): Dependency, responsibility, influence, diverse perspective, and tension, to measure the association and level of influence between each stakeholder and MediaTek, subsequently identifying the following six primary stakeholder groups: customers, government, employees, shareholders and investors, suppliers, and general public/ media.



Customers	Government	Employees	Shareholders/ investors	Suppliers	General public/ media
The Stakeholders Meaning to Mediatek					
Customers are MediaTek's best strategic partners. We uphold the spirit of customer orientation, developing various types of products and services in an effort to aid our customers in attaining success.	The government is the crucial bridge for supporting MediaTek's entry into a new market and stabilizing relationships with local corporations. In addition, immediately responding to government-proposed laws and regulations is our fundamental business ethics.	Employees are the most significant assets of MediaTek. The innovation contributions and efforts in IC designs by our talented employees around the world enabled MediaTek to be a leading global technological organization.	Shareholders and investors are the driver supporting MediaTek. Their monetary investments and involvement in corporate government enabled MediaTek to advance further toward sustainable development.	Suppliers are MediaTek's best partner in providing outstanding products and services. By establishing a trust-based cooperative relationship with them, MediaTek and suppliers could assist each other when encountering difficulties, and thereby sustain, and prosper together.	The general public is MediaTek's companion in creating a perfect life. Identify those in need so that MediaTek can collaborate with local communities, media and non-profit organizations to jointly assume their responsibility as corporate citizens.
Communication channel and frequency					
Telephone and emails (daily) Customer satisfaction survey (annual) MediaTek On-line platform (anytime) Customer complaint handling channel (anytime)	Market Observation Post System (anytime) Regulatory meetings (ad hoc) Public hearing (ad hoc)	Employee-employer meeting (quarterly) Communications meeting for various levels (monthly/ quarterly) Employee seminars (half-yearly) Global employee survey (every two years) Communication platform (anytime) Global Communication Platform (anytime) Employee grievance box (anytime) Company opinion box (anytime)	Annual shareholders' meeting (annual) Quarterly investor seminars (quarterly)	Supplier conference (ad hoc) Supplier inspection (ad hoc) Grievance mailbox (anytime)	Charity event participation (ad hoc) Press conference (ad hoc) Campus speeches (ad hoc) Seminars (ad hoc)

MediaTek's major topics to be discussed			
Stakeholders	Major Topics to be Discussed	2016 Performance	Management Procedures
Customers	Technology development and innovative culture Market presence/brand value	Ranked among top 10 Global Brand in Taiwan for 2 consecutive years Received Top Global Innovator for three consecutive years R&D budget reached new historical heights, at NTD 55.7 billion Proactively planned IP strategies, received 8,886 patents	Refer to "Innovative Culture" Refer to "Brand Proposition"
Government	Compliance with local legislation Compliance with related product and service regulations	Was not subjected to penalties above NTD 1 million in 2016 Compliant with 14 sets of European and Asian environmental protection laws Amended "W-137 Environmental Material Management Standards"	Refer to "Ethical Corporate Practice" Refer to "Green Innovation"
Employees	Talent recruitment and retention Career development and training	Recruited global talent and received a total of 1,211 new entrants into the Company Education/training expenses: NTD 32.21 million	Refer to Global Talent" Refer to "Career Development"
Shareholders and investors	Sustainable development strategy Corporate governance and economic performance	Received "Asia-Pacific Exemplary Semiconductor Company" award for 5 consecutive years Received Gold Medal in "2016 Taiwan Corporate Sustainability Awards - Electronics and Information Manufacturing Industry" Rank in Top 5 Percentile in 3rd Corporate Governance Evaluation.	Refer to "Sustainable Development Strategy" Refer to "Business Model" Refer to "Governance Structure"
Suppliers	Supply chain sustainable management Conflict minerals management	Received Supplier Management Award from "2016 Taiwan Corporate Sustainability Awards" All suppliers are certified with the ISO 9001 Quality Management and ISO 14001 Environmental Management certification Maintains a 100% rate of not using conflict minerals	Refer to "Supply Chain Partner" Refer to "Conflict Minerals"
General public/ media	Science universal education Social welfare event	Social welfare investment and academia expenses reached NTD 170 million Technology Cultivation Program influences over 3,000 teachers and students annually "Spreading Love during Christmas": Realized over 1,800 wishes	Refer to "Education in Science and Technology" Refer to "Charity and Community"

Process of Materiality Analysis

1 **30 SUSTAINABILITY ISSUES**

COLLECTION OF SUSTAINABILITY ISSUES

We collected sustainability-related issues by referencing the GRI sustainability reporting guidelines, ISO 26000 Social Responsibility Guidelines, Organization of Economic Cooperation and Development (OECD), United Nations Global Compact, Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies, issues related to the semiconductor industry, and internal document of MediaTek. According to last year analyzed results and compiled experience, CSR committee members integrated similar issues to more focused on material issues.

2 **5 EXECUTIVES** **107 STAKEHOLDERS**

UNDERSTANDING ISSUE OF CONCERN

Online questionnaire survey of five MediaTek executives and 107 stakeholders and representatives was conducted to collate potential issues. The distributed questionnaire focused on the dimensions of economy, environment, labor workers, human rights, society, and product responsibility. The levels of influence and concerns for each relevant issue were then ranked.

3 **10 MATERIAL ASPECTS**

IDENTIFIED MATERIAL ASPECTS

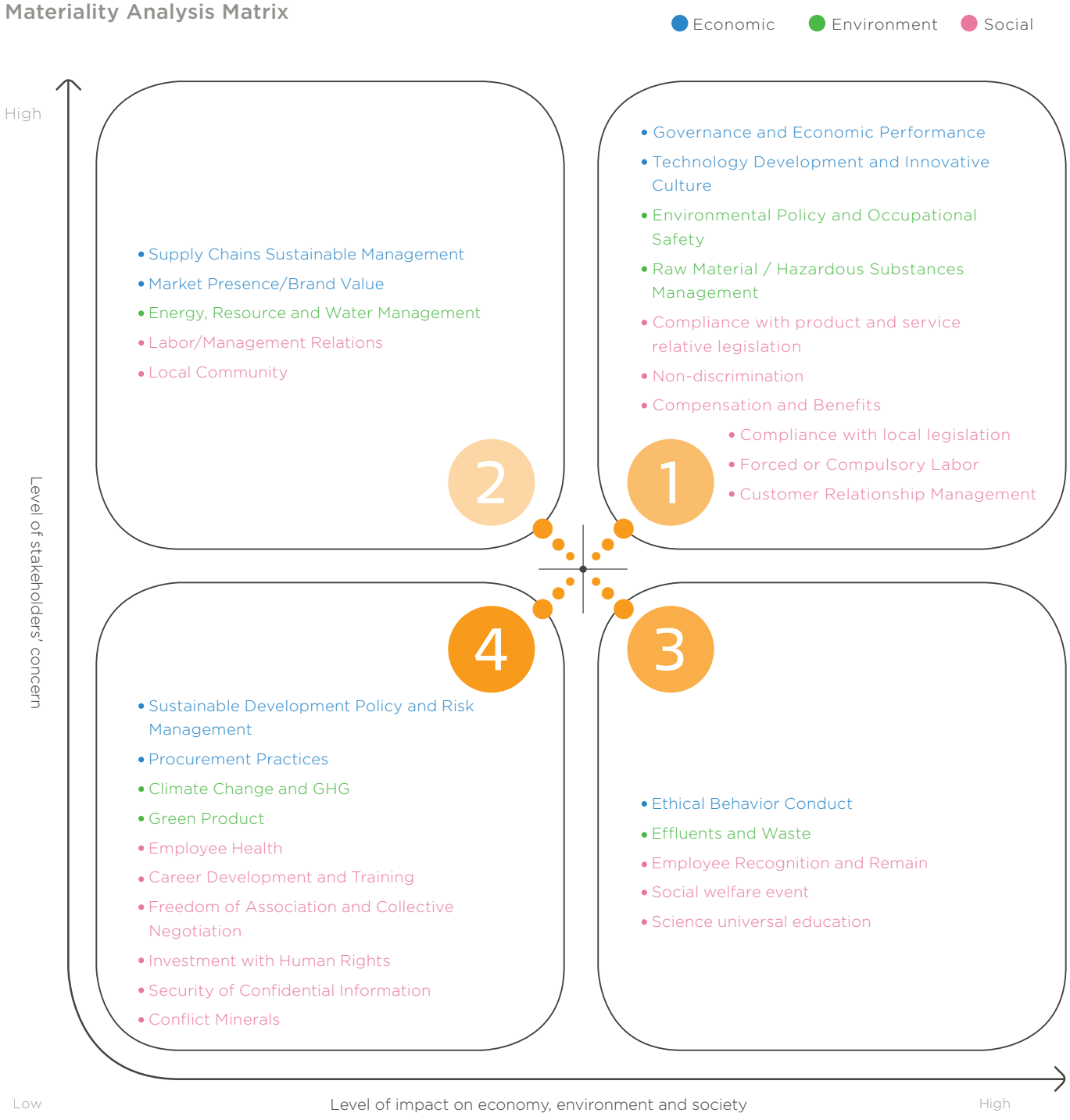
Following a cross analysis of the collected questionnaires of executives and stakeholders, 10 issues of concern were compared to the GRI aspects and management approach, considering data scope, boundary and time to collect data. The compilation of these issues ensured that the sustainability performance can be disclosed transparently, equally, and comprehensively in the report.

4 **2016 CSR REPORT**

REVIEW AND DISCUSSION

After the report was published, we reviewed the materiality of the material aspects that were disclosed in the previous report when preparing for the report of the subsequent year. In addition, stakeholder feedback was also considered to ensure the rationality of the reported content and the spirit of maintaining balanced disclosure.

Materiality Analysis Matrix



Material Issue Management Approach

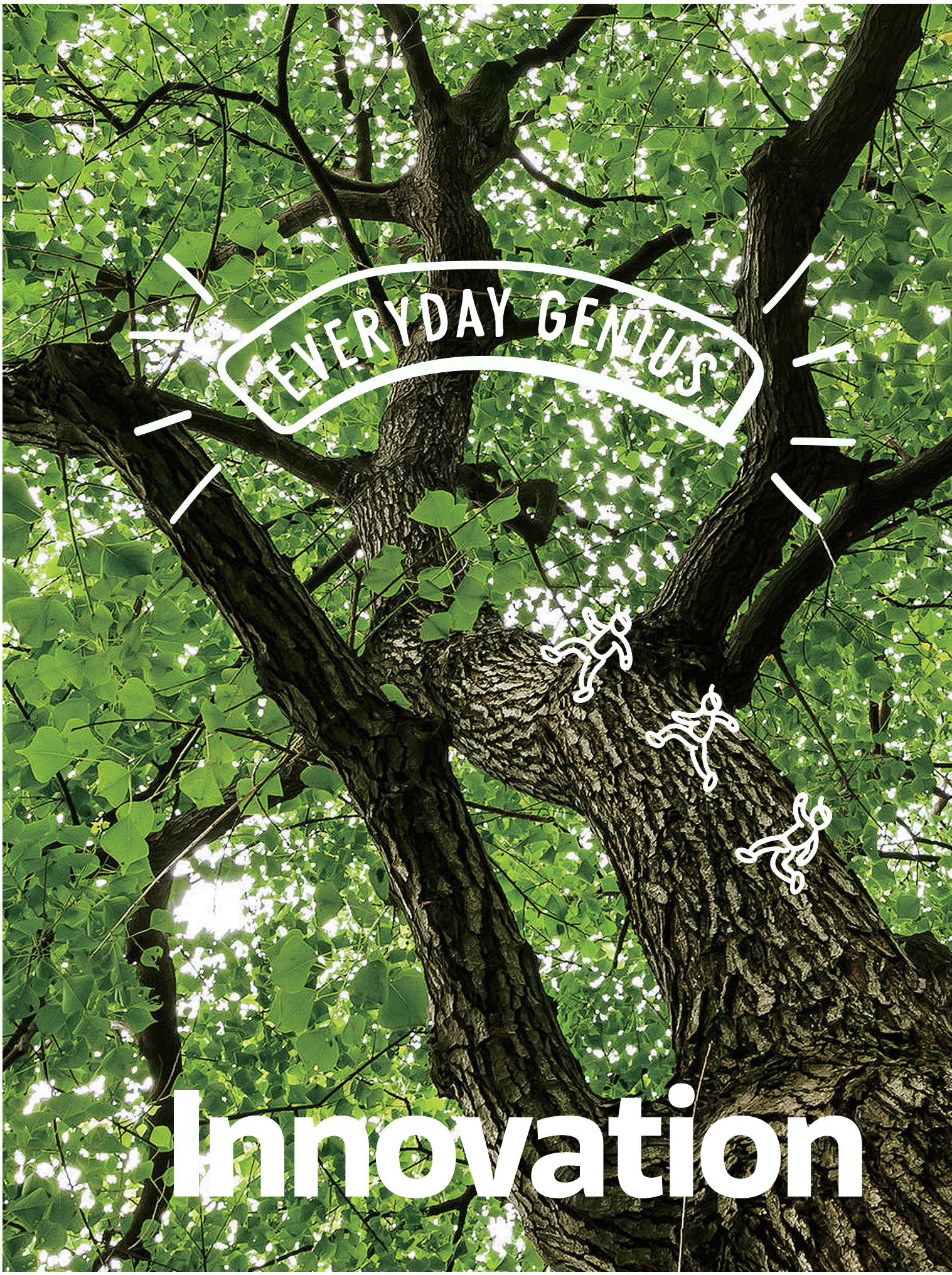
Material Issue	Significance to MediaTek	2016 Performance	Disclosure on Management Approach	Related Chapter
Economic performance and governance	A robust governance structure is the core foundation of management, continuous economic growth is the driving force of business operation, and balancing the benefits of environment and society creates the largest value.	Ranked No. 3 in terms of revenue as a global fabless semiconductor firm Operating revenue reached NTD 275.5 billion Ranked among top 5% in 3rd Corporate Governance Evaluation	MediaTek draws up company policy and organization structure in accord with Taiwan's related regulation for company. The board is the highest management level, board meeting is held annually and regularly to discuss and decide on company's operation policy and direction.	Business Model/ Governance Structure
Innovative culture and R&D	Keeping advancing technology for every possibility and proposing innovative solution are crucial for MediaTek position as a leader in global semiconductor industry.	Global Top 100 Innovative Company R&D budget NTD 55.7 billion Received 8,886 patents	MediaTek draws up the complete patent application procedure to protect intellectual property. R&D Golden Award and Special Contribution Award are issued annually to mold atmosphere of innovation and strengthen R&D competitiveness.	Innovative Culture
Materials / haz-ardous substance management	To ensure products provided by MediaTek are environmentally friendly, comply with domestic and international standard and regulation, building a green value chain	Amended "W-137 Environmental Material Management Standard" Compliant with 14 sets of European and Asian environmental protection laws Maintains 100% rate of not using conflict minerals	Draw up "W-137 MediaTek environment substance management standard", carry out internal audit annually, implement management audit work regularly and report to highest level management	Green Innovation
Environment poli-cy and occupa-tional safety	To provide a safe and healthy work environment, allowing employees to concentrate on their work, exert talent and create value	Emergency Evaluation drill participated in by 4,995 personnel members No breach of workplace safety regulations occurred in 2016	The EHS policy was drawn up according to ISO 14001 and OHSAS 18001, and EHS management system is regularly audited. MediaTek publish the EHS policy on its internal website and educate employees of all levels about it.	Environmental and Occupational Safety
Compensation and benefits	To attract and retain talents, MediaTek provide them with compensation meeting their expectation and welfare fitting their needs, creating the cohesion among the employees	Basic fixed salary for engineers with graduate degrees higher than government's basic salary by 262% Provides 19 paid leaves, higher than legal regulations 100% retention rate from maternity leave	MediaTek evaluates the general wage level in the employment market and adjusts the wage of employees according to related principles.	Compensation and Benefits
Compulsory labor	Because employees are the most important asset of company, MediaTek has to ensure employees' free will as labor and that compulsory labor doesn't happen, letting every employee exert potential.	100% of all employees (not including dispatched workers) have signed employment contracts Planned "Caring for Employees with Longer Working Hour Program" in 2016	To comply with regulation and law, all employees have signed labor contract indicating the hiring relationship is based on agreement of both side. A clear statement prohibiting compulsory labor is included in the regulations of work, and the length of working hours is stipulated in accord with the Labor Law.	Global Talent
Non-discrimination	Innovation originates from talents from diverse backgrounds encouraging and learning with each other. MediaTek prohibits all kind of discrimination, inviting talents around the world to join the company.	No grievance case regarding discrimination was received in 2016 Anti-sexual harassment prevention course completion rate: 94.5%	According to the Labor Standards Act, no discrimination is permitted regarding hiring. If any discrimination happens, employee may appeal to the company through MTK_ FAQ.	Global Talent
Compliance with local legislation	Since MediaTek has offices around the world, compliance with local regulations is a basic responsibility of the company. Besides, maintaining a good relationship with local stakeholders.	Not subjected to penalties above NTD 1 million in 2016	Related policies was drawn up by Legal & Intellectual Property department and the execution and supervision is the responsibility of audit department. MediaTek will continue to follow the domestic and international policy and law that might affect the business and financial affair of the company.	Ethical Corporate Practice
Customer Rela-tionship Man-agement	Having customer succeed and establishing close cooperation are our ideas of business. Managing client relationship is a necessary practice.	Customer satisfaction rate: 73% MediaTek Online has accumulated over 2 million pieces of data	Draw up customer satisfaction management procedure, MediaTek serves customers with On-Line platform. Customer satisfaction survey project is carried out annually.	Customer Partnership
Compliance with Regulation Related to Product and Service	Around the world, one third of all cellphones includes MediaTek products, resulting in huge influence.	No penalties or punishment received for breaching product or service laws in 2016	Related policies was drawn up by Legal & Intellectual Property department and the execution and supervision is the responsibility of audit department. MediaTek will continue to follow the domestic and international policy and law that might affect the business and financial affair of the company.	Ethical Corporate Practice

Materiality Boundary and Scope

According to the materiality analysis, both MediaTek and its stakeholders were concerned about the following issues. Furthermore, data were collected by considering GRI aspects and using the Disclosure on Management Approach (DMA), thus providing a comprehensive description of how MediaTek should manage the economic, environmental, and social impacts relevant to the material aspects. Regarding the scope of data collection, we defined the boundary inside and outside the organization, thus ensuring the transparency and comprehensiveness of information disclosure. Besides, in order to disclose transparently and comprehensively, part of the issues were not material, but we still disclosed relevant information according to GRI indicators requirement.

Dimensions	Material Aspects	Internal		External		
		Taiwan Headquarters	Global branch companies	Customers	Suppliers	General public
Economic performance and governance	Economic performance	●	●			
	Market Presence	●	●			
	Indirect Economic Impacts	●	▲			○
	Procurement Practices	●	▲		○	
	Anti-corruption	●	●			
Innovative culture and R&D	Disclosure Management Approach	●	●	○	○	
Materials / hazardous substance management	Energy	●	▲			
	Water	●	▲			
	Emissions	●	▲			
	Effluents and Waste	●	▲			
	Products and Services	●	●		○	
	Overall	●	▲			
Environment, health and safety policy	Labor/Management Relations	●	●			
	Occupational Health and Safety	●	▲	○	○	
	Diversity and Equal Opportunity	●	●			
	Freedom of Association and Collective Bargaining	●	●			
	Environmental Grievance Mechanisms	●	▲			
	Labor Practices Grievance Mechanisms	●	▲			
	Human Rights Grievance Mechanisms	●	▲			
	Grievance Mechanisms for Impacts on Society	●	▲			
Compensation and benefit	Employment	●	▲			
	Training and Education	●	●			
Compulsory labor	Forced or Compulsory Labor	●	●			
Non-discrimination	Non-discrimination	●	●			
Compliance with local legislation	Compliance	●	●			
Customer relationship management	Product and Service Labeling	●	●			
Compliance with regulation related to product and service	Compliance	●	●			
Supply chains sustainable management	Supplier Environmental Assessment	●	●			
	Supplier Assessment for Labor Practices	●	●			
	Supplier Human Rights Assessment	●	●			
	Supplier Assessment for Impacts on Society	●	●			

● Material and information is comprehensively disclosed ▲ Material and plan to be disclosed in the future ○ Material


EVERYDAY GENIUS
Innovation

The World's Most Innovative Institutions for three consecutive years

MediaTek has received "The World's Most Innovative Institutions" compiled by Clarivate Analytics for three consecutive years. MediaTek is also the only Taiwanese company to receive such an accolade for three consecutive years. We have successfully blended innovation into our businesses strategies, and demonstrated the forward-thinking rationale in the 21st century expected from a global top 100 business. Clarivate Analytics' The World's Most Innovative Institution in 2016 was selected from a combination of factors including number of patents owned by an institution, successful rate in patent application, globalization level of the patent, and the influence of patents through number of references and citations.

“ INNOVATIVE DEVELOPMENT

Innovative entrepreneurship is like branches extending from the tree trunk. They represent diversified development and potential market opportunities, leading to boundless possibilities.

”

Facilitating the enhancement and enrichment of everyone's lives through technological innovation has always been MediaTek's mission. To achieve this goal, we must strive to make the latest technology attainable from a perspective that is both close to the people and practical, and we must assist users in utilizing our technology to solve and improve their surroundings, thus making technology more accessible. This is the only means to enhance the overall society. Currently, we are in an era of comprehensive progress in technology and global collaboration in which everyone has endless possibilities to influence society through a series of integrated technological features. We utilize our innovative technological solutions and integration competency to popularize groundbreaking technology, inspiring potential in everyone and satisfying the diverse needs of everyday life, work, and recreation, so that the people living in this global village can form close-knitted networks and exert the greatest amount of influence.

BRAND PROPOSITION

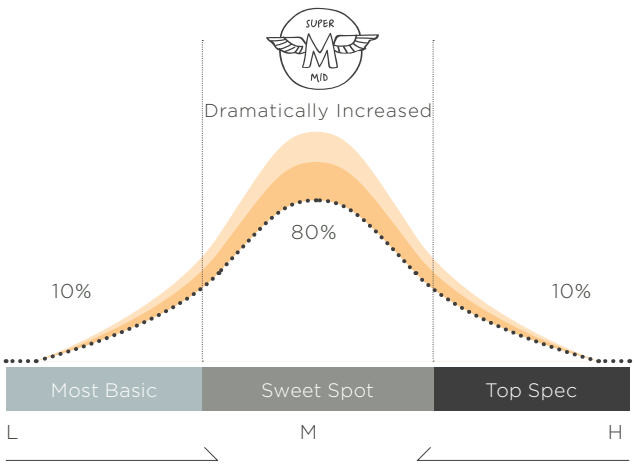
Inclusive

At the time of its establishment, MediaTek was founded on great vision and hard work. Our comprehension of this fact has enabled us to realize the challenges faced by everyone in the world while pursuing success. Challenges that we face today may not be the challenges that we will see tomorrow. For this reason, an encompassing and inclusive concept is an essential element of MediaTek's technological vision. Hence, we strive to make technology accessible to all. The world is changing, and technology has given us power and brought forth a fair competitive environment. We believe that access to the Internet is no longer a privilege, but rather, a human right. Those that stand out from the crowd should not be those who own technology. Instead, they should have the opportunity to shine through the ways they use technology to succeed in creating astounding feats with endless possibilities.

Super-mid Market

In Asia, data from various studies anticipated that the middle class population will reach 5 billion across the world by 2030. These individuals will become the primary force in changing the global economic dynamics. The effects of these 5 billion individuals have already been reflected in the demand for smartphones. This has caused rapid growth in the need for outstanding functionality coupled with reasonable prices, and this is the symptom of the formation of the "super-mid class". This phenomenon should not be confused with a "cheap" cell phone phenomenon. The super-mid class' demand for smartphones will continue to reach new peaks, and prices will continue to be more affordable than before. MediaTek's technology will accelerate the increase of the super-mid class, and we will realize the dreams of billions of people who have never had smartphones before through powerful, innovative technology, thus supporting this transformation.

The Rise of Super-Mid Market



Ranked No. 9 International Brand in Taiwan

Branding Taiwan' was hosted by the Industrial Development Bureau, Ministry of Economic Affairs; the project was executed by the Taiwan Institute of Economic Research and co-hosted by Interbrand, the world's leading brand value research institution. MediaTek, as the world's leading firm in IC design, was nominated as one of the "Top 20 Global Brands in Taiwan" for two consecutive years and ranked in No. 9 in 2016. Our brand value has reached US$377 million, a 6% increase over the previous year. MediaTek's brand management is first and foremost focused on internal communications. We wish for every employee to understand the importance of realizing our brand vision. We promote employee commitment to R&D, making technology more accessible, making products more user-friendly, and forming more effective solutions. Externally, we have proactively expanded our market and merged product lines, seizing opportunities in smart homes, developing internet-enabled home networking products, and demonstrating high brand competitiveness in the competitive smart gear market. MediaTek is aware that brand management is not like guerilla warfare, but rather, a continuous battle that requires persistence and endurance. Our brand management will facilitate more focused communication between our brand and the target audience through various digital channels, including the social media.

2016
BRANDING
TAIWAN

2016 Brand Activities

| Mobile World Congress (MWC) |

In the annual Mobile World Congress, MediaTek announced that we would jointly display the EC-EGPRS solution with Nokia for the duration of the 2016 MWC. The solution can lower energy consumption and enhance network coverage. It will also prepare businesses to be ready for the frequent data transmission in the future between the billions of IoT devices and sensory devices. The EC-EGPRS solution display is based on MediaTek's baseband technology and protocol stack, and the Nokia Flexi Multiradio 10 base station and mobile stations that support EC-EGPRS solution. In the future, the IoT application devices will lean toward producing small batches of data, remote capabilities, and longer battery life. EC-EGPRS technology has reached innovative goals in various aspects, including power-efficient operations (PEO) and expanded discontinuous reception (eDRX). Based on this, the battery life of IoT devices can be extended to several years, and network coverage is also wider than traditional GSM/GPRS networks. MediaTek's collaboration with Nokia in advanced energy-saving mode and high-efficiency network will further satisfy the needs of IoT devices in the future.

| Computex Taipei |

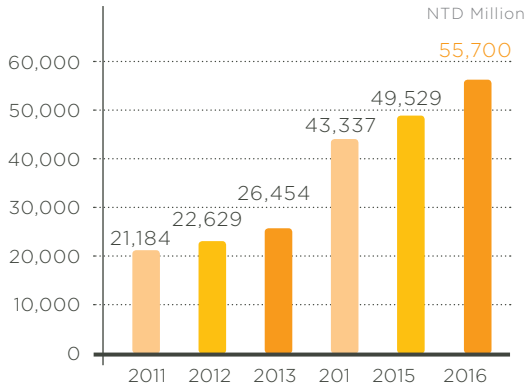
The key products and solutions MediaTek demonstrated at the Computex mostly focused on enhancing the Company's core competitiveness by promoting fields of expertise in telecom and multimedia technologies. We also launched Pump Express 3.0, a battery charging technology that is faster, safer, and consumes less energy. A smartphone can be charged from 0 to 70% in only 20 minutes, and a user can talk on the phone for up to 4 hours by only charging for 5 minutes.

| Consumer Electronics Show (CES) |

MediaTek displayed a series of brand new IC chips at the CES in the United States so that consumers can perceive significant differences in functionality while using devices equipped with these chips. MT8581, MT2523, and MT7697 have brought many new functions to the brand new fields of home entertainment, wearable devices, and IoT, etc. Consumer electronics equipped with these chips will enjoy even better connections with the surrounding world. Home entertainment - MT8581 is the world's first SoC designed for the 4K Ultra HD Blu-Ray player. Its revolutionary visual experience rivals the transfer from VHS recorders to DVD players. Wearable devices-MT2523 is the world's first all-encompassing wearable chip platform that has integrated dual module low-energy consumption, Bluetooth and GPS, together with supporting HD MIPI display monitor. Its energy efficiency is unparalleled. The IoT-MT7697 home IoT solution can link various small-scale smart devices and home electronics to tablets, smartphones, and cloud applications.

INNOVATIVE DEVELOPMENT

Innovation is one of the core values of MediaTek. We aspire for all employees to think outside the box and engage in new ways of thinking. This applies to all types of innovation, ranging from technology, strategies, marketing, management, and processing. We wish for everyone to overcome critical challenges through actions, to transform thinking into actions, and to create new values. We believe that innovation is a key driver for a business' sustainable development. MediaTek's emphasis on innovative development can be seen in its past investments in R&D budgets. In 2016, we broke historical records and dedicated nearly NTD 55.7 billion to the R&D budget, which accounted for 20% of the operating revenue. In terms of communication products, due to continuous advancement in technology, we continued to enhance 4G technology and established foundations for 5G technology. We also dedicated a considerable part of the R&D budget to developing new products that meet the next generation of communication standards.



More than NTD 200 billion will be invested toward 7 major areas in the next 5 years

2016 KEY R&D TECHNOLOGIES

CorePilot

Adapted self-adjusted temperature control technology and dynamic power management technology to detect the workload in motion and to intelligently adjust the task allocation of each core, which can reduce up to 70% of energy consumption.

Tri-Cluster

By separating the core processor into a three-layer structure, we can delegate tasks even more effectively to achieve an even more ideal functional performance and enhance battery life. This will also reduce energy consumption by up to 30% as compared to traditional cluster structure processors.

Imagiq

Provide features like hybrid auto-focus/ dual pixel phase detection auto focus/ automatic image stabilization/32 times slower motion capture, and enjoy brilliant image quality.

Deca-Core

This is divided into two 2.5GHz Cortex-A72 which is responsible for higher-load, four 2.0GHz Cortex-A53, responsible for medium load, and an additional four 1.4GHz Cortex-A53 in charge of low loading.

5G

Transmission speed of 5G is calculated in Gpbs rather than Mpbs, and its short-term transmission speed can even reach up to 10 to 20 Gpbs. This is over 100x of the current LTE speed, as well as a key technology to the development of the Internet of Things (IoT).

Pump Express 3.0

Battery can be charged from 0% to 70% within only 20 minutes; 5x faster than traditional technologies. User can talk on their cell phone for four hours from merely charging it for five minutes.

[Internet of Things] Technical development and strategic alliance to expand the Company's IoT market share

Echo Dot, Amazon's Second-Generation Smart Home Product

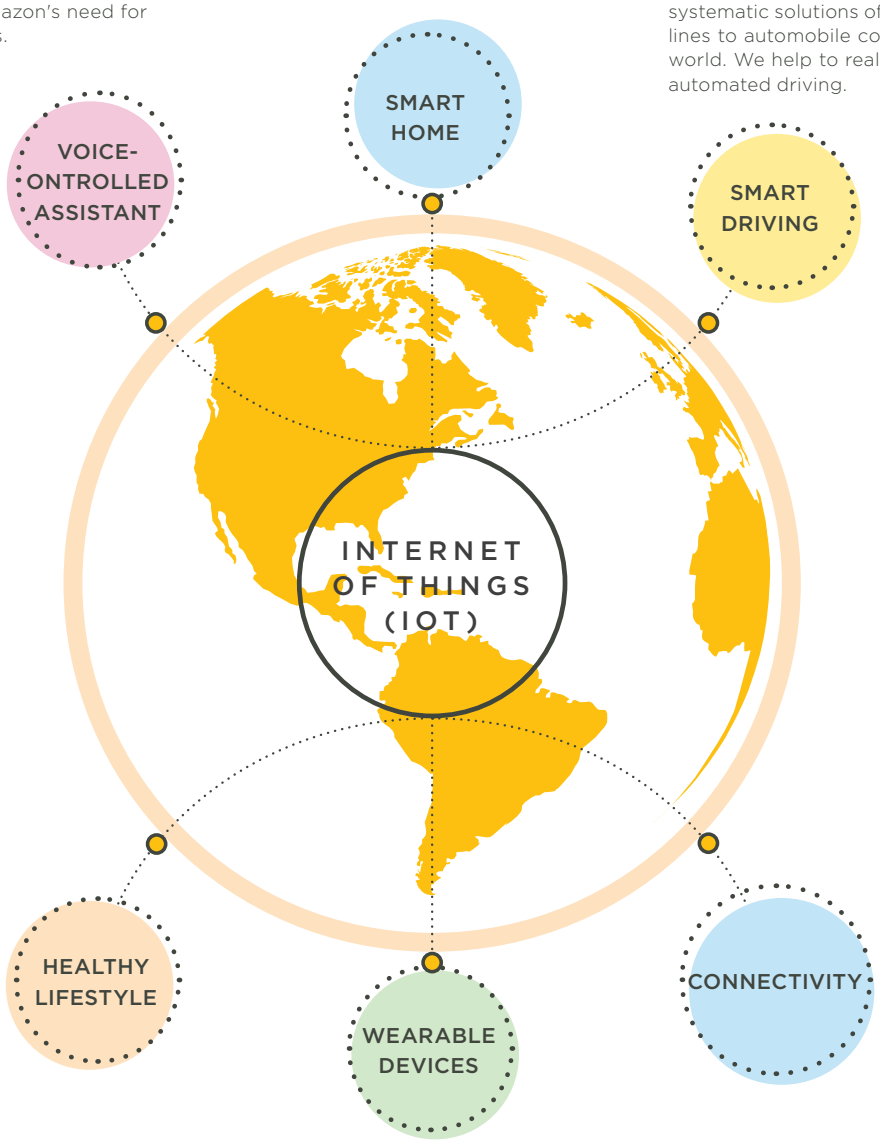
MediaTek's tablet chip was adopted by Amazon's Echo Dot, a multi-functional voice-controlled sound system. It is the control center of a smart home in the IoT field, and thus needs to be equipped with a powerful central processor. MediaTek's tablet chip can satisfy Amazon's need for high-efficiency processors.

Highly integrated and low power consumption home IoT chip

MediaTek's home IoT chip is both highly integrated and uses low power consumption. It is very suitable for applications including home electronics, automated home, small-scale smart devices, IoT bridges, and for connecting to cloud-based services.

Solutions for realizing IoV and automated driving

Focusing on the four core fields of pioneering driving assistance founded on imaging, high-precision millimeter wave (MMW) radar, automotive information and entertainment system, and automotive communication system, MediaTek provides highly integrated systematic solutions of comprehensive product lines to automobile companies throughout the world. We help to realize the future of IoV and automated driving.



A chip designed for health and fitness mobile devices

First biosensor analog front end (AFE) chip designed for health and fitness mobile devices. It can simultaneously record ECG and bio-signal transmitted by photoplethysmography. MT2511 is very energy and power efficient, and can work at lower power mode that consumes less than 0.6mA when collecting photoplethysmography signals.

MediaTek launched smart watch

This is a solution designed exclusively for sports and fitness smart watches. It is also the world's first system chip-scale packaging that has highly-integrated GPS, dual-model low energy consumption, Bluetooth, and supports high resolution MIPI display. MT2523 has strengths such as ultra-long battery life, supports high-quality display and compact size. Our printed circuit board that has adopted the chip-scale packaging is also 41% smaller than our competitor's solution.

Accelerate the popularity of IoT devices through partnering with Orange

We partner with French telecommunication company Orange for the "IoT Promotions Plan," in which we launched a series of MediaTek system single chip solution that has been integrated with Orange SIM card, in addition to other modular products launched in collaboration with other vendors. This helps developers to accelerate the uses of IoT equipment in mobile networks by eliminating the complex processes involved in installing chips and in finding other relevant modules.

[Smartphone Chip] High-End Smartphone Processor - Helio

Helio is the flagship brand of MediaTeks smartphone processor series. It offers top-notch processing capability, lasting battery life, and an outstanding multimedia experience. Helio includes two major series: the Helio X Series for top performance and the Helio P Series for technology that meets the latest trends. The Helio X Series is equipped with powerful, outstanding calculation capability and uncompromising multimedia features. Meanwhile, the Helio P Series offers optimized energy consumption management and a streamlined printed circuit board size while maintaining outstanding specifications to realize lightweight and fashionable cell phone designs. Helio has received resounding success since its launch, and has been adopted by more than 100 end-products, including some of the best brands from both domestic and overseas markets. In addition to the Helio X10, which entered mass production in 2015, the first-ever Helio P10 series system-on-chip (SoC) solution that supports Cat. 6 entered mass production at year's-end in 2015. In 2016, more chips, such as Helio X20/X23/X25/X27 and Helio P20, were released, and many cell phones being launched already feature the Helio X20 or Helio P20 SoC solutions.

[Communications Technology] Enables Mobile Devices to Maximize Effectiveness in Speed, Sensitivity, and Power Efficiency.

The single chip RF design raises the bar of cellular silicon integration and efficiency; reducing overall package size, power use and streamlines cost for product designers. MediaTek modems employ the perfect combination of speed, agility, and power efficiency to match how mobile users share, connect and consume, today.

Communications Technology

Speedy Downloads and Streaming

For streaming movies, gaming, or browsing the internet, our 4G LTE modem provide a seamless user experience. We provide a global 4G LTE modem solution that syncs with the latest worldwide carrier networks upload and download speeds.

Better Smartphone Battery Life

Power efficiency is a hallmark of MediaTek products, and our modems are no different. We've integrated several key technologies – including smart antenna technology and advanced envelope tracking – to reduce batter drain and excessive heat production.

Clarity and Consistency for Calls

LTE provides the best sound quality and reliability to get the most out of calls. A 4G LTE WorldMode modem by MediaTek contains a comprehensive, advanced IMS (IP multimedia sub-system) which means reception and connectivity issues are a thing of the past.

[Process Technology] Smaller Transistors in the Wafer Process produce Higher Levels of Performance and Efficiency.

How chipsets are made can make a noticeable performance different. Using the latest processor fabrication processes can mean thinner, faster and more power efficient smartphones for consumers and more design flexibility for manufacturers. MediaTek has long been a leader with respect to using cutting-edge processor technologies and now, we are among the first wave of 10 nanometer (nm) products being brought to market. Historically, processors perform better and have reduced power consumption if they're built around a chip with incrementally smaller fabrication processes. This is due to the decrease in physical distance between transistors, transistor gate size, and the amount of current required to switch the gate. As transistors get tinier and more tightly packed threshold and active voltages can be lowered, saving power.

10NM - LEADING EDGE

Chip size is reduced by 50% and speed is enhanced by 20%. Moreover, if 16FF+ process is used, there will be a further 40% reduction in power consumption.

16NM - ADVANCED PERFORMANCE WITH POWER EFFICIENCY

Compared with 28nm high-performance mobile computation technology, the 16nm process increased performance by as much as 65%. It can also reduce currency leak by 30-50% under the same computation performance.

20NM - HIGH PERFORMANCE WITH COST EFFICIENCY

Gate density is 1.9 times higher, with 25% lower power consumption and up to a 30% increase in performance when compared to the 28nm process.

28NM - COST EFFICIENT GREAT PERFORMANCE

To meet the requirements for high power efficiency, high performance, and high cost-effectiveness, the chip can be tailored to various application needs.

[Computation Techniques] CorePilot 4.0 Intelligently Adjusts the Optimal Calculation

| Performance to Reduce Power Consumption |

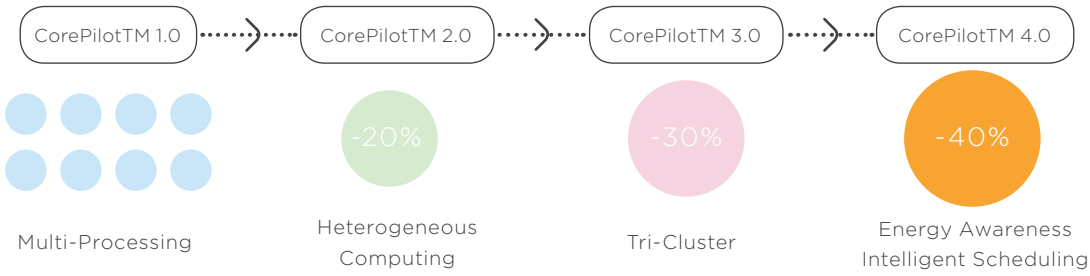
How people use their smartphones has evolved. Modern users perform a host of computing tasks on mobile devices that require a wide range of computing power. Modern computing frameworks must be nimble-capable of handling this range of tasks with an appropriate mix of computing strength and battery life. And, we've evolved CorePilot in step with the users. CorePilot increases power efficiency, makes phones less prone to overheat, and increase the speed for everything from simple browsing to the most intense mobile gaming. Meet CorePilot 4.0. It's our newest version ,and it governs our latest Tri-cluster, Deca-core MediaTek Helio chipsets.

| Reduce the power consumption of cell phone chips by 40% |

First introduced in 2013 with the world's first "True Octa-core" processor and now in its fourth generation, CorePilot governs task management across a complete line of mobile processors. CorePilot 4.0 introduces a centralized, intelligent task scheduling solution that can highly optimize the use of CPU resources by dispatching tasks to suitable clusters/cores with the appropriate frequency to minimize power use while still ensuring the expected user experience is met.

| Intelligently manages the calculation performance according to task priority |

It works closely with Thermal Management and User Experience (UX) Monitoring to further reduce battery power consumption by ensuring a sustainable performance to provide an expected experience at all times. Based upon input from these control mechanisms, the right core(s), cluster(s) and frequencies/voltages are selected for the current application load. This provides a consistent and stable user experience, ,and maximizing battery life simultaneously.



CorePilot 4.0 TRI-CLUSTER PROCESSING ARCHITECTURE

CorePilot 4.0 was built for the latest iteration of our Tri-cluster processing architecture. This ground-breaking architecture continues our use of three separate clusters of 10 CPU cores. This Tri-cluster grouping has been shown to yield performance gains and be more efficient than traditional big.LITTLE processing architecture.

INNOVATION CULTURE

Received Recognition as a Top 100 Global Innovator for Three Consecutive Years

MediaTek was selected by Clarivate Analytics as one of the "Top 100 Global Innovators' for three consecutive years. MediaTek is also the only Taiwanese firm to be nominated for three consecutive years. We have successfully blended innovation into our business strategies, and demonstrated the forward-thinking rationale expected from a global top 100 business. We were selected as one of the Clarivate Analytics" World's Most Innovative Institutions in 2016 due to a combination of factors, including number of patents owned by an institution, success rate in patent application, globalization level of the patent, and the influence of patents through a number of references and citations.

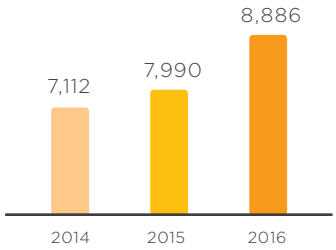
Received Nearly 9,000 patents; Annual Growth Rate Reached 11%

A patent is a material indicator of MediaTek's innovative R&D strengths; hence, we have devoted significant resources into mechanisms and processes relevant to patents. To encourage employees to brainstorm and to innovate, our employees can attain patents from various countries for their inventions through patent application procedures to protect their IP rights and therefore enhance the Company's R&D competitiveness. At the same time, in terms of establishing initial, niche technology, we have proactively participated in advanced standard organizations, and through planning out strategic patent foundation, we can accomplish a comprehensive, strong IP fortress.

MediaTek has over 20 R&D locations worldwide, and in terms of patent layout, we have applied for more than 10 thousand patents in North America, China, Europe, Taiwan, India, Japan, Korea, Brazil, and South Africa. As of 2016, we have already received 8,886 patents, showing a 11% growth over 2015. We will continue to monitor the latest evolutions and conditions in technology and propose patent-defensive cases to protect the technologies that we have developed.

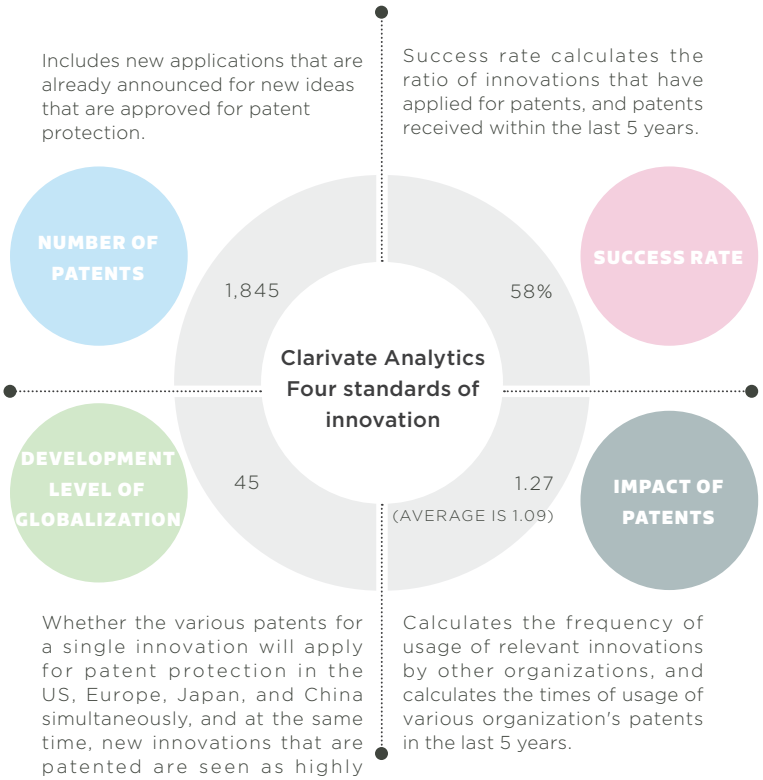
In addition to a strategic patent layout, MediaTek has also taken further steps to become eligible to conduct patent management and patent authorization business in Taiwan's technology industry. We began the plan in the second half of 2015, established our subsidiary Core Tech Resources Inc., and then authorized the utilization of its 466 patents to the subsidiary, which will be able to receive authorization funds from third parties. This means that in addition to achievi ng quantitative growth in patent strategic layout, MediaTek has also performed well qualitatively. In the future, we will continue to authorize our patents to enable even more SMEs to grow and to work towards the prosperity of the technology industry in Taiwan.

Number of patents over the years



Patent application procedure

- Patent Application Procedure
- Inventor submits invention proposal
- Department supervisor evaluates and approves the proposal
- Submit forms to IP office
- Patent review committee reviews the invention proposal
- Agent processes and submits the documents
- Patent officials review and approve the proposal
- Issues patent rewards



R&D Gold Medal and Special Contribution Award

Since its inception, MediaTek has used innovation to establish a name for itself in the industry, constantly reminding itself to continually attempt to develop new technologies and configurations to optimize the competitiveness of the company. Therefore, in 2002 and 2003 MediaTek started issuing the Innovation Award and the Special Contribution Award as a means to encourage MediaTek employees to continually innovate, which is extremely beneficial to company operations in terms of technological R&D, strategic planning, and process management. These efforts also empower our employees to look for opportunities to become award candidates. These two rewards symbolize MediaTek's highest honor in technological innovation, and its success in encouraging employees to engage in innovation, thus successfully creating a culture and atmosphere of innovation inside the company.

16th

Next Generation PMIC – M15H-G2 platform

Different from the traditional Foundry Solutions merely optimized from the designer aspect, M15H-G2 has reached two optimizations that other fabless firms cannot. First, we went back to the roots to understand product and user needs, and established an optimized platform from this angle. Then, our analog designer created optimized designs to meet the platform's needs. Compared with the last generation of t18BCD, in addition to enhancing productivity by as much as 5%, we also lowered costs by 46%. We anticipate saving US$27 million (calculated on the basis of 77,000 wafers) in 2017, and we forecast that savings will reach US$100 million by 2018.

15th

First MediaTek Smartphone Launched by Verizon Wireless

In the highly competitive cell phone IC chip market, our project team successfully broke into the Verizon supply chain, the toughest in the world and largest telecom company in North America in October 2016. Not only did this move break the monopoly our competitor enjoyed in Verizon's cell phone IC chip supply chain, it also set an important milestone for MediaTek's expansion into the North American market.

Success of the 1st Samsung SP Project based on MTK platform: Galaxy J2 Prime (G532)

To solve customers' problems in the shortest time frame possible, the team planned an online project communication and partnership platform so that all team members can immediately understand all critical information. Our cross-departmental, cross-site, and cross-national team members also demonstrated outstanding teamwork in continuous problem-solving.

A New 4x4/3x3/2x2_Dual_ Band Wi-Fi AP/Repeater (7615) MP in World Tier-1 Customer

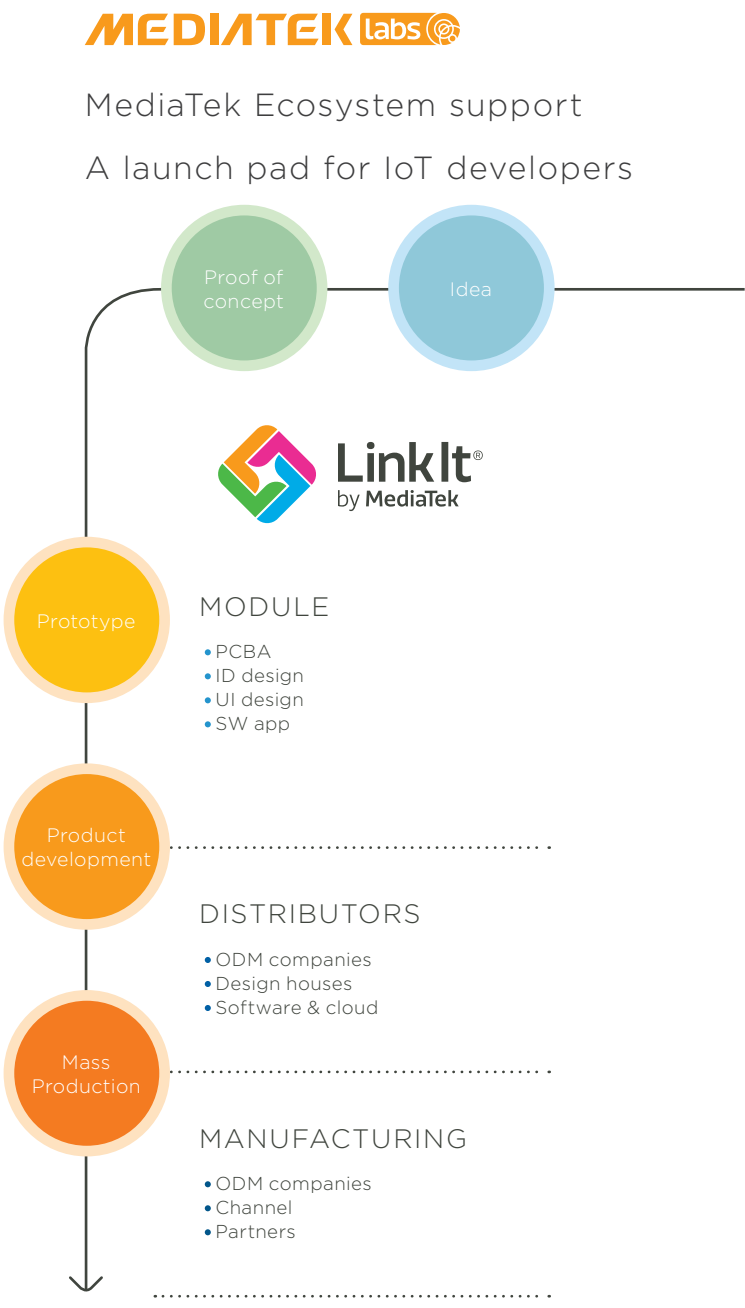
The world's smallest 4X4 11ac wave 2 Wi-Fi SoC: Due to its highly integrated characteristics, the SoC can significantly lower the costs of producing PCB components. At the same time, it also boasts a unique hardware structure and algorithm, and it can effectively decrease the size of IC chips and provide optimized communication functions. During this process, the project team also created enhanced development procedures to solidify the fundamental competitiveness of our product technologies for the future.

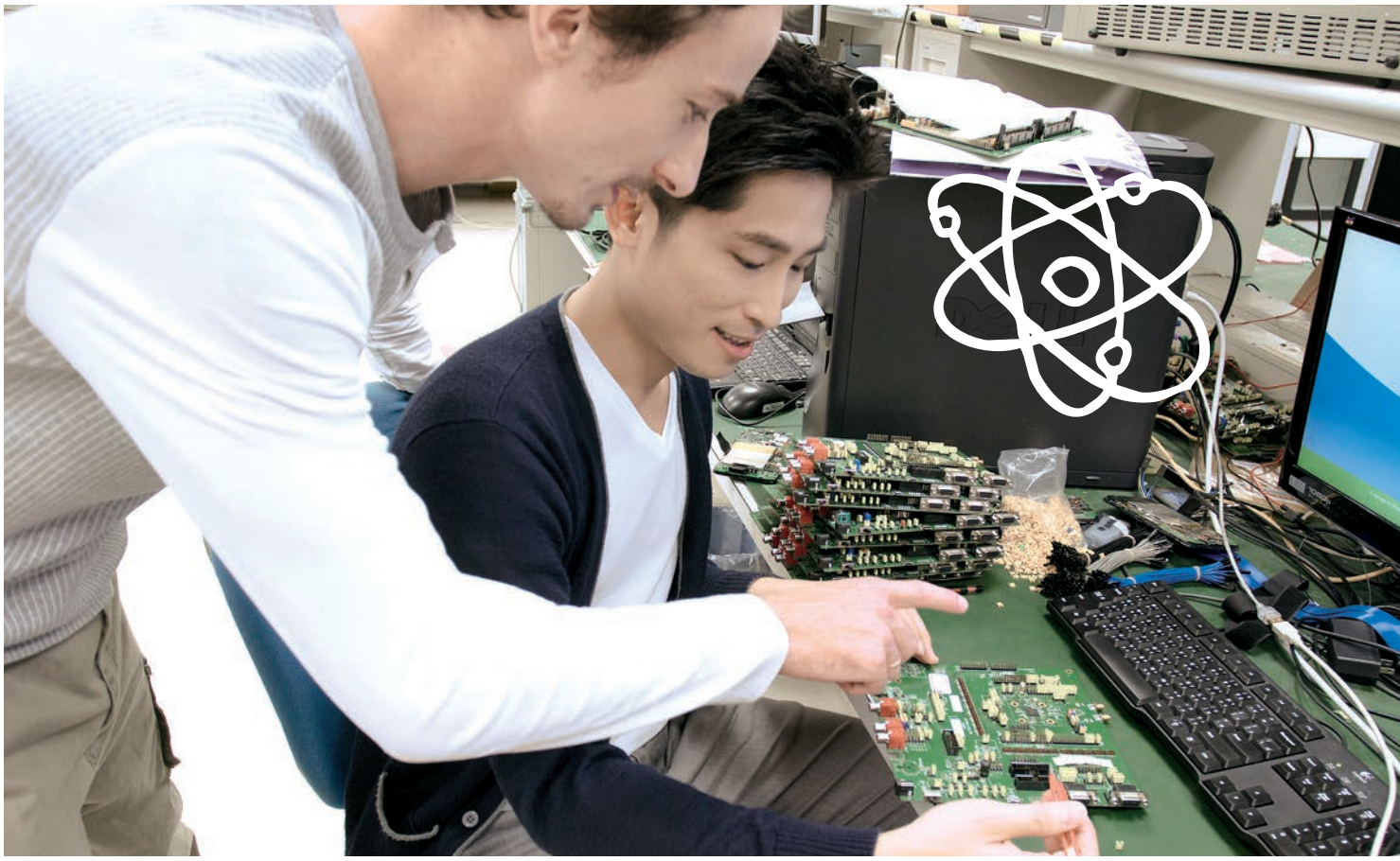
MEDIATEK LABS

The MediaTek Labs project was launched in September 2014, with the goal of providing the MediaTek industrial Leading reference designs and services to the Labs users. MediaTek Labs can support global developers to design various types of IoT and wearable devices through integrating hardware, software and service on the platform where can accelerate product development and product launch times. Meanwhile, the Partner Connect Service can establish globally industrial ecosystem which can satisfy the emerging needs of Super-Mid market, enabling all consumers to stay connected whenever and wherever they want through this affordable product and service. This is another example of how MediaTek achieves its brand proposition of creating Everyday Genius.

Through the integrated industry ecosystem and convenient online service, MediaTek Labs will become the service hub for developers that includes software and hardware development programs, supply chain resources, cloud services, and online discussion forums. Concurrently, it offers technical services and business supports for aiding application developers and device manufacturers in developing innovative solutions.

Over the past year, MediaTek Labs has announced four new developer platforms, covering popular IoT fields including smart living and wearable technologies, and the abundant online resources available have attracted more than 10 thousand members to register. A variety of facilitating vendors have also joined forces to help us develop IoT trends and the future. Our mission is to assist developers from different backgrounds and achieve diverse levels of technical know-how, speed up the development of wearable and IoT devices, and support small companies or individual developers who lack resources or have low R&D competencies. Members can attain needed resources for R&D purposes through MediaTek Labs to further develop their own businesses.





Hardware

LinkIt development board, module, and reference design

Software

SDK/API, technical documents, development tools

Discussion Forum

Technical support, information exchange

MEDIATEK labs

Supply Chain Resources

Design, production, manufacturing

Business Consultations

Matchmaking, Promotion

Cloud Service

Free cloud tools: MediaTek Cloud Sandbox

Governance

Ranked among top 5% in 3rd Corporate Governance Evaluation

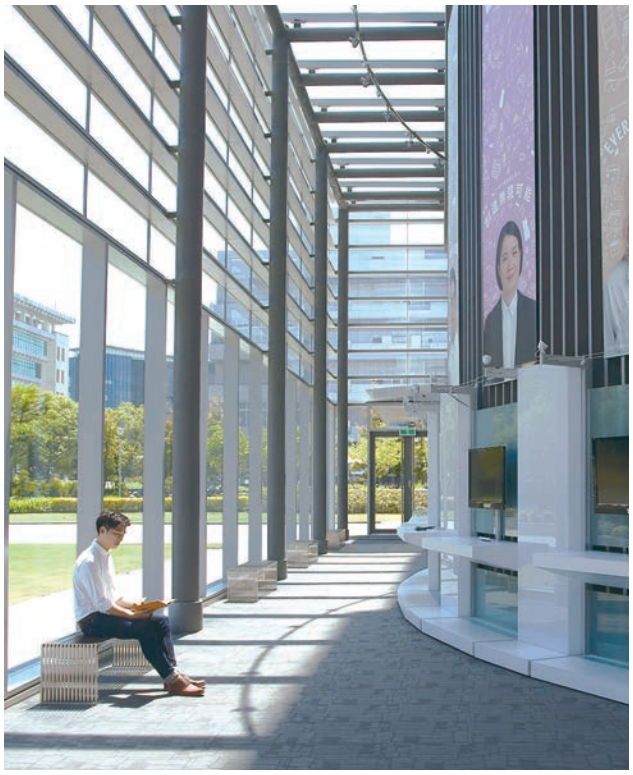
MediaTek strengthened information disclosure in 2016. We uploaded the Meeting Handbook 30 days prior to the General Shareholder's Meeting and announcements of significant information to our website in both English and Chinese at the same time. We also added relevant disclosures, including corporate governance, corporate CSR, and risk control to the website. After continuous improvement over the years, MediaTek's ranking has improved from being among the top 20% in the previous evaluation to currently being included among the top 5% in the 3rd Corporate Governance Evaluation. This proves that government institutions show high levels of recognition for MediaTek's improvements in our governance practices.

“ DEVELOPMENT IN TAIWAN

MediaTek strives to strengthen our local roots and influence our society by continuing to invest in the local market. ”

OPERATIONAL MODEL

MediaTek was founded in 1997 and listed on the Taiwan Stock Exchange (TWSE) in 2001. Our global headquarters is established in the Hsinchu Science Park in Taiwan, and we have set up either sales or R&D teams in Singapore, China, Hong Kong, India, the United States, Japan, Korea, United Kingdom, Finland, Sweden, and Dubai. The Company has over 10,000 employees around the world, and we offer real-time and quality service for customers throughout the globe. Although growth in the global semiconductor industry has leveled off, various end-user applications are still being launched, promoting possible growth potential for the future. MediaTek actively responds to rapid changes in the industry and intense market competition, and we continue to expand the product line-up and diversify our technical competency to provide the best solutions for our customers. Due to the diligent efforts of our employees, the consolidated net revenue in 2016 reached NTD 275.5 billion and the consolidated EPS was NTD 15.16. In the future, MediaTek will continue to utilize our advantages to consolidate comprehensive and pioneering core technologies, including modems, radio frequency, computation, image processing, wireless connection, and smart algorithms. Based on this foundation, we will also proactively plan for various smart connectivity devices and work toward potential markets to defend our leadership position in the industry, including 5G, IoV, IoT, VR/AR, and Industry 4.0.



The milestone for 4 recent years

2013

- MediaTek launched its MT6592 True-octa core 3G 28HPM smartphone system-on-chip, the world's first true octa-core smartphone platform.
- MediaTek entered into an era of rapid growth where our smartphone shipments exceeded 220 million units.
- MediaTek is selected as one of Forbes' "World's Most Innovative Companies."
- MediaTek received the Global Semiconductor Alliance "Outstanding Asia-Pacific Semiconductor Company" award.

2014

- MediaTek's number of employees worldwide exceeded 10,000 people. MediaTek was named "Thomson Reuters" Top 100 Global Innovators in 2014 for the first time.
- MediaTek's Tablet PC chip shipments reached 50 million units. Amazon used our chip for the first time. We further extended our chips to home entertainment products, including Fire TV and Echo Dot achieving good business results.
- MediaTek formally launched our brand vision "Everyday Genuis." And was named a top 3 global fabless semiconductor company.
- MediaTek Labs and LinkIt Development Platform were launched to unleash developers' creativity and innovation to create wearables and Internet of Things devices.

2015

- MediaTek partnered with Google to launch the world's first Android TV chip. (The world's top 10 TV brands are MediaTek's customers.)
- MediaTek released its first MediaTek Helio premium smartphone chipsets. We successfully reached 100 international and regional brands from the mid-high end models.MediaTek formally launched our brand vision "Everyday Genuis." And was named a top 3 global fabless semiconductor company.
- MediaTek aquired Alpha Imaging Technology Corp., Chingis Technology Corp., and Richtek Technology Corp.The Richtek acquistion offered tremendous growth opportunities for power management products.
- Ming-Kai Tsai, MediaTek Chairman and CEO received the "Dr. Morris Chang Exemplary Leadership Award" given by the Global Semiconductor Association and MediaTek was ranked #9 on "Interbrand's Taiwan Top 20 Global Brands"

Company name:
MediaTek Inc.

Address:
No. 1, Dusing 1st Rd., Hsinchu Science Park, Hsinchu City, Taiwan

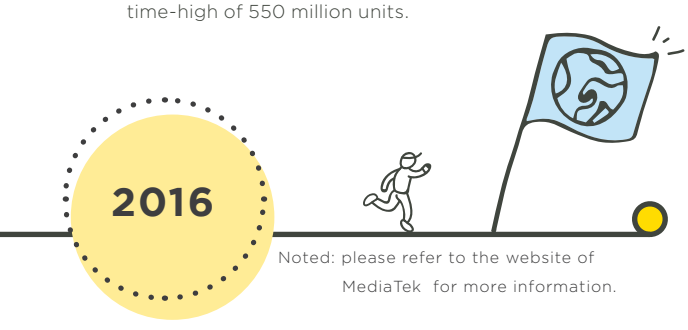
Established:
May 28, 1997

Listing Infor-mation:
Taiwan Stock Exchange Corporation Stock Code 2454

Total Capital Assets:
NTD 15,821,121,910

Main Business Activities:
Multimedia ICs; Computer peripheral ICs; High-end digital con-sumer ICs; Other application specific ICs

- MediaTek named a "Top 100 Global Innovator" for the third consecutive year by "Clarivate Analytics (formerly Thomson Reuters)"
- MediaTek Foundation invested more than NTD 1.3 billion in long-term funding to help more than 15,000 people, set up an innovative R & D center, collaborate with major industrial and education players, collaborate in more than 500 projects, and groom high-tech talent.
- MediaTek annouced it will power the future of driving with a new semiconductor product portfolio for automotive industry.
- Ming-Kai Tsai, MediaTek Chairman and CEO, won his third title of Harvard Business Review's "100 Best-Performing CEOs in the World."
- MediaTek reached a record-high annual revenue of NTD 275.5 billion, while shipment of smartphone and tablet chipsets hit the all-time-high of 550 million units.



Noted: please refer to the website of MediaTek for more information.

MediaTek's mission, vision and management philosophy

Mission

Enhance and enrich everyone's life.

Vision

MediaTek strives to be a global operation and technology leading company, enabling customer success with most innovative products and services.

Management Philosophy

- Build partnership with customers
- Pursue industry leading positions
- Promote total quality management
- Focus on strategic vision for globalized and long-term business
- Act decisively with the courage of risk taking
- Encourage innovation and inclusiveness
- Create a challenging and learning work environment
- Fulfill corporate social responsibility

Integrity

We honor our commitments, maintain the highest ethical standards and do what we say. We demonstrate integrity through personal example.

We are direct and candid in our conversations. We have the courage to face realities.

Once committed we will relentlessly focus on delivering our commitment.

Customer Focus

We strive to exceed the customer expectations and ensure priority in satisfying them.

We consistently seek enhancement from the end users'perspective so as to generate value to our customers.

We engage our customers as business partners and will purposefully collaborate with the customers on their anticipated future need and opportunities.

Innovation

We innovate in every aspect of our work including technology, strategy, marketing, management, operations and process.

We aim for breakthrough thinking so as to generate new and differentiated initiatives.

We take speedy action to resolve challenges and create value add through our participation.

Conviction Inspired by Deep Thinking

We are not afraid to take on challenges or face obstacles.

We have the courage to take bold actions based on calculated risks to meet our goals and objectives.

We always look further to find the core of the issue and thoroughly understand root causes.

Inclusiveness

We include and engage all contributors to achieve quantum leaps and excellence in our work.

We excel in cross-BU and cross-cultural situations; and we synergize on each other's accomplishment.

We are open-minded to diverse views and will diligently listen for multiple perspectives of opinions.

Constant Renewal

We uphold vigilance and anticipate changes in the external environment while responding with renewed vigor.

We pursue strong sense of curiosity about future technology and will constantly reinvent personal levels of professionalism.

We are prepared to depart form the familiar comfort zone at work and relentlessly pursue the challenges.

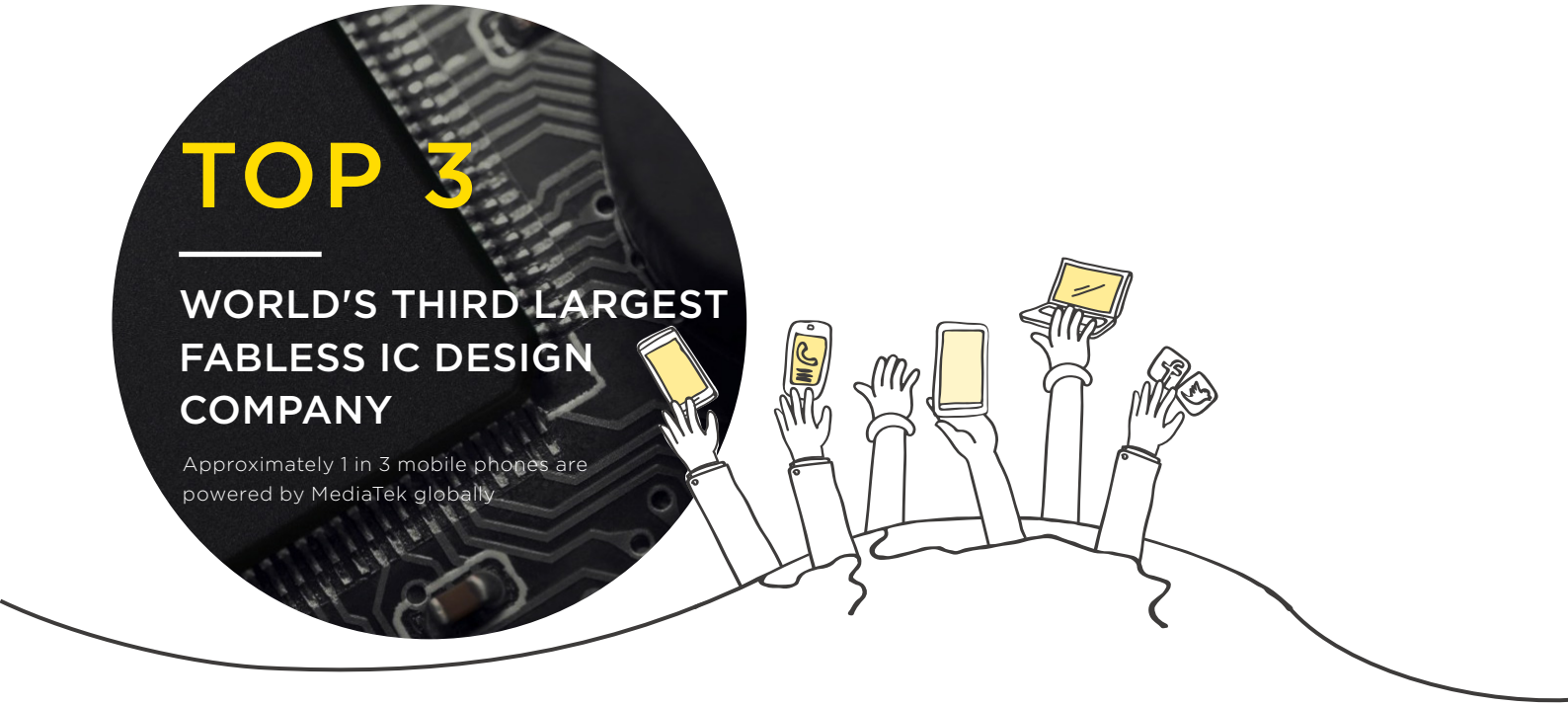
Core Values

The semiconductor IC design industry has created a figurative "talent war". We engage continuously in innovation and technological breakthroughs, as well as cultivate talent in the product and service sector. To win this war, the most important thing is to unite our talent by establishing core values. Only when our talented employees embody and demonstrate their values in daily operations, can we establish a powerful, victorious, competitive corporate culture. We believe that core values are the crucial cornerstone assisting MediaTek in becoming the world's leading company.

MediaTek's six core values are extremely personal, profound, and highly relevant, necessitating each employee's support in practicing them. We anticipate our executives to encourage and educate their subordinates in implementing these core values by setting an example for them. If our employees demonstrate conduct conforming to our core values, we also strongly encourage them to share their thoughts and reflections by sending an email to core.values@mediatek.com. In response, MediaTek will also issue vAwards to honor those who embrace the company's core values. Through this incentive system, we hope to promote a climate in which core values are actively implemented inside the company, thereby building a unique, distinctive corporate culture in MediaTek.

| [Real Story] MediaTek Employee Realizes His Core Value |

The reason why MediaTek collaborated with National Cheng Kung University and Tainan City Government over the 'Disease Prevention Smart Mosquito Zapper" was because the idea originally came from one of our own colleagues, Alan from the IT Department. Since young, Alan had always been interested in new technology and wished to become a computer expert, and he constantly pondered over ways to solve social issues through technology. During a chance encounter, he discussed about dengue fever with a professor at NCKU, and he realized that besides taking up much social capital, the disease also led to the loss of precious lives. It just so happened that MediaTek had been developing IoT chips, and he wanted to find out whether there were ways to utilize the Company's technology to solve the spread of mosquito-borne diseases such as dengue fever, and to help in medical care of such illnesses. He also wanted to know whether we could detect and prevent such diseases before they become widespread epidemics. However, this was not part of his work responsibilities at MediaTek, but after much persuasion and insistence on Alan's part, he successfully formed a project team using Company resources, which led to this three-way collaboration. Such spirit was a living example of the Company's core values of innovation and bravery. Moreover, this collaboration is only the start to a series of subsequent partnerships between Alan's team and external parties, and we hope to help more people through such collaborations in the future.

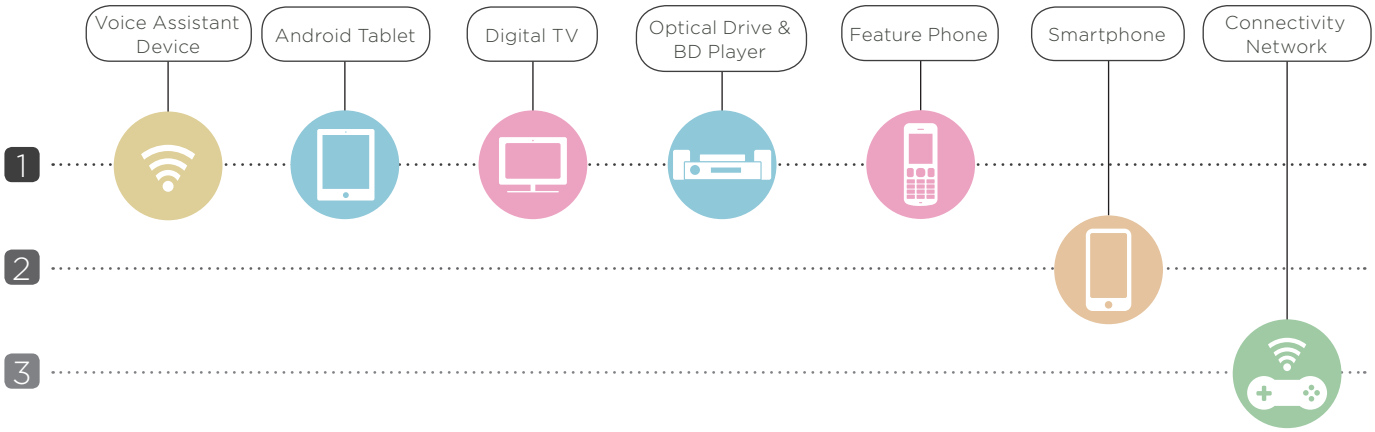


TOP 3

WORLD'S THIRD LARGEST FABLESS IC DESIGN COMPANY

Approximately 1 in 3 mobile phones are powered by MediaTek globally

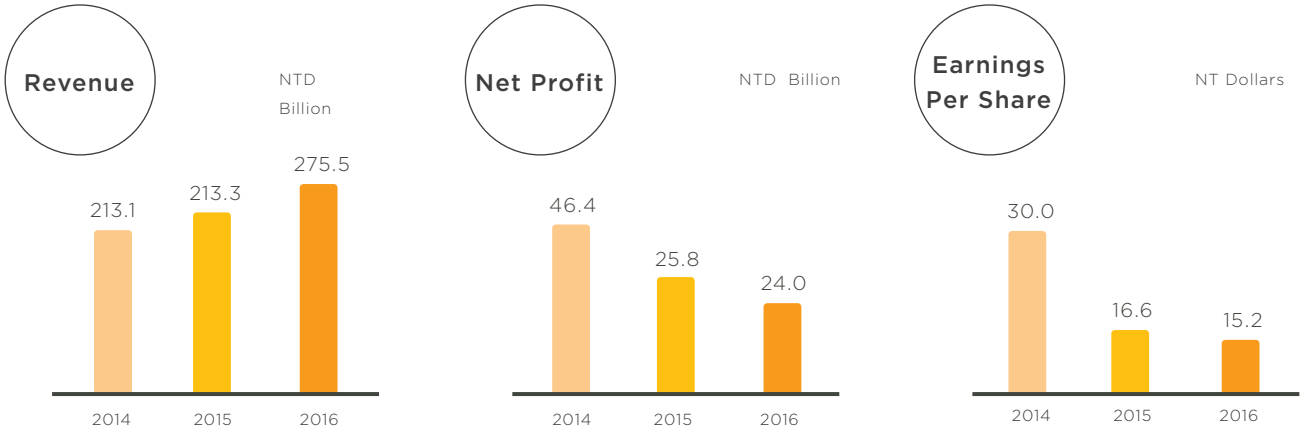
2016 Global Rank of MediaTek's Products



Source (ranking by revenue of 2016): Strategy Analytics, Gartner, IDC, IC Insight, iSuppli and MediaTek company data

*Combined with MStar. Source (Rankings by volume): Strategy Analytics, Displaysearch, iSuppli , MediaTek company data

Operating income	NTD 275.5 billion	Net profit after tax	NTD 24 billion
Operating cost	NTD 177.3 billion	Earnings per share	NTD 15.16
Employee benefits expense	NTD 43,4 billion	Primary Shipment	Nearly 550 million smartphone chips (over 300 were LTE chips) and tablet chips
Income tax costs	NTD 3.2 billion		



Competitive Advantage

MediaTek Inc. provides innovative system-on-chip solutions in the following areas: optical storage solutions, digital home solutions (such as digital TV, DVD players, and Blu-ray products), and mobile communication solutions. The Company is the only IC design firm in the world that delivers IC solutions across computer technology, consumer electronics, and wireless communication fields. MediaTek Inc. is also the only Asian company among the top 10 IC design companies in the world. As an industry leader committed to constant innovations, MediaTek pioneered the development of the world's first true octa-core LTE smartphone platform, which demonstrates its leadership in the global semiconductor supply chain, in particular in the wireless communication field.

LEADING WIRELESS SOLUTION

Proven low-power cellular and connectivity technologies

OPEN PLATFORM

Friendly ecosystem with turnkey and premium software / hardware solutions

CROSS PLATFORM SYNERGY

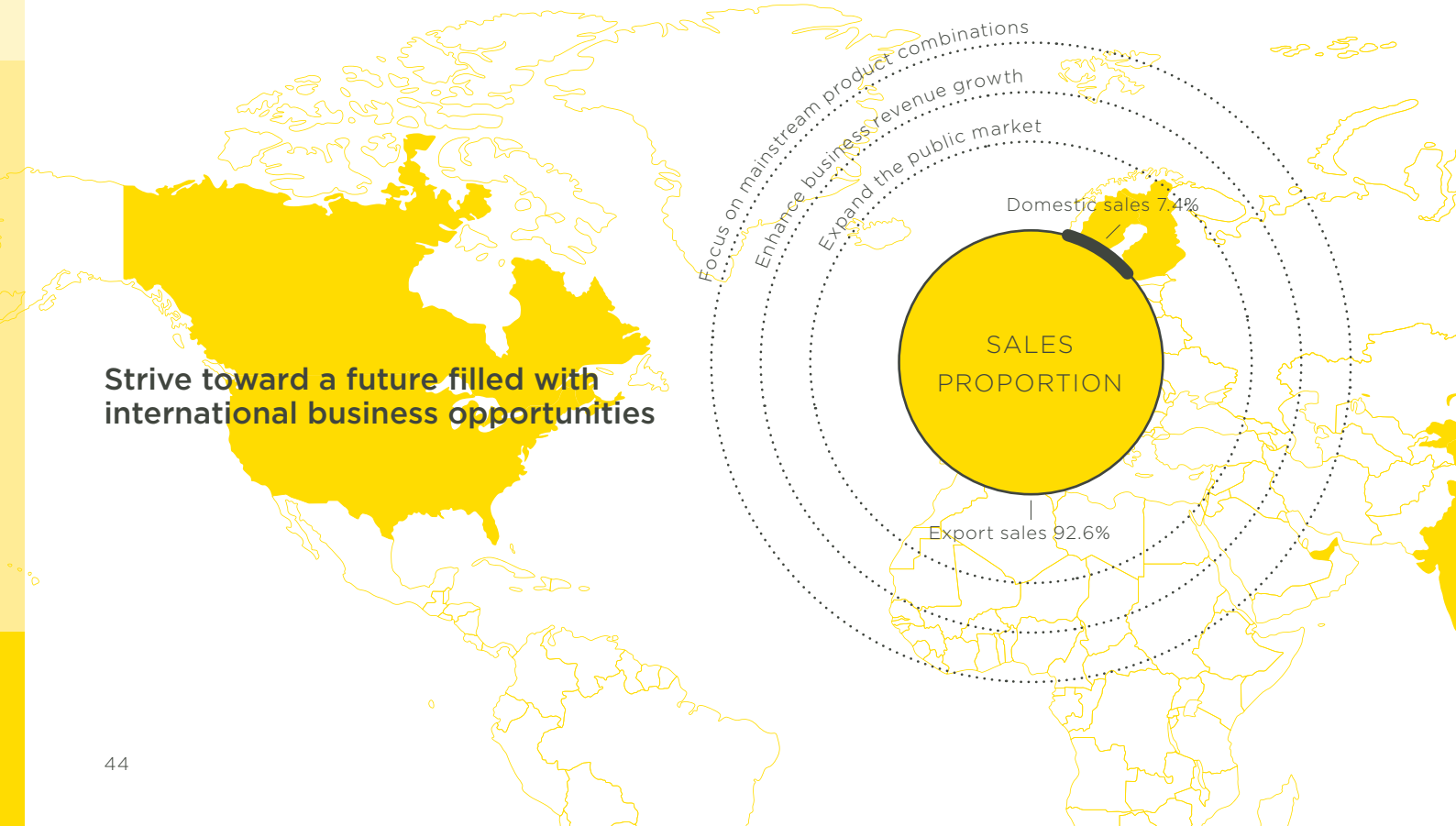
Rich IP portfolio from mobile, TV, connected home and wearable platforms readily applicable to IoT

RICH MULTIMEDIA SOLUTION

Providing industry-leading multimedia solutions on TV and mobile communication devices

Global Operations

In an intensely competitive environment, MediaTek has established locations of operations worldwide, with 28 locations distributed across 11 countries in 2016. The company has also set up new offices in India, Bangalore, USA, San Diego, and Finland, Oulu to provide business services and technical supports, and R&D centers to develop innovative technologies that can satisfy the market demands of various regions. In the past, MediaTek has extended its root into the Asian market for long periods and achieved a leading position in the market. In the future, it will continue to expand its business into the European, US, and other emerging markets, to allow users all over the world to enjoy a smart lifestyle.



Strive toward a future filled with international business opportunities

Semiconductor Industry

The semiconductor industry can be categorized as: Upstream - IC design companies, midstream – wafer foundries, and downstream - IC packaging and testing service providers. The horizontal specialization is the main difference that sets Taiwan's IC industry apart from its overseas peers. Major international semiconductor companies usually operate vertically across the value chain, from IC design and manufacturing, to packaging, testing, to systems integration. However, in an industry environment that evolves rapidly that requires high capital expenditures, Horizontal model is able to focus resources on specific field rather efficiently to meet industry trends and proves to be an out-performer vis-a-vis the integrated model.

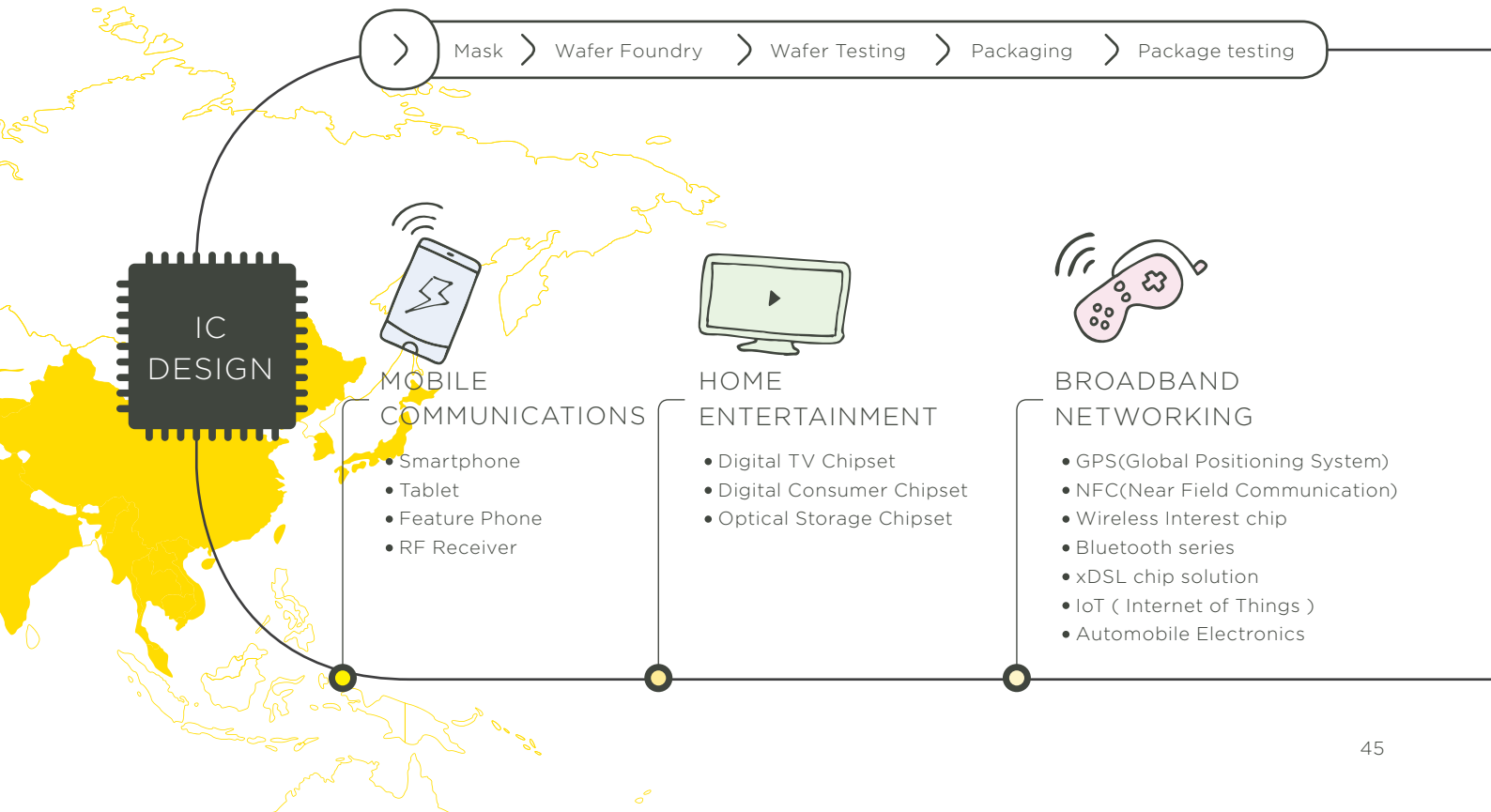
The major operation of an IC design company is to design and sell semiconductor devices, or to design products according to customers' requirements. IC design is the upstream of the industry value chain, while other players in the backend of supply chain include photomask providers, wafer foundries, packaging and testing companies, etc. In general, IC companies outsource almost 100% of photomask, wafer fabrication, and IC packaging to specialized manufacturing partners. Most companies also outsource their IC testing work to specialized testing houses, while some IC design companies keeps a certain portion of testing in-house.

In the semiconductor supply chain, the IC design industry is a knowledge-intensive industry with a relatively high return on investment. Thanks to Taiwan's complete semiconductor industry ecosystem and the ample talents, IC design is a thriving industry in Taiwan.

Affiliates

Business scope of MediaTek and its affiliates include the investment, R&D, promotion, after-sale service for optical storage products, digital consumer products, wireless communication, digital TV, networking and, etc. MediaTek affiliates support the company's core business by acquiring leading technology through investments. For information on the affiliates of MediaTek and organizational chart, please refer to Page 76~91 of the 2016 Annual Report (https://d86o2zu8ugzlg.cloudfront.net/mediatek-craft/page/2016-Annual-Report.pdf).

Semiconductor Value Chain



GOVERNANCE STRUCTURE

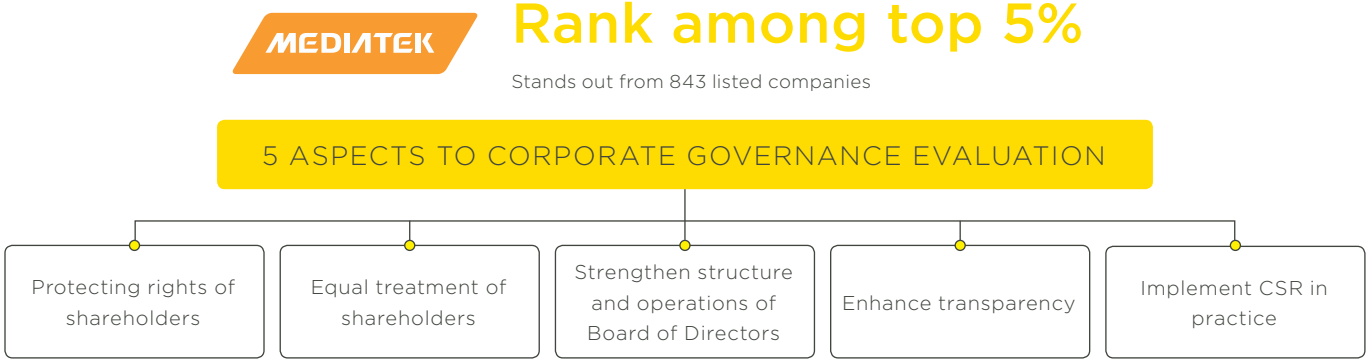
The key to MediaTek's success lies in the realization of our six core values. Integrity is the first core value of MediaTek, and it represents honoring and maintaining our commitments. In terms of governance, the primary principle that we adhere to is ensuring shareholder rights, strengthening the functionalities of the Board, exerting supervisory competencies, strengthening risk management and control over finance and operations, respecting stakeholder interest, and enhancing information transparency. MediaTek has established a set of Articles of Association and Organizational Structure in accordance with corporate governance policies, including the Company Act of the Republic of China and the Securities and Exchange Act. The Board of Directors is the highest management level for governance, and the Audit and Remuneration Committees have been established directly under the Board. Independent Directors account for 38% of all Board members. According to our experience internationally, the higher the ratio of Independent Directors, the more positive influence they have on business operations. Independent Directors also help in decreasing the chances of abnormalities occurring in the Company. In addition to this, we have also established an internal control system and a Code of Conduct to fulfill our supervisory responsibility, so that everyone at MediaTek complies with relevant rules during conflicts of interests and realizes the core value of integrity in practice.

At MediaTek, we insist on a transparent information disclosure system and uphold the principles of correct, immediate, and fair disclosure. We have established a comprehensive information disclosure system, which various types of information (business operations, financial statements, board of directors, and shareholders' meetings) are disclosed on the company website and online information reporting system to ensure that all shareholders can acquire the latest information. MediaTek has been ranked at top 20% of listed companies in the Taiwan Stock Exchange's Corporate Governance Assessment. In the future, we will review and assess feasible improvement methods to continuously strengthen the company's corporate governance system.

| Ranked Among the Top 5% in the 3rd Corporate Governance Evaluation |

To accelerate the promotion of corporate governance in listed companies in Taiwan to help businesses achieve healthy development and enhance market confidence, the TWSE and Taipei Exchange (TPEx) have collectively commissioned the Securities & Futures Institute (SFI) to hold an annual "Evaluation of Corporate Governance of Listed Companies" and announce the names of well-performing enterprises since 2015 MediaTek also strengthened information disclosure in 2016: We uploaded the Meeting Handbook 30 days prior to the General Shareholder's Meeting together with announcements of significant information to our website in both English and Chinese. We also added relevant disclosures, including corporate governance, corporate CSR, and risk control to the website.

After continuous improvement over the years, MediaTek's ranking has been improved from being among the top 20% to boasing placement among the top 5% in the 3rd Corporate Governance Evaluation. This is proof that government institutions are showing high levels of recognition to MediaTek's improvements in terms of governance. We have received positive results in the corporate governance evaluation, which in turn inspired MediaTek to strive toward achieving an even more comprehensive governance structure to comply with the various indicators in the evaluation. Improvement measures for the results of the 2nd evaluation include periodically assessing the independence of the CPA, disclosing evaluation procedures in the Annual Report, and uploading the Shareholder's Meeting Handbook and supplemental information to the company website 30 days prior to the General Shareholder's Meeting. Moreover, newly added items for the 3rd evaluation included using an e-voting system in the Shareholders meeting and uploading an English version of the Meeting Handbook and supplemental information 21 days prior to the Shareholders Meeting. We hope to efficiently enhance our information transparency to our shareholders and the public. MediaTek's Board of Directors approved of the motion to recruit Dr. Rick Tsai as co-CEO on March 22, 2017, and we aspire toward reaching the goal of diversified, effective planning, and efficient operations management. In the future, we will continue to review evaluation results and feasible improvement measures to continue to strengthen MediaTek's corporate governance structure.



The Board of Directors

MediaTek's Board convenes once every quarter and has held 7 meetings in 2017. The attendance rate of each Director has reached over 90% on average. The Board of Directors discusses business operation plans, presents financial reports, formulates or amends internal control systems, handles material financial affairs, and presides over other material matters that are proposed by the Board of Directors or must be resolved by the shareholders. In addition, a System on Abstaining from Conflicts of Interest for Directors was established. If a Director, or a corporate entity that the Director represents, is considered an interested party in the discussed agenda, the Director shall recuse himself/herself from all discussions and voting if it is in conflict with the Company's interests. In such cases, the Director shall also not exercise voting rights on behalf of other Directors, thereby ensuring effective corporate governance.

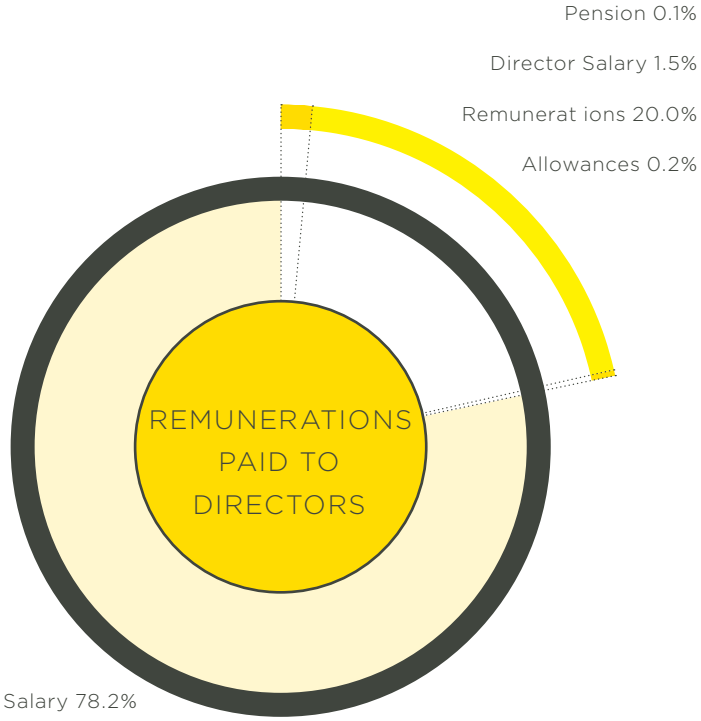
MediaTek's election of Directors and supervisors involves a candidate nomination system in accordance with Article 192-1 of the Company Act. Per relevant legal regulations, shareholders who hold 1% or more of outstanding shares from the Company may propose lists of nominees, and an election from the list of nominees will be held during the Shareholder's Meeting. In 2015, the seventh election of new Directors (including Independent Directors) was carried out at the Annual Shareholder's Meeting, and an Audit Committee was established. Hence, no supervisors will be elected in accordance with the law. Members of MediaTek's Board shall be experts in industrial management and academic research who are more than 50 years of age on average. Members shall conduct duties faithfully, fulfill the obligations of a Director, and execute their duties in a highly disciplined and prudent manner. Elected Independent Directors shall adhere to the company's Article of Association and relevant laws and regulations when executing their monitoring and managerial functions to protect the interests of the Company and shareholders. Please refer to MediaTek's 2016 Annual Report for details on members of the Board of Directors.

To implement corporate governance, enhance the functions of the Board, and strengthen the operational efficiency of the Board through establishing performance targets, we have established a set of "Procedures of Performance Evaluation of the Board of Directors" according to the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies". The Board shall undertake an internal evaluation review no less than once per year, and the review items shall include participation level in the Company's operations, enhancement of the Board's decision-making quality, the formation and structure of the Board, and internal control. In 2016, this was carried out through self-assessment, and the total evaluation result was "Outstanding", indicating that the members of the Board had a clear understanding of the Company, its management team, and its industry.

Audit Committee

The primary function of setting up an Audit Committee is to supervise the Company's accounting, financial, and fiscal reports, thus enhancing the quality and credibility of the Company's financial reports. For external investors, companies that have established Audit Committees demonstrate that they have external supervision, which can effectively protect the investors' rights and reduce the problems of information imbalance. MediaTek's Audit Committee is formed by three Independent Directors, one of which is the Chairperson of the Committee, and convenes at least once per quarter. Meetings are also held whenever the occasion sees fit. The meeting agenda is established by the Chairperson, and the other members are also allowed to provide proposals for discussion.

Independent Directors periodically communicate with the Internal Audit Supervisor and CPA in Audit Committee meetings, and interactions have been positive. The Internal Audit Supervisor periodically reports the Company's audit status and improvement measures during such meetings and typically communicates and exchanges opinions regarding the effectiveness of the Company's internal control. The CPA will report on the status of reviewing the financial reports or discuss topics pertaining to finances, tax, or internal control with the Independent Directors.



NTRemunerations Paid to Directors in 2016 $ 212,858,000

Corporate governance guidelines and regulations	
Article of Incorporation	Procedures for Internal Material Information
Procedures Governing the Acquisition or Disposition of Assets	Rules and Procedures of Board of Directors' Meeting
Operating Procedures of Outward Loans to Others	Major Resolutions of Board Meetings
Operating Procedures of Endorsement and Guarantee	Ethical Corporate Management Best Practice Principles for MediaTek Inc.
Remuneration Committee Charter	Corporate Social Responsibility Best Practice Principles for MediaTek Inc
Rules and Procedures of Shareholders' Meeting	Corporate Governance Best Practice Principles for MediaTek Inc.
Rules for Election of Directors	Board of Directors Self-Assessment of Performance 2016 NEW

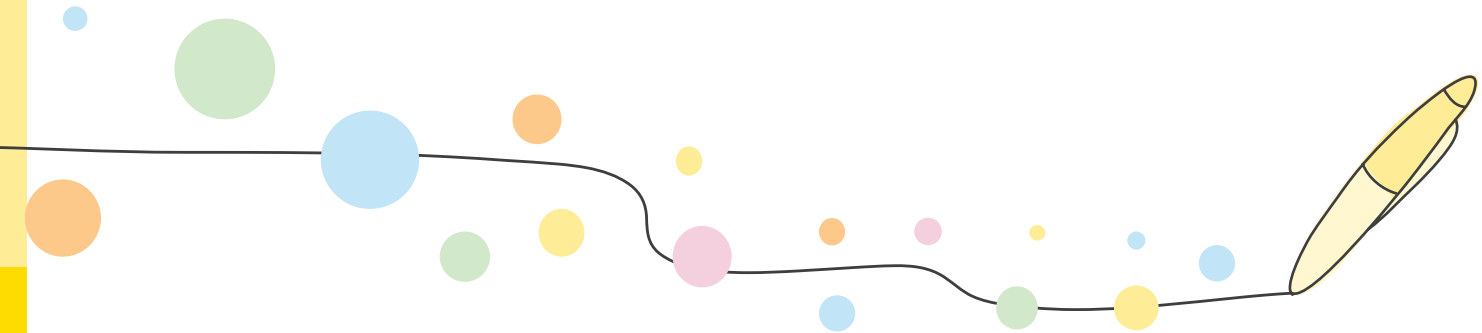
Remuneration Committee

To strengthen corporate governance and to maintain a healthy compensation system, MediaTek's Board of Directors established a Remuneration Committee in August 2011, in accordance with the "Procedures of Listed Companies' Establishment of Remuneration Committee and its Obligations." The Committee comprises two Independent Directors and one external, independent expert, and it convenes at least twice annually to inspect/evaluate the performance of Directors, Supervisors, and Managers and the policy, system, standards, and structure of their compensations. Chairman and CEO Mr. Ming-Kai Tsai is also invited to attend all meetings but would abstain during discussions that may pose conflicts with his personal interests. Two scheduled meetings were held in 2015, and all members were in attendance.

Internal Audit

The purposes of the establishment of an internal audit system are to facilitate the board of directors and the senior management to check and evaluate the effectiveness of internal controls, to provide timely recommendations for improvement, to ensure the continuity of implementation, and to provide a basis for review and modification of the internal controls system. MediaTek has established an Internal Audit Unit, which is affiliated with the Board of Directors, and designated adequate number of competent internal auditors, including a head and three affiliated internal auditors. The Internet Audit Unit executes tasks according to auditing projects, which are developed according to the results of risk assessments and approved by the Board of Directors. The unit also compiles possible deficiencies and improvement suggestions for the internal control system into an auditing report and regularly reports them to the Board of Directors. Our internal auditors ensure the departments and subsidiaries of the Company independently evaluate the validity of their internal control system. The internal auditors then review the self-evaluation report of the departments and subsidiaries, and consolidate the self-evaluation reports as the basis for the Board of Directors and the President to submit a declaration for internal control systems.

An internal control self-assessment questionnaire has been included in the self-evaluation topic for ethical business practices. Each department and subsidiary of MediaTek can undertake a self-review of its compliance to guidelines on ethical business practices through annual internal control self-assessment, the results of which can be incorporated into review and improvements of the internal control practices. Topics include whether internal principles or codes of practice have been established, when breach of the code occurs, whether the breach could be immediately identified and salvaged, whether such breach would be recorded and investigated, and whether punitive actions could be taken.



ETHICAL MANAGEMENT

To maintain a culture of ethical management at MediaTek, we require Directors, managers, employees, and any other person with substantial control to perform all business activities based on the core value of ethical management. We passed the "Code of Ethical Management," "Code of Conduct for Directors and Managers," and "Guidelines on Ethical Business Practices," all of which stress the importance of ethical practices. To ensure that the ethical management policy is carried out in practice and as morally upright managers, the Board of Directors are obligated to carefully supervise the Company to prevent unethical conduct and review the effectiveness of these implementations at all times. While MediaTek was establishing preventative procedures, we analyzed the operational activities that posed higher risks of unethical conduct in our business scope and enhanced relevant preventative measures accordingly. If any employee should violate the internal code of practice, the reporting mechanism or inspection from internal auditing department can immediately find and salvage the situation, and the incident will be recorded, investigated, and punished according to the "Management Procedures on Unethical Behavior" and the "Handling Procedures of Incidents of Unethical Behavior." Training courses relevant to ethical management were hosted in 2016, including Management of Unethical Behavior, Management of Intellectual Property, Prevention of Insider Trading, Prevention of Breach of Trade Secrets, and Compliance Policies on Internal Management and Client Communications. A total of 1,597 individuals have received such training, and 3,072 total hours of training were conducted.

Enterprise anti-corruption.

1. Bribery (both giving and receiving).
2. Offering illegal political donations.
3. Inappropriate donations or sponsorships to charities.
4. Offering or accepting inappropriate gifts, entertainment, or other inappropriate benefits.
5. Infringement of business secrets, trademarks, patents, copyrights, and/or any other forms of intellectual property.
6. Undertaking unfair competitive actions.
7. Products or services that have directly or indirectly harmed the rights, health, and/or security of consumers and/or other stakeholders during its R&D, procurement, manufacturing, offering, and/or selling processes.

Reporting Procedure

MediaTek absolutely forbids corruption and fraudulent behaviors of any form; therefore, the Company established the Reporting Procedure and the reporting unethical behavior system. Stakeholders can use this system to report unethical and improper behaviors, and the Company will designate the vice president to handle the case. Unless otherwise prescribed by law, personal information and reporting content supplied by whistleblowers will be kept confidential and subject to appropriate protective measures.

Reporting items may include but are not limited to the following:

1. Receiving unlawful payment from a supplier, customer or other third party.
2. Using their position to obtain unlawful profits, directly or indirectly.
3. Bribing or attempting to bribe a government official.
4. Using their position to extort property from others.
5. Misappropriating or stealing equipment or other property.

Compliance

To ensure the implementation of integrity management and legal compliance, we regularly promote our core values of integrity management and continuously monitor international and domestic laws and policies that may potentially influence the company's business and financial operations, thereby ingraining the principle of integrity into our corporate culture. Regarding compliance with law, MediaTek establishes various rules and regulations of corporate governance and abides by the Company Act, the Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Fair Trading Act, Government Procurement Act, the Act on Recusal of Public Servants due to Conflicts of Interest, rules relevant to TWSE/GTSM listed companies, and other laws and regulations related to business conduct. MediaTek has maintained a positive relationship with the government for a long period of time. MediaTek acquired government subsidies mainly for the investment tax credit and exemption of tax incentives in 2016. More information, please refer to annual report page 170. Regarding significant fines for corporate operations, we followed the Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, disclosing a single incident that incurs a significant fine of up to NTD 1 million or more. No fines were issued to MediaTek in 2016.

You can report ethical misconduct in the following ways:	
1. By calling :	(886)-3-6030011 · Mr Zhao, Audit Division
2. By emailing :	ethics.reporting@mediatek.com
3. By writing to :	MediaTek Audit Division, Mr. Zhao, No. 1, Dusing 1st Rd., Hsinchu Science Park, Hsinchu City, Taiwan

RISK MANAGEMENT

Business Continuity Plan

To achieve sustainable management, firms must first consider the various potential risks in business operations and the impact that disasters (fire, earthquake, and epidemics) have on corporate operations. Thus, when a crisis occurs, the firm would be capable of implementing response measures and restoration mechanisms, thereby minimizing potential impact of disasters. MediaTek has fully prepared itself in facing various types of risks and crises. It implemented the Business Continuity Plan (BCP), in which risk control and hazard identification are conducted first before engaging in advanced planning and demonstration exercises focusing on potential risks and disasters. We also established origin control mechanisms at crucial business locations worldwide so that when disasters occur, critical business functions can be restored within the shortest time possible in an organized and planned manner.

The company continuously operates its management committee, which is chaired by the senior vice president of MediaTek who assigns various departments with risk management tasks and duties, including planning response measures for interrupted business operations; listing potential risks; assessing the influence and impact levels of various risk issues; identifying major concerns regarding the influence of internal and external factors on MediaTek; formulating the Procedure for Managing Emergency Response, Regulations for Reporting of Emergency Incidents (Injuries) and Identification of Occupational Hazards, Procedure for Reporting and Responding to Emergency Hazards in Plant Areas of Cooperating Suppliers, and Procedure for Disaster Support Management; and reporting degrees of influence to executive management. Furthermore, we also have developed customer communication mechanisms so that when disasters or crises influence customers' rights and interests, we can present relevant response schemes to customers and discuss with them response measures, thereby making sure that our customers can continue to operate their businesses.

Through the aforementioned management measures, we can rapidly acquire an overview of the disaster state, immediately undertake appropriate response measures, reduce the influence that interrupted operations have on our customers and stakeholders, and conduct relevant post-disaster inspections, to avoid the same incident from happening again, thereby further strengthening our BCP and achieving the purpose of corporate sustainability.

Risk Management and Opportunistic Benefits

Risk Topics	Impact and Influence	Management Method	Response Measure	Opportunistic Benefits
Operational Risks	Influences the safety of MediaTek employees and facilities, disrupting internal operations	Procedure for Managing Emergency Response	When emergency incidents or disasters occur in the plant area or in neighboring plants and such incidents are likely to influence the safety of the plant environment and employees and cause property loss, department supervisors should proactively adopt response and rescue measures, and guide rescue members in providing mutual support, to minimize the risk of losses from the disaster.	Properly managing operational risks enables protecting employees who are the most important assets to the company. In addition, it boosts stakeholders' confidence in MediaTek's operation, and in particular, it minimizes the damage incurred to customers and suppliers' rights and interest during business cooperation.
		Regulations for Reporting of Emergency Incidents (Injuries) and Identification of Occupational Hazards	These regulation detail appropriate approaches with which employees could follow when they sustain injuries or are involved in accidental incidents in the workplace, when on and off duty, and when they are on a business trip. Through these regulations, investigations are conducted to examine the cause and prevention methods to prevent similar incidents from happening in the future.	
		Procedure for Disaster Support Management	This procedure was established to ensure that supporting mechanisms can be carried out when a disaster event occurs, thereby allowing the company to continue its normal operation without being affected by the event.	

Risk Topics	Impact and Influence	Management Method	Response Measure	Opportunistic Benefits
Supply chain risks	A supplier failing to provide raw materials or services, impeding MediaTek from rendering products or services to its customers	Procedure for Reporting and Responding to Emergency Hazards in Plant Areas of Cooperating Suppliers	When a disaster occurs in MediaTek's outsourced plants, relevant personnel may follow this procedure to file reports, adopt response measures, acquire immediate updates about disaster status, carry out reporting procedures, adjust production and product delivery processes, determine disaster level, collect disaster conditions, provide reports on the effects of the disaster on production and product delivery processes, propose response measures, and conduct follow-up tracking until the completion of disaster relief or production operations return to normal.	Strengthens the cooperative relationship between MediaTek and its suppliers, and effective monitor supplier status
Exchange rate volatility	The company's exposure to the risk of changes in foreign exchange rates related primarily to the company's operating activities (when revenue or expense are denominated in a different currency from the company's functional currency) and the company's net investments in foreign subsidiaries.	Forward exchange contracts	The company reviews its assets and liabilities denominated in foreign currency and enter into forward exchange contracts to hedge the exposure from exchange rate fluctuations. The level of hedging depends on the foreign currency requirements from each operating unit.	Effectively controls the effect of exchange rate fluctuation on the company's cash flow and asset value
Interest rate fluctuation	The company's exposure to the risk of changes in market interest rates related primarily to the company's loans and receivables at variable interest rates.	Sensitivity analysis of risks associated with interest rate	The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the financial reporting period, including investments and borrowings with variable interest rates. At the reporting date, an increase/decrease of 10 basis points of interest rate in a reporting period is assumed to analyze the effect of such risk on MediaTek's profit and losses.	Predicts the impact of interest rate fluctuations on financial performance
Climate change	To mitigate the impact of extreme climate, whether firms adhere to various environmental protection trends or standards has become a global concern	Environmental and occupational safety and health management system Green product policy	We conduct annual inspection of international environmental protection trend regularly, develop environmental protection measures according to operational requirements, and provide internal training and educational programs so that employees are aware of the impact of climate change, understand the company's annual primary goals in environmental protection, and comply with environmental protection policies when executing tasks at work.	Enhances MediaTek's green competitiveness and creates a corporate value that differentiates MediaTek from other corporations

2ND IN BEST OVERALL INVESTOR RELATIONS - LARGE BUSINESSES

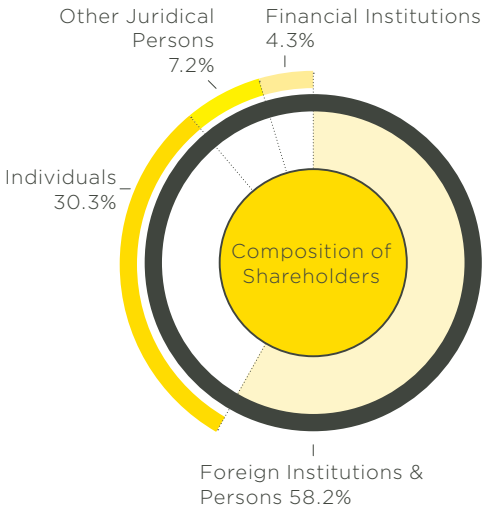
SHAREHOLDERS' RIGHTS

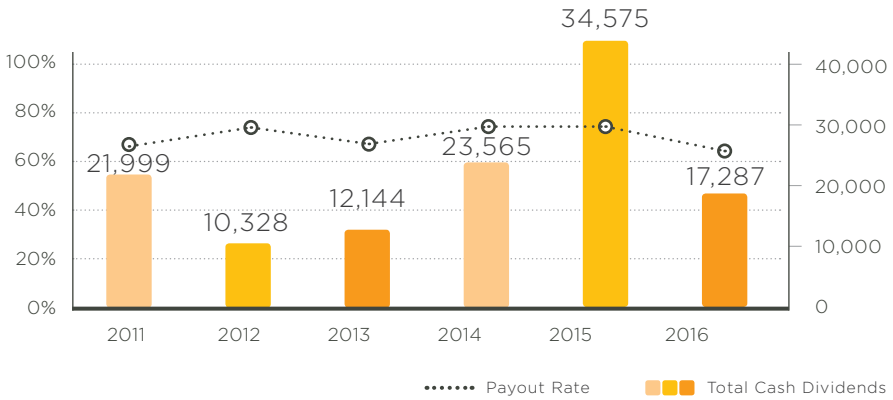
Dividend Policy

The industry to which MediaTek belongs is currently in the growth phase. The distribution of dividends depends on the company's current and future investment environments, fund requirements, domestic and international competition status, and capital budgets. Based on shareholder interests, balanced dividend, and the company's long-term financial planning, a dividend distribution proposal is compiled by the board of director annually in accordance with law and subsequently submitted to the shareholder meeting. The company may distribute its annual distributable earnings on the basis of financial, business, and management considerations; particularly, shareholder bonus is distributed in either cash or stock, with the proportion of such distribution no more than 10% of the total dividend distributed to shareholders. According to Article 235-1 in the Company Policy that was amended on May 20, 2015, the Company should allocate employee benefits according to the profits gained for the year. The Company passed an amendment proposal on June 24, 2016, in which the amended Article states that if the Company has made profits for the year, the Company is required to allocate no less than 1% of the profits as employee benefits and no higher than 0.5% as compensation for Directors. However, in the case of accumulated losses, the amount of compensations should be reserved in advance. The aforementioned employee benefits are to be issued in the form of shares or cash. Approval for such benefits should be passed by at least half of the Directors in attendance in a Board meeting attended by no less than two-thirds of all Board members. The results should be reported during the Shareholder's Meeting.

Shareholders' Service

The company places additional emphasis on protecting shareholders' rights and interests. In addition to convening annual shareholder meetings to ensure the execution of matters in the resolution of shareholder meetings in accordance with meeting rules, we hold quarterly investor meetings, to regularly present financial numbers and explain operational conditions to our investors around the world. We also present relevant information of the investor meeting on the company' s website (www.mediatek.com), providing our global investors with accurate, immediate, and transparent information regarding business strategies, operational conditions, and financial numbers. The Company also proactively communicates with both domestic and overseas investors and has taken measures such as attending domestic and foreign forums and roadshows held by securities exchanges to visit domestic and overseas investors. In 2016, MediaTek participated in more than 30 investor conferences and more than 400 investor visits. Various international institutions have also repeatedly recognized and awarded our proactive attitude and services. Furthermore, the company has established a spokesperson system (Spokesperson: David Ku ; representative spokesperson: Heng-Zhen Chen) and designated personnel to take charge of collecting and disclosing company information (contact person: Jessie Wang; contact method: via telephone at 03-5670766 ext. 23447/email: ir@mediatek. com), including major events, crucial events, corporate governance, and regulations of competent authorities, on the company website to allow investors and stakeholders access to the latest information.





GLOBAL ACHIEVEMENTS

2016 Awards List

Awards given by	Name of Awards
Clarivate Analytics	Received Top 100 Global Innovator 2016 for three consecutive years.
Global Semiconductor Alliance	Received "Asia-Pacific Exemplary Semiconductor Company" from the Global Semiconductor Alliance for 5 consecutive years.
Interbrand	Nominated a "Top 20 Global Brand in Taiwan" for two consecutive years.
Taiwan Institute of Sustainable Energy (TAISE)	Received the Gold Medal in the "2016 Taiwan Corporate Sustainability Awards - Electronics and Information Manufacturing Industry." Received "Supply Chain Management Award" and "Growth Through Innovation Award" for the first time.
Taiwan Stock Exchange (TWSE)	Rank in Top 5 Percentile in the 3rd Corporate Governance Evaluation.
International Solid-State Circuits Conference (ISSCC)	Published 6 papers in 2016, setting a record as the only Taiwanese company to have published papers for 13 consecutive years.
Harvard Business Review	Chairman Mr. Ming-Kai Tsai was selected as one of the 'Best-Performing CEOs in the World' by Harvard Business Review.
CommonWealth Magazine	Rank #15 in large-scale corporations in CommonWealth Magazine's Corporate Social Responsibility Awards and listed among the "Top 10 Best Reputation Enterprises," Chairman Mr. Ming-Kai Tsai was also selected among the "Most Respected Businesspeople by Other Businesspeople."
China Mobile Group Device Co., Ltd.	Received the "China Mobile VoLTE Hundred-Day Conference Outstanding Contribution Award" from China Mobile Group Device Co., Ltd.
WAPI Alliance	Received the "2015 Industry and Application Innovation Award" from WAPI Alliance.
Ministry of Industry and Information Technology of the People's Republic of China and Shenzhen Municipal People's Government	MediaTek Helio X20 received the 2016 CITE Innovative Product and Application Gold Medal.
IC China	MediaTEk Helio X20 received the 14th Excellent Product Exhibition Award from IC China 2016.

Working Environment

Proactive participation of global survey from nearly 90% of employees

In 2016, MediaTek expanded the scope of Global Employee Survey to 11 operational sites globally for the first time. The surveys were conducted to truly understand the thoughts and suggestions of employees and to serve as driver for the Company's continuous growth. More than 9,000 employees from all over the world have completed the survey, and the overall participation rate reached 88%, including over 5,000 ideas and feedback. This showed that MediaTek employees are proactive and willing to provide suggestions to improve the Company and make it the best working environment.

“ TOWARDS INTERNATIONALIZATION

We aspire to share our fruitful results from years of hard work with the global market, so that the global community could better understand Taiwan's uniqueness and capabilities. ”

MediaTek strives to build a professional environment with diversified learning experiences, challenges, and fun, and it has attracted exceptional talent from all over the world to join our team. In an increasingly complex globalized work environment, we need to achieve teamwork to effectively work together, and for teams to seek innovative solutions, they must encompass individuals from different cultures and acquire insights from these diverse cultures. Continuous improvement is the driver for continual innovation and is the core value of MediaTek. To ensure that everyone at MediaTek can be focused on innovative development, we offer an international work environment, competitive compensation system and employee benefits so that each and every employee can enjoy their work and devote their full attention to it, making MediaTek a great place to work!

GLOBAL TALENTS

Founded in May 1997, in addition to pioneering global strategic layout, MediaTek has also gradually established overseas subsidiaries. In addition to our Taiwan headquarters, we have also set up operational sites in China, the US, the UK, Sweden, India, Japan, Korea, and Singapore. In 2016, the total number of our global employees exceeded 10,000 (excluding affiliated firms), fully demonstrating MediaTek's resolve and commitment toward technological innovations. Through offering a globalized work environment that allows global talents to collaborate and grow together, we can also shorten the timeframe needed for product development and receive technical support as well as encourage our employees to realize innovative values through their work. Together we can build MediaTek into a top-notch global innovative company that creates endless possibilities.

Employee Overview

As of year-end 2016, MediaTek and its global subsidiaries (excluding affiliated firms) have a total of 10,749 employees, more than 90% of which are located in MediaTek's primary operational locations-Taiwan and Asian region (Asia includes countries such as China, Singapore, India, Japan, Korea); 6,066 employees are in Taiwan, 4,000 are in Asia, 381 are in the North American region, and 302 are in the European region. In terms of gender distribution, MediaTek has 2,056 female employees and 8,693 male employees. The number of male employees account for approximately 80.9%. This is primarily because MediaTek's employees are mostly R&D personnel, and graduates from relevant majors and academic studies are predominantly male.

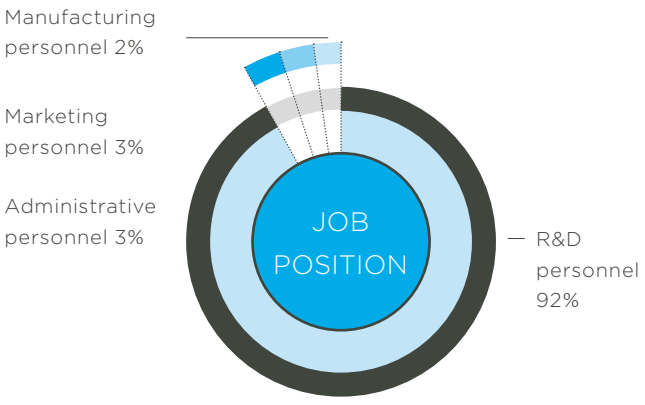
In terms of job distribution, the labor structure of MediaTek is still consistently mostly in R&D, in which 9,613 employees are in R&D, 627 are in administration, 334 are in marketing, and 175 are in manufacturing-related tasks. The ratio of R&D personnel has now reached 89.4%; this is mostly because the semiconductor industry requires a very high knowledge base, and MediaTek's primary products require highly innovative talents and expertise in pioneering technical know-how. In the labor structure of the remaining staff, a total of 1,254 individuals are at the management level, accounting for 11.7% of all employees; the age distribution of 21 to 40 year olds account for the majority of the staff, making up 83.8% of all employees; most of the employees hold graduate degrees or above (inclusive of master's degree), accounting for 73.8% of all employees. Most of the employees are full-time, accounting for 99% of all employees. The overall average age of MediaTek employees is 34 years, and an employee serves at MediaTek for an average term of 4.6 years. The labor structure is steady, and we continue to inject new, exceptional talent into our pool to meet the objectives of MediaTek's innovation, growth, and multidisciplinary integrations in recent years.

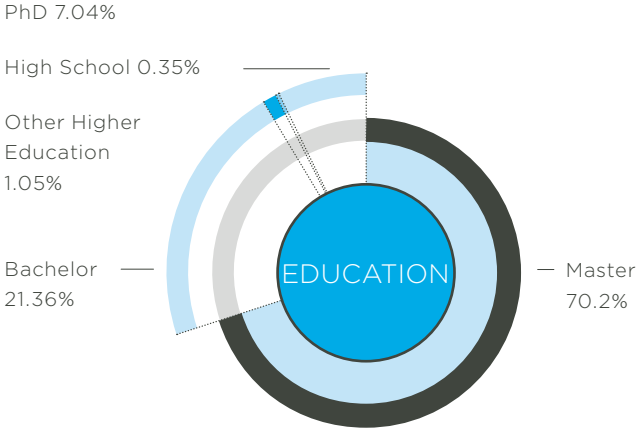
Human Resource Information

Type	Groups	Male		Female		Subtotal by Group	
		Number	Percentage of Group	Number	Percentage of Group	Number	Percentage of Group
Job position	Marketing personnel	293	87.7%	41	12.3%	334	3.1%
	R&D personnel	8,033	83.6%	1,580	16.4%	9,613	89.4%
	Administrative personnel	236	37.6%	391	62.4%	627	5.8%
	Manufacturing personnel	131	74.9%	44	25.1%	175	1.6%
Management level	Executive	37	97.4%	1	2.6%	38	0.4%
	Mid level	252	87.5%	36	12.5%	288	2.7%
	Basic level	817	88.0%	111	12.0%	928	8.6%
	General employees	7,587	79.9%	1,908	20.1%	9,495	88.3%
Work location	Taiwan	5,037	83.0%	1,029	17.0%	6,066	56.4%
	Asia	3,054	76.4%	946	23.7%	4,000	37.2%
	North America	325	85.3%	56	14.7%	381	3.5%
	Europe	277	91.7%	25	8.3%	302	2.8%
Age	16-20	14	66.7%	7	33.3%	21	0.2%
	21-30	2,596	74.4%	894	25.6%	3,490	32.5%
	31-40	4,543	82.4%	970	17.6%	5,513	51.3%
	41-50	1,368	89.8%	156	10.2%	1,524	14.2%
	51-60	133	86.4%	21	13.6%	154	1.4%
	Over 60	39	83.0%	8	17.0%	47	0.4%
Education	PhD	612	93.3%	44	6.7%	656	6.1%
	Master	6,103	83.8%	1,176	16.2%	7,279	67.8%
	Bachelor	1,857	71.5%	741	28.5%	2,598	24.2%
	Other Higher Education	91	58.3%	65	41.7%	156	1.5%
	High school	30	50.0%	30	50.0%	60	0.6%
Type of employment	Regular	8,517	81.3%	1,962	18.7%	10,479	97.5%
	Contract-based	108	61.7%	67	38.3%	175	1.6%
		68	71.6%	27	28.4%	95	0.9%
Subtotal by Genders		8,693	80.9%	2,056	19.1%	10,749	100.0%
Total							10,749

Note: Information includes MediaTek and affiliated companies, excluding group subsidiaries.

Employee Overview



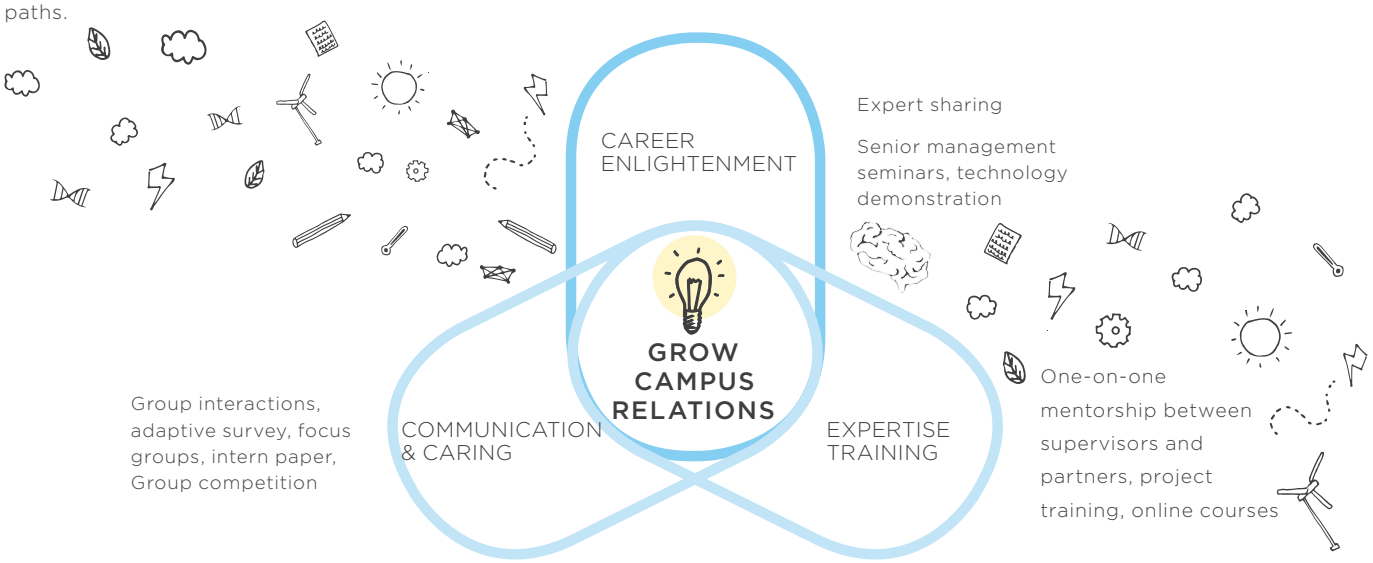


Diversified Recruitment Policies

MediaTek's HR policy is grounded on the Company's six core values of "integrity, customer focus, innovation, conviction inspired by deep thinking, inclusiveness and constant renewal" and we implement these values in our systems including talent recruitment, training, and performance management and more. MediaTek values personal qualities and capabilities in our HR management, and we strive to provide a fair and inclusive environment for our employees. We provide better compensations and benefits compared to other companies in the same industry as well as a global platform allowing our employees to realize their full potential; hence, we are able to attract talents from all over the world to join and grow with us. MediaTek invites individuals with potential to join our global operational locations and participate in various pioneering technological R&D projects. Each year, we establish annual HR recruitment plans in accordance with the Company's management and strategic objectives, we attract and select talent through diversified recruitment channels. The talent management system on MediaTek's corporate website has the job descriptions that meet different recruitment needs and legal regulations pertaining to personal data across the globe and supports QR Code, login with social media accounts, and touchscreen tablet PCs; we strive to offer jobseekers an even more concise and user-friendly interface to shorten the time needed to fill out forms and enhance the efficiency and convenience in applications. Moreover, the Company also recruits through job banks, participates in large-scale recruitment activities and accepts referrals from current employees. In 2016, our employees referred almost 2,000 individuals, showing that our employees trust the professional environment at MediaTek and are willing to refer other talent to join our team.

Cultivating Campus Relations to Seek Future Talent

Talent is the vital foundation of continuous progress for both industries and nations. MediaTek is devoted towards talent development, and we continue to collaborate with academic institutions throughout the US, UK, China and Taiwan to form R&D collaboration projects and establish joint research centers. To date, we have devoted more than NTD 900 million to fund our efforts. Paying close attention to education, the MediaTek Foundation continues to offer scholarships to encourage students who have performed exceptionally well academically and have research potential. Furthermore, MediaTek also cultivates relations with various campuses and routinely hosts various on-campus job fairs, so students can have early access to experience a professional workplace through various projects and proposals, and we can also facilitate these students to determine their future career paths.



| Flexible & Comprehensive Internship Program |

MediaTek offered internship opportunities to more than 250 students in 2016, reaching historical highs in both the number of recruits and internship locations. We have attracted both domestic and overseas students to join our sites in Taiwan, the US, Europe, India, China, and Singapore for internships during summer breaks or during academic years. Concurrently, MediaTek's internship program has expanded its scope since 2015, and we have moved from simple job training to three major cores including professional training, experiential exchanges, and career guidance. We offer students various short- and long-term and flexible internship programs and designate students to join various challenging projects according to their unique characteristics and expertise. Even simple, small-scale projects could be potentially utilized toward actual MediaTek products. Students can work and learn with MediaTek employees, gaining a head-start on experiencing lives as professionals. They could also become acquainted with job aspects of workers from different professional fields, the knowledge required, and opportunities of future development through MediaTek's thoughtfully arranged seminars and team assignments. Students don't need to blindly explore a suitable career path-they can get a head start on understanding a life journey that would realize their full potential through personal, first hand experiences.

| MediaTek Scouting on Campus Project |

The Scouting on Campus program introduced by MediaTek encourages university students to become a campus scout and recommend potential outstanding talent around them to work for MediaTek. In 2016, MediaTek has recruited more than 3,000 campuses scout. Moreover, being a campus scout grants the person various special benefits, such as receiving a substantial amount of campus recommendation rewards, gaining priority in enrolling into MediaTek's summer internship program and on corporate field trips. Recommended talents can select the job positions they prefer according to their expertise. Furthermore, events and interactive activities are held occasionally to better students' understanding of the company.At the same time, by first inviting scouts to understand our summer internship system, our scouts can participate in corporate visits and interact with senior management during seminars to enhance their understanding of the Company. These interactions have also increased our understanding of aspirations from the younger generation toward companies and technology trends, enhancing the younger generation's positive feelings towards MediaTek and their willingness to join our team.

Intern Paper

Periodically issues an intern paper to report on internship activities, experiences, and feedback from interns. Conducts interviewing and Q&A sessions with Mediatek employees.

"Passion for Work, Dream Big" Seminar

Invited past participants to share about their work and dreams they have realized. Satisfaction for such activities reached 85 points on average.

Overseas Internships

Four students were granted internships to our US subsidiary in 2016 through MediaTek's financial aid and overseas internship opportunities.

Senior Management Internship Camp

We help students to expand their horizons, foster leadership skills, and concentrate on their vision. They can experience the latest products and technologies and participate in senior management meetings.

Global Internship E-book

Collected 10 locations, 53 feedback responses from interns, and interviews with MediaTek employees, creating trans-national exchange opportunities, and posting these experiences on Career Site as the best promotional materials for future recruitment plans.

Elite Summit

We invited high-performing students from NTU, NTHU, and NCKU to participate in exclusive events to understand more about MediaTek, and they can also enjoy priority in interviews for internships, Research and Development Substitute Services, and full-time positions. 56 participants came to the event in 2016.

Internship Workshop

Invited well known English teacher Ray Du to share about resume-writing techniques and his experience as a former MediaTek intern so that students can learn more about MediaTek's internship program while improving themselves

Campus Recruitment Activities

Hosted joint campus recruitment activities, including campus job fair and campus seminar etc., with Richtek Technology Corporation so students could learn more about us while acquiring more internship opportunities.

| Internship Experience Feedback |

Cho-Hsin Tsai From Taiwan to San Diego- Creating More Everyday Genius

The MediaTek office in San Diego welcomed me with open arms. As a birthplace of innovation, it is a place bringing everyday genius.Although the one-floor office might not appear as magnificent as the one in Taiwan, what the talents inside have been working on is beyond expectation. For one, the WCT Department is currently designing an efficient vector processing engine that is capable of performing multiple functions. For another, CSD Department strives to propose next-generation wireless and mobile standards, i.e., the 5G system. MediaTek never stops looking for best talents, and internship programs serve as a way of cultivating the appropriate ones. Interns are invited to take part in projects ranging from surveying the state-of-the-art research to implementing each module for simulation. As an intern from Taiwan, it is unquestionably a golden chance to work with MediaTek's experienced engineers from various countries and to train my capability of solving real-world problems. While Chinese engineers are used to starting a discussion after understanding sufficient background, American ones enjoy learning by actively discussing. However, MediaTek embraces the inclusion of diversity and believes the difference grows into stronger forces.

| Internship Experience Feedback |

Moji (Mojisola) Agboola / WCT1 / MUK (Cambourne, UK)

I am working on radio link monitoring (RLM) simulations, where I design and modify signal processing algorithms for wireless communications. On the side, I am also improving the GUI diff tool for Excel files I designed during my MediaTek internship last year. I get to use a Linux command line interface, and a wide variety of languages: Matlab, C++, Python and Arduino C. My favorite thing here is getting to work with real life engineers and solve real world problems! I get a hot drink in the morning, then I start working on any projects I might be assigned for that week. Then I have a lunch break at 12 before getting back to work . We have a weekly intern catch up for 30 minutes in the late afternoon, where we discuss about our projects over biscuits and tea. I also have meetings with my supervisor at least once a week, to discuss my assigned task. Exciting, Challenging, Useful would be the three words for me to describe my internship experience at MediaTek.

| Attracted Over 100 students in Recruitment Campaign in Indian University |

With the emergence of the Indian market in recent years, many large international corporations have established operational locations in India. Currently, MediaTek has established two R&D centers in Noida in the north and Bengaluru in the south. The primary scope of business for these two centers includes R&D, design, wireless communications, and sales development. MediaTek had already launched large-scale campus recruitment activities in India in 2016, and we have successfully attracted 100 newly grads to join our Company through corporate promotions, experience-sharing from employees, and technical exchanges. Twelve of these fresh graduates will join our Taiwan HQ in August 2017, and we will continue to expand our campus recruitment activities in India to strengthen our competitiveness by attracting more global talent to become acquainted with Taiwan.

Employment Relations

MediaTek proactively recruits outstanding talent from all over the world to join our team. A total of 741 new entrants joined us in 2016. The ratio of new entrants in Taiwan, Asia, North America and Europe were lower than in the previous year due to intense industry competition. Globally, a total of 955 employees left the Company in 2016, showing an increase from the previous year from each position type. The overall global turnover rate of 9.11% indicates the rigorous nature of the industry environment and a decline in HR needs. MediaTek will continue to strive toward talent retention and to understand the reasons for employee departure as evidence for improvement. We undertake multiple measures for departing employees, including sharing Company information and phone interviews, in order to maintain positive interactions between the Company and ex-employees and create opportunities for future collaborations.

Structure of New Entrants and Turnover

		New Employee		Employee Turnover	
Type	Groups	Number	Proportion of groups	Number	Proportion of groups
Gender	Female	124	6.32%	181	9.23%
	Male	617	7.24%	744	9.09%
Age	Over 50	2	1.21%	24	14.55%
	30-50	217	3.10%	548	7.84%
	Under 30	522	15.72%	383	11.54%
Work location	Taiwan	414	6.94%	321	5.38%
	Asia	310	7.98%	563	14.49%
	North America	13	3.54%	34	9.26%
	Europe	4	1.52%	37	14.07%
Total			741		955
Percentage			7.07%		9.11%

Calculations and Remarks:
Ratio of 2016 new entrants in their particular employment type: 2016 new entrants for particular employment type / total number of employees for that particular type on December 31, 2016
Ratio of 2016 new entrants in their particular employment type: Employees that left a particular type of position in 2016 / total number of employees for that particular type on December 31, 2016

Ratio of recruiting local supervisors in global subsidiaries

Country from which management personnel is employed	Proportion of management to employees in a country (A)	Proportion of management in a country to local managements Note 1 (B)
Taiwan	13.1%	98.7%
China	8.1%	99.2%
Singapore	25.5%	36.6%[Note 2]
South Korea	9.0%	100.0%
Japan	14.3%	100.0%
India	9.6%	100.0%
United Kingdom	19.0%	77.3%
Sweden	12.0%	100.0%
Finland	5.3%	88.9%
Denmark	21.2%	100.0%
U.S.	13.1%	100.0%

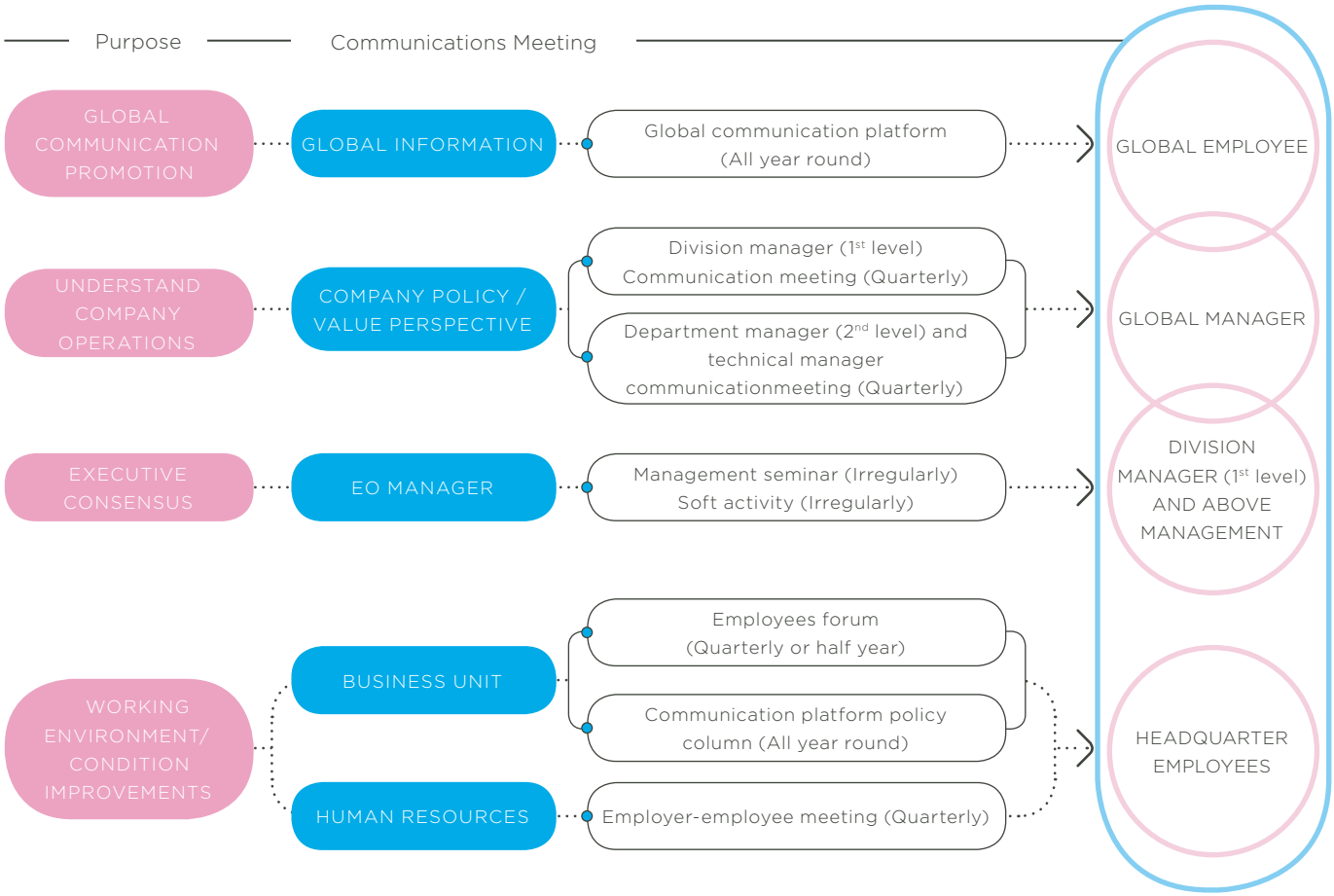
Calculations and Remarks:
(A) = Number of management personnel in a country/total number of employees in the country
(B) = Number of management personnel in a country/total number of management personnel in the country
Note 1: Personnel on overseas assignment will be determined whether he/she qualifies as domestic based on his/her nationality (or dual nationalities in which one of the nationalities is the country of assignment) and location of assignment.
Note 2: Singapore maintains an open policy on foreign employees; currently domestic Singaporean employees account for only 16.7% of all local employees, whereas Singaporean supervisors account for only 36.6% of local supervisors.

Employee Communication Channel

To create an environment for our employees to have an open and fair environment for communications at MediaTek, we strive to establish a comprehensive employee communication channel that allows for bilateral communications between employees and the Company, and together we can work toward an even more complete professional environment. MediaTek has organized communication sessions and established an online communication platform. In addition to communications with supervisors from different levels to meet the objectives of "understanding Company operations," "getting to know your supervisors," and "improving the work environment." Our communication matrix structure can effectively assist employees to understand the Company, realize Company policies, and solve problems regarding colleagues and the work environment.

The Company issues an internal monthly electronic periodical called "Hot paper" in order to pay attention to the ideas and opinions from our colleagues and for every employee to understand important Company policies and event promotions. We also encourage our employees to express themselves to management frequently. Furthermore, we host employee communication on a quarterly basis and undertake a fair and effective communications mechanism that takes in employee suggestions in order to understand employee thoughts and handle any reported problems on a timely basis. We hope to achieve harmonious employment relationships through these measures and create a win-win objective together with our employees. Since we are increasing in the number of our overseas employees, to realize timely and transparent communications, we have conducted global communications since Q4 2015. In these communications, members of our senior management team (including the Vice Chairman) conduct video conferences with global supervisors and employees. Approximately 1,200 individuals participate in such communications every quarter. The MTK_FAQ communications platform allows employees to provide feedback and suggestions on work and environment in providing feedback on topics relevant to their work and personal lives. We have established designated communications channels for different responsibilities. We have collected 369 employee suggestions regarding HR policies and services via the "MTK_FAQ communications platform" in 2016, and we require that initial responses to these suggestions be made within 3 days. All of these have been responded to. In order for the communication platform to meet the requirements for bi-lateral communications for our new generation of employees, we commenced a series of revisions in Q4 2016, and anticipate completing these revisions in 2017. We will work toward specific targets including meeting employee needs for effective communications.

Internal Communication Channels



MediaTek values bilateral communications and strives to provide open and transparent communication channels for supervisors and employees as well as between employees. The stringent bilateral communications are shown below.

Communication channel	Usage frequency	Format	Highlight	Features	Management level
Communication platform (FAQ)	All year round	Online service	Work/living-related questions	• Response within limited time • Online operations • 24/7	Contact window of accountable unit
Global Communication Platform	All year round	Online service	Matters promoted globally by the company	• News articles • Global important messages • Corporate core values	Contact window at various operating locations
Communication meetings for arious levels	Monthly/ Quarterly	Physical meeting	Work/living-related questions	• Topic sharing • Company topic promotion • Unit internal promotion	Department Manager (2nd level) and above
Labor meeting	Quarterly	Physical meeting (representative)	Discussions on labor conditions and employer-employee relation issues	• Collect questions in advance • Elect labor representatives through public voting • Meeting convened by employer representative • Announce meeting outcomes	Five employer representatives, at a ratio of 1:1 (labor representative account for 0.05% of the total number of employees)
Employee grievance box Company opinion box	All year round	Online service	Any material issue	• Handling by highest level executive • Online operations	Highest management of HR-GRS

Primary Discussion Topics covered during the 2016 Employment Relations Conference

Workplace Environment	Due to the fact that the Company has increased in personnel, meeting rooms have become harder to reserve. We have improved this situation by improving the meeting room reservation system.
Employee Leave	We collected opinions and suggestions from both sides of employment relations beforehand to better prepare for the "one fixed day off and one flexible rest day" policy adjustment by the government.

2016 Global Employee Survey

To truly understand the thoughts of employees and as a driver for the Company's continuous growth, MediaTek has implemented the bi-annual employee survey since 2004.The scope of this survey was expanded to overseas locations in 2016 at first time. The entire project spans for six months from the discussion to the result, and the project team includes HR, IT, EO and some business unit managers. The survey questionnaire is classified into four dimensions: work experience, organizational function, strategic focus, and talent management with a total of15 sections, 43 items, and 1 open question. We wish to comprehensively understand employees' feedback, come up with action plans to make MediaTek a great place to work.

| The survey is completely confidential to protect employee rights |

To listen to and understand employee thoughts and feelings, MedaiTek invited a professional third-party consulting firm to carry out the employee survey from start to finish. Through the surveys, employees are able to speak their minds and truly express their thoughts and suggestions. The consulting firm directly mails the survey invitation to employees, and the online questionnaire is also built on the consulting firm's server to protect the confidentiality of employee data. Finally, the consulting firm compiles and analyzes all feedback information, and provides the results to MediaTek as reference for subsequent organizational improvements.

| Nearly 90% of the employees actively participated in the survey |

The response rate for the 2016 Global Employee Survey reached 88%, and over 9,000 employees from all over the world completed the survey. This included over 5,000 open comments, showing that everyone was willing to participate and provide suggestions to make the Company even better. Moreover, we also conducted focus group studies for the six major departments after receiving the survey information to better understand employee needs on a qualitative level. Based on the coordination and analysis of the consulting firm, the Company had performed better than most global high-tech firms and also improved from the last survey period in 2014. In particular, we performed well in aspects including innovative culture, management leadership, and customer focus. Nevertheless, compared with other global high-tech firms, our employees expressed higher expectations for MediaTek in terms of "mid to long-term goals" and "communications." Based on employee suggestions, we have designated relevant departments to commence action plans for follow-up improvements to the overall Company, BU, FU, and the global sites. Concurrently, we have also invited senior managers to chair over the follow-up improvement plan, and form a team with supervisors of various ranks and employees to meet and ensure the progress of improvement measures on a monthly basis. We will continue to make the company a great place to work and to create endless possibilities" through everyone's dedicated efforts.

Three highlights in Global Employee Survey

Global Participation

We hope to hear from every one of our employee throughout the world

Respect ideas

Attention should be paid to every idea from any employee, as we strive to become the ideal work environment

Strict confidentiality

Employee survey is undertaken by a professional third-party consulting firm

5 Areas **11** Countries

Number of employees participating in the survey **10,169**

Questionnaire Response Rate **88%**

Employee Opinions Number of feedback **5,486**

Survey/Questionnaire Structure

Open-ended questions

WORK EXPERIENCE
- Career Development
- Direct Supervisor
- Performance Management
- Compensations and incentives
- Work/life

ORGANIZATIONAL FUNCTION
- Core values
- Establish target objectives
- Differences/inclusion
- Communication
- Teamwork

STRATEGIC FOCUS
- Innovation
- Focus on customers

15 Categories
43 Items

TALENT MANAGEMENT
- Continuous participation
- Retention
- Attract

Ensuring Employee Rights

| Compliance with Labor Laws and Regulation |

MediaTek strictly adheres to the stipulations of the Labor Standards Act as well as International Bill of Human Right, to protect employees' rights to freedom of association. Regarding employment, the company is prohibited from discrimination against employees according to their ethnicity, age, gender, sexual orientation, disabilities, pregnancy, political preference, and religion. By law, all employees must sign a labor contract that specifies an employment relationship based on the approval of both parties and the prohibition of using child labor. Furthermore, the work rule specifies regulations for non-mandatory labor and regulates employee work hours in accordance with labor laws and regulations. In special cases wherein labor contract with the employee is terminated, the Labor Standard Act must be followed to notify of dismissal and handle subsequent dismissal fees. One incident of not paying for overtime in accordance with legal regulations occurred in 2016. Internally, we immediately undertook policy improvements and adjusted the basis for calculating work time (absence/overtime) upon receiving relevant notifications to ensure that no such incident occurs again in the future.

| Sexual Harassment Prevention |

To create an environment of gender equality for every MediaTek employee so that they will not be treated differently or subjected to sexual harassment, we pay particular attention to potential gender discrimination and sexual harassment issues in the workplace. We have established the Regulations for Establishing Measures of Prevention, Complaint, and Punishment of Sexual Harassment in accordance with the Act of Gender Equality in Employment, Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace, Sexual Harassment Prevention Act, and Regulations of Sexual Harassment Prevention. Furthermore, we have setup a Sexual Harassment Handling Committee and Sexual Harassment Prevention hotline (#21999) and E-mail (call21999@mediatek.com) to handle gender equality issues in the workplace, thereby ensuring that all MediaTek employees receive the most comprehensive care.

The "Workplace Sexual Harassment Prevention Program" has been listed as mandatory for all employees since June 2015, and as of year-end in 2016, we have achieved a completion rate of 94.5% and will work towards 100% completion. Concurrently, we are also planning this course as compulsory for all new entrants to the Company and have also established a sexual harassment prevention website to offer relevant information for our employees to promote gender equality and mutual respect.

CAREER DEVELOPMENT

MediaTek offers a workplace environment where global talent can engage in continuous learning and growth. In terms of performance management and development systems, employees and their supervisors are required to jointly conduct their annual job performance, respect individual development plans, and define suitable work goals. Concurrently, a sound training system is implemented for employees to learn the professional skills they require at work, thereby helping employees create their future development blueprint. In particular, leadership is a competency required of employees' career development. Therefore, we provide leadership training to department manager (2nd level) or higher supervisors, and through the 360-degree feedback questionnaire survey, we assist managers to examine their individual performance and areas of improvement from different perspectives and to use their findings as the motivation for continual growth and advancement. We believe that a manager with strong leadership skills can lead one's team to overcome various challenges and advance toward a common goal and vision, thereby growing and developing jointly alongside the company.

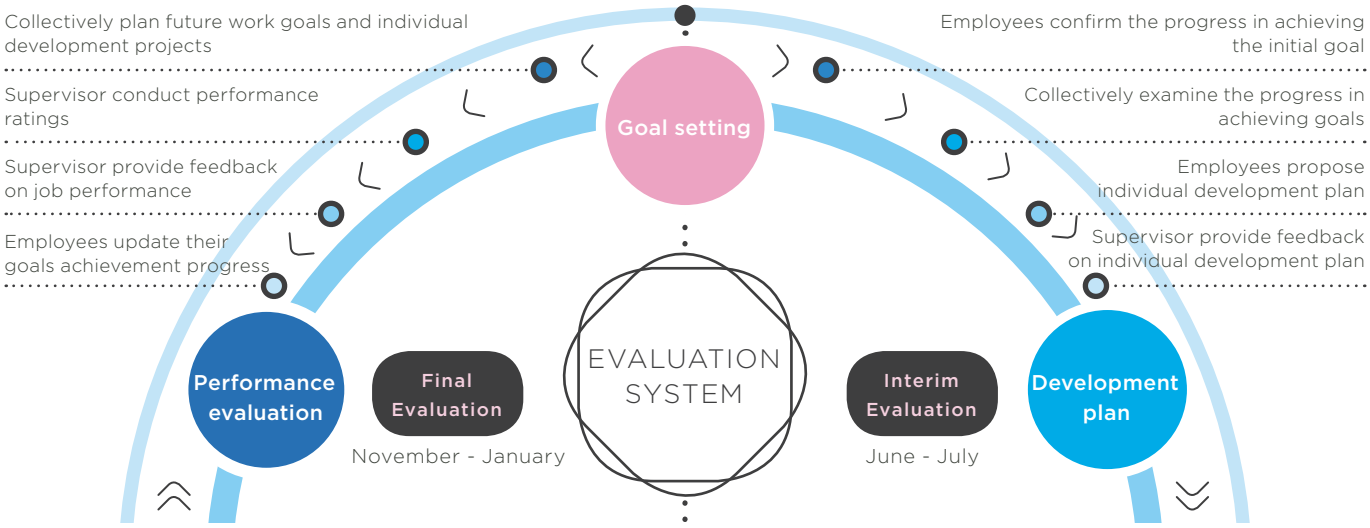
Performance Management and Development

A performance management and development system is aimed to combine the company's goals with individual goals. Through active performance feedback and communication, the development progress of employee abilities can be examined and measured for creating optimal organizational and individual performance. This system is applicable to MediaTek's global full-time employees, and does not influence employees' rights to accept performance management because of gender differences. The evaluation involves two phases: Final-term phase, which takes place from mid November to end of January the following year, and Mid-term phase, which takes place from June to July. In the final-term phase, supervisors provide one-on-one feedback to their employees regarding their annual job performance, conducts performance evaluations of their colleagues, and jointly sets the work goals and development plans for the subsequent year.

In the mid-term phase, employees are required to confirm the progress of attaining their initial goals and ensure that their predetermined goals are in accordance with their individual development and actual work conditions. Subsequently, they must examine, confirm, and reorient their annual goals accordingly. Furthermore, two-way communication and feedback between supervisors and their colleagues ensure adequate understanding of their work status, provision of necessary resources for performance enhancement, and facilitate completing work tasks.

| 360-Degree Feedback Questionnaire |

To enhance the leadership capacity of management personnel, the 360-degree feedback questionnaire is conducted on department manager (2nd level) and above to comprehensively examine their job performance and management skills. Opinions and feedback primarily originate from supervisors, subordinates, peers, and those under evaluation. Feedback from diverse channels ensures objective evaluation results, enhances the willingness of management personnel to adopt improvement suggestions, and provides a reference guideline for devising career development plans. Regarding leadership development, an internal development system is used to transfer management experiences and arrange external training courses according to the leadership requirements of various management levels. Thus, management personnel is granted with the opportunity for continuous learning and development, which contribute to strengthening the leadership capacity of MediaTek's employees at all levels. With the increase in number of employees, over 1,151 employees had partaken in the feedback evaluation globally in 2016, reaching a participation rate of over 86% in each aspect.



Comprehensive Professional Training System

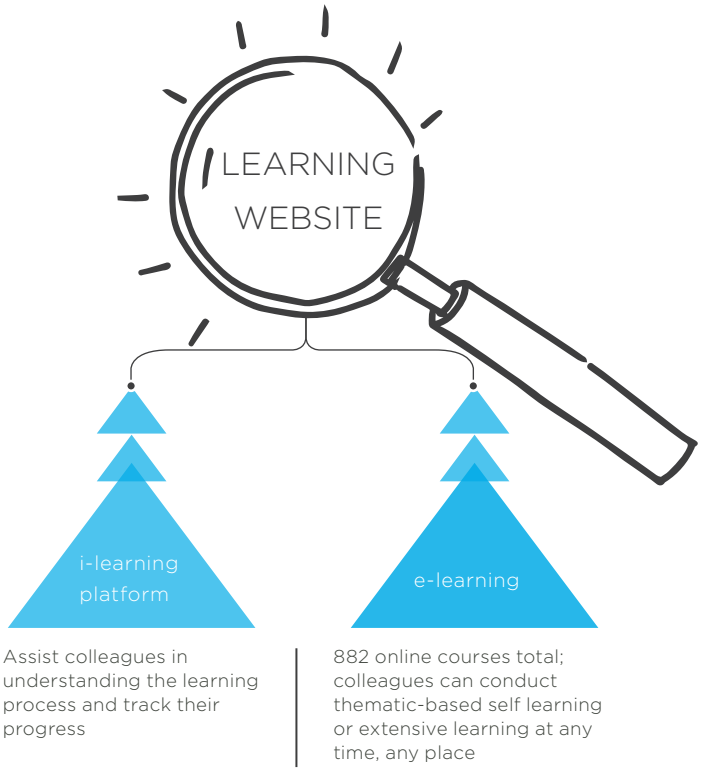
MediaTek offers suitable training programs for new recruits and executive managers according to the professional skills they require for their job positions. Thus, employees can continuously learn new knowledge and skills to respond to various new challenges at work. Under such a diverse and comprehensive training system, employees can select appropriate training programs according to their interest and career goals. Our training methods do not differentiate gender or ethnicity. We expect to foster the core value of continual learning in employees and realize the business philosophy of MediaTek.

Our training management system comprises the Regulation for Internal Training Management and Regulation for External Training Management, both of which outline the procedure for arranging training courses and encouraging employee participation. In addition, the level of participation among employees will also serve as a basis for dispatching, promoting, and strengthening the competency of supervisors. Various types of training standards all contain regional and location-specific implementation details that vary throughout the world.

| Resources and Channels for Learning |

Supervisors can assist each and every member to establish annual individual development plans (IDP) according to individual work-related needs to achieve the Company's business development needs and employees' sustainable growth. Individuals and supervisors can all understand and track learning progress and records through the i-learning platform that has been set up on our Learning Website that was established in 2015. In addition to real courses, on-the-job training, and e-learning, the i-learning platform also allows employees to undertake self-initiated learning or after-class extended learning at any time, any place. All information that new entrants need to understand is available in a single designated zone on the website, and this should help new recruits better adapt to the new environment.

In terms of learning channels for supervisors' leadership competency, MediaTek selects key books for the year according to key learning factors for supervisors, so supervisors can learn and exchange their thoughts and learning progress through the "supervisors' book club." Moreover, for managers throughout the world to exhibit consistent management language and gain the knowledge and capabilities required by the Company, we have offered a strategic handbook for often-seen management topics, in which challenges, problems, and the suggested ways to handle them are shown. This should better facilitate supervisors in dealing with day-to-day management issues and to provide an instant reference, as well as to pass on management methods to establish the Company's management culture.



| CSR Courses |

To implement the management vision of "realizing our responsibilities as corporate citizens" in our day-to-day activities, we have arranged for environment, social, and governance (ESG) courses in educational training for new recruits, and require them to complete the learning process and pass relevant tests within 30 days. The passage rate has been 100%.

Types of training program

Training Category	Description
New employee training	The human resources department arranges relevant training programs to assist new recruits in understanding company policy, corporate culture, and working environment so they can quickly assimilate into the work team
General education training	In accordance with governmental regulations and company policies, employees must complete a basic training course, regardless of the department to which they belong, their job function, and duties
Professional competency training	Professional development courses designed according to professional competency, such as individual performance, environmental safety and health, financial accounting, human resources, information technology, legal intellectual property, and quality management
Management competency training	Training development activities planned according to management skills and occupational requirements of supervisors of varying levels.
Technical engineering training	Training programs and development activities pertaining to various professional competencies engineers require when executing their job duties and when they enter the company at distinct maturity stages
Individual performance training	Assist employees in enhancing their knowledge skills used in daily work tasks, cultivating diverse abilities in employees, and improving job performance
Language ability training	Offer English learning and speaking courses, workshops, training classes, and community groups according to employees' TOEIC results. These courses are aimed to train employees how to apply their knowledge in practice, thereby improving their international competitiveness.
External training	Improve employee quality, enhance their work skills, promote business development, and compensate for deficiencies in internal training

Results of training

Training type	Total number of classes	Groups	Total number of people			Total hours			Average training hour			Total fees
			Male	Female	Total	Male	Female	Total	Male	Female	Total	
Management competency	59	Executive	1,187	154	1,341	6,884	881	7,765	5.8	5.7	5.8	32,215,000
General knowledge for employee	62	All employees	719	190	909	2,329	769	3,098	3.2	4.0	3.4	
Techniques/ professionalism	192	All employees	3,141	661	3,802	6,664	1,074	7,738	2.1	1.6	2.0	
Individual performance	93	All employees	2,071	604	2,675	13,588	5,847	19,435	6.6	9.7	7.3	
Language training	4	Executive	38	5	43	1,290	170	1,460	33.9	34.0	23.6	
	30	General Employee	478	150	628	13,924	4,679	18,603	29.1	31.2	29.6	
External training	391	All employees	336	136	472	4,943	2,085	7,027	14.7	15.3	14.9	
Total	831	All employees	8,078	1,970	10,048	49,622	15,505	65,126	6.1	7.9	6.5	

Note: Average training hour=total number of hours/total number of employees in Taiwan regions

COMPENSATION AND BENEFITS

Welfare Committee

In accordance with the Organization Regulations on Employee Welfare Committee stipulated by the Ministry of Labor, the Taiwan HQ of MediaTek invited each department to nominate representatives to form an Employee Welfare Committee to coordinate budgets for the welfare committee and promote various benefits. MediaTek has always allocated more budgets toward the Welfare Committee than what is legally required in Taiwan, so that the Committee could plan more diversified benefits. We have also paid more attention to departmental cohesion and flexibility in individual benefit options to truly realize the spirit of incentivizing employees. Such efforts included providing funds for departmental activities, encouraging departmental gatherings, birthdays, family days, and getaways with family members. The utilization rate of these funds has reached 98%, and the Family Day that was hosted at a theme park was attended by 11,461 employees and family members. A satisfaction rate of 71% or above was reached. We also provided assistance for employees'own travel plans, so that employees can flexibly plan for individual or group (with at least 3 colleagues) tours. Utilization of this aid has reached over 95% since implementation. In addition, the Welfare Committee also provides aid for movie days so employees can freely enjoy a great time watching their favorite movies with their family, friends, or colleagues. Furthermore, the Welfare Committee has also established a Massage service in the Fitness Center and hired professional visually-impaired massage therapists recommended by the Hsinchu County Government and the Taiwan Blind Person Welfare National Christian Council to help employees relieve stress.

Diversity of welfare

Physical and mental health care	Healthy living	Health & Lifestyle Center, annual health examination, in-office doctor consultation, massage therapies, sports and competitive events, gym reimbursements, and childbirth monetary benefits
	Intellectual life	Arts and culture fest, lectures by luminaries, traveling reimbursements, and in-office traveling agent services
	Insurance	Labor Insurance, National Health Insurance, life insurance, casualty insurance, medical insurance, and group insurance
Friendly working environment	Club activities	Diverse club resources, family day events, events that foster employee and family cohesiveness, and charity events
	Thoughtful services	Ticket/gift card purchasing, discounts from designated stores, psychological counseling and legal consultation, innovative and thoughtful services, and free parking lots
Multiple bonuses, and reimbursements	Incentive cash gift	Three major festival bonuses, year-end bonus, birthday cash gift, and year-end lottery prize
	Reimbursements	Department activity fees, meal reimbursement, petty cash fund, relief fund, birthday party reimbursement

41

diversified clubs

| Club Activities |

In 2016, MediaTek had 41 clubs, including the newly formed Taipei Healthy Lifestyle Club, Taipei Tea Club, and Taipei Guitar Club. In addition to hosting club recruitment activities every January and July, we also offer funds for clubs to facilitate their operations. As many as 2,000 employees are involved in at least one club. Moreover, besides receiving funds, club activities that target the whole Company also offer channels for non-members to participate, which could enhance employee retention.

Benefits from

4,000

partner stores

| Islandwide Store Promotion |

We have planned for designated companies to set up stores within the Company as well as signed promotional deals with 4,000 stores throughout Taiwan under the MediaTek brand. Employees can enjoy promotions at these designated stores when they present their employee badges. Furthermore, employees can also install a smartphone application to look up promotional activities at designated stores at any time, any place. We have invited publishers of children's books or Elite Bookstore to host book fairs and product exhibitions at the Company during Children's Day or Christmas. In addition to satisfying the needs for diverse genres of books for different individuals, we can also promote the importance of reading through these events.

19

holidays higher than legal regulations

| Number of Holidays |

This is in response to the "Details of Implementing the Labor Standard Act" by the Ministry of Labor in 2015, in which the national holidays in 2016 would be shortened to 12 days from 19 days. To balance the work and personal lives of our employees, MediaTek has announced that we will provide 19 days of leave, including national holidays and memorial days in 2016. This is higher than the requirements of the "Details of Implementing the Labor Standard Act," and the purpose of this is to enhance the convenience of our employees in arranging for their holidays and vacations.

Retirement plan

Since implementing the Labor Retirement Fund Act on July 1, 2005, presently, the new policy is applicable to 99.2% of the employees in Taiwan, and the remaining 0.8% are still applicable under the original policy (i.e., retirement regulations according to the Labor Standard Act). The rest of the overseas operational locations will establish employee retirement plans according to local government regulations.

| Pension Program |

The retirement program set up by MediaTek and its local subsidiaries, in accordance to the Labor Pension Act, is part of the Confirmed Pension Program. Every month a retirement fund calculated based on 6% of the individual employee's monthly wage is remitted to a personal retirement bank account setup by the Bureau of Labor Insurance or Ministry of Labor. Subsidiaries located in China have set aside a certain percentage of individual employees' total salary as retirement pension and remitted it to the relevant competent authority in independent savings accounts, in accordance with the local governing laws. Other overseas MediaTek subsidiaries have also set aside pension funds according the local governing laws. As of 2016, the total sum of the pension funds in the Confirmed Pension Program is NTD 1,565,151,000.

| Benefit Program |

The retirement program MediaTek and its domestic subsidiaries have set up in accordance to the Labor Standards Act is part of the Confirmed Benefit Program. The calculation of retirement fund is based on the unit of radix of the year of employment and the average approved monthly wage on the date the employee retires. Two units of radix will be given to those who have served 15 years or less, and one additional unit of radix will be given for one additional year served. Maximum units of radix is limited to 45. MediaTek and its domestic subsidiaries have set aside 2% of the total salary in the Supervisory Committee of Business Entities' Labor Retirement Reserve account in the Bank of Taiwan, in accordance to the Labor Standards Act. As of December 31, 2016, MediaTek's Confirmed Benefit Program is estimated to reach NTD 10,056,000 in 2017.

Wage Protection

MediaTek's strategic positioning is to offer higher overall compensation packages than the market average to attract talent and to retain current talent with competitive compensations. We have designed wage structures that comply with local needs and standards based on each operational location's government and legal regulations, industry practices, and HR and market conditions, and we do not differentiate based on gender, nationality, race, age, or religious beliefs. For instance, in the case of a MediaTek engineer with

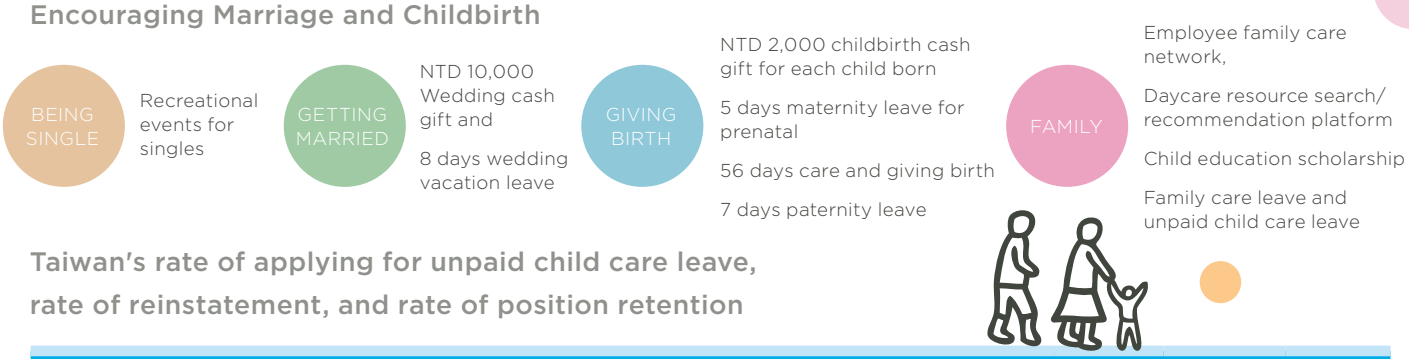
a graduate degree but no prior work experience, our basic fixed compensation would be 2.62 times higher than the government's established basic wages. The Company's overall compensations are based on individual employees' knowledge, skill sets, capabilities, roles, and responsibilities as well as individual performance and commitment, and we also consider the Company's overall performance targets. In terms of base salary, we make appropriate adjustments to our employees' base salaries based on the market's overall wage standards, overall economic indicators and our policies. Whereas annual bonuses will be assessed based on the Company's annual profitability, an employee's individual performance, and the roles he/she serves in the Company, to ensure the competitiveness of the overall compensation package. MediaTek completed the annual wage adjustments in February 2016 for our global operational locations and allocated a designated percentage of Company profits as employee incentives; this will be given out in February and August each year to encourage employees to continue making contributions and attract and retain talent through competitive overall compensation packages. This is our way of realizing the sustainable vision of profit-sharing.

Encouraging Childbirth and Welcoming MediaTek Babies

In recent years, the birth rate in Taiwan has reached a record low. Over the long term, this will negatively impact our society's labor force, giving rise to all kinds of social problems including decreases in productivity, income, and government taxes. As a part of the Taiwanese society, MediaTek highly values the possible problems of the ageing society from a low birth rate. We have planned different incentives and financial aid for employees at different stages of life to assist our employees in building happy families.

In 2016, we arranged for 5 rounds of social outings, and we reached the expected attendance numbers every time. We have also achieved an average satisfaction rate of 4.5 points each time (out of 5 points). To provide a safe environment for MediaTek employees to have babies, we have clearly stated in the "Employee Service Regulations" that the Company cannot terminate employment contracts during a worker's maternity leave in accordance with the Labor Standard Act. We provide 56 days of maternity leave both before and after childbirth for female workers, and an employee can choose to take 7 days of leave during the 15 days before and after the pregnancy, childbirth, or miscarriage of spouse. The 7 days will be paid leave. We also provide 2 extra days of childbirth leave for workers on top of the requirements of the Labor Standard Act, so the MediaTek employees can enjoy more time with their family on such important occasions in a flexible manner. Moreover, MediaTek also provides a childbirth bonus to congratulate our new families.

Encouraging Marriage and Childbirth



Taiwan's rate of applying for unpaid child care leave, rate of reinstatement, and rate of position retention

Item	Male	Female	Total
A. Number of employees qualified for unpaid child care leave in 2016	1,100	159	1,259
B. Number of employees that actually applied for unpaid child care leave in 2016	20	42	62
C. Number of employees expected to be reinstated from unpaid child care leave in 2016	17	24	41
D. Number of employees actually reinstated from unpaid child care leave in 2016	8	16	26
E. Number of employees that worked for one year after reinstatement in 2015	6	17	23
F. Number of employees that took unpaid child care leave and were reinstated from child care leave in 2015	6	17	23
Application rate (B/A)	1.82%	26.42%	4.92%
Reinstatement rate (D/C)	47.06%	66.67%	63.41%
Position retention rate (E/F)	100.00%	100.00%	100.00%

A. Number of employees qualified for unpaid child care leave in 2016: Number of employees who applied for paternity leave and maternity leave between January 01, 2014 to December 31, 2016

B. Number of employees that actually applied for unpaid child care leave in 2016: Number of employees that applied for unpaid child care leave between January 01, 2016 and December 31, 2016

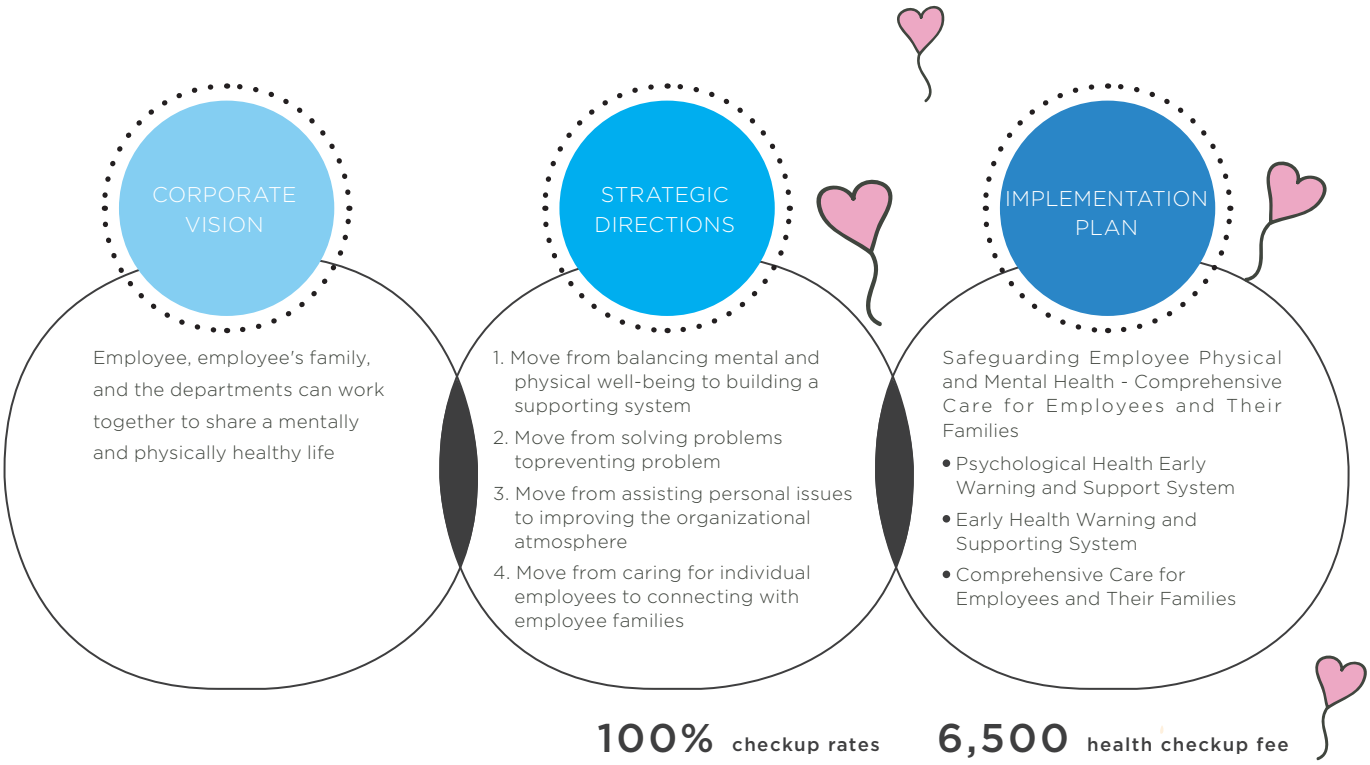
C. Number of employees expected to be reinstated from unpaid child care leave in 2016: Number of employees that had unpaid child care leave with an expiration date between January 1, 2016 and December 31, 2016

D. Number of employees actually reinstated from unpaid child care leave in 2016: Number of employees that had unpaid child care leave with an expiration date between January 1, 2016 and December 31, 2016 and were reinstated in this time frame

E. Number of employees that worked for one year after being reinstated in 2015: Number of employees that took unpaid child care leave between January 1, 2015 and December 31, 2015 and are still working with MediaTek one year after they were reinstated

F. Number of employees that returned from child care leave in 2015: Number of employees that took unpaid child care leave between January 01, 2015 and December 31, 2015 and were reinstated for more than one year

HEALTH CARE



100% checkup rates **6,500** health checkup fee

Physical health screening and support mechanism

| Employee Healthcare Management |

MediaTek values employee health. In addition to establishing a a fitness center within the Company to offer a convenient and safe sports venue, employee can also plan for in-depth health checkups (more detailed than what is required by the law) for every single MediaTek employee. Each MediaTek employees can utilize NTD 6,500 towards a health checkup and half a day of health checkup leave. We also periodically host health promotional seminars. For employees with higher health risks, we proactively offer mandatory preventative checkup items, such as professional eye doctor examinations, breast ultrasounds, pap smears, blood-level lead concentration detection, and low-dose lung CT. These efforts are implemented in order to decrease hazardous factors that may affect employee health and detect and treat diseases in their early stages. The annual health checkup can also effectively remind MediaTek employees to take better care of themselves and prevent physiological illnesses. We have achieved a 100% checkup rate in accordance with the legal regulations in 2016, indicating that MediaTek employees have all developed a positive healthcare mentality.

MediaTek also believes that true wellbeing encompasses positive psychological state; thus, when employees (and some of their spouses) undertake health checkups, they can also fill out "self-examination forms" that could enhance their perception about their own psychological state. Additionally, our Employee Relations Office will follow up with caring and monitoring for employees at high risk to ensure every single employee's physical and mental wellbeing.

| Medical Team Onsite Service |

In addition to having a professional medical team, MediaTek also commissions a medical team from National Taiwan University Hospital-Hsinchu Branch to conduct onsite visits 15 times per month in compliance with legal regulations. The team of doctors offers one-on-one professional consultation with our employees, and in addition to consulting about physical wellbeing, the doctors will also offer explanations for results of their health checkup so MediaTek employees can better understand their own health conditions. The other professional task of the onsite medical service is to ensure that there is a correlation between employees' health problems and the workplace and to rule out any hazardous factors that could potentially harm employees' health in the workplace. Moreover, the visiting medical team also facilitates the Company's professional medical personnel and environmental safety personnel to undertake ergonomic and maternal health protection plans.

| Promoting Healthy Diet |

MediaTek offers a variety of healthy foods in the Employee Cafeteria and bans catering vendors from using MSG and illegal additives. In terms of food safety management, we provide the safest dietary planning for our staff. to To offer the most diversified options for our employees, nine firms have joined our cafeteria in MediaTek's headquarters, including Korean food, a pot-sticker food chain, a juice bar, noodles, buffet and vegetarian. In addition, through a systematic instant query platform, our employees can look up daily menus and personal consumption records. This systematic analysis can also serve as a reference point for our annual vendor selection process. In order for our employees to enjoy a healthier diet, we have gradually launched low-carbon light meals (boiling rather than deep frying), Mediterranean diet, food safety inspection with restaurants, and we collaborated with 10 noted brands onsite in 2016. We also worked with charities to host a charity sale in the Mid Autumn Festival so that our employees can enjoy healthier diet. The 2016 overall satisfaction survey indicated that 67% of employees were satisfied with the food and 4% were unsatisfied. This shows that most of our employees identify with our healthy diet concept.

| Protection of Mothers' Health |

Our professional medical personnel maintain a detailed record of pregnant workers in the Company through being informed either by employees or maternity checkup leave numbers. We realize health protection for these mothers and equal employment rights through onsite doctor visits to diminish potential hazards at work, and we also provide consultation and caring during and after pregnancy. We even realize health protection for these mothers and equal employment rights through onsite doctor visits to diminish hazards, adjust working conditions, and support job rotations based on the consent of these workers. In 2017, at the request of MediaTek, the Health Center also created an exclusive pacifier clips and baby teething toothbrush for MediaTek babies.

| Conducive Workplace Environment and Mental/Physical wellness |

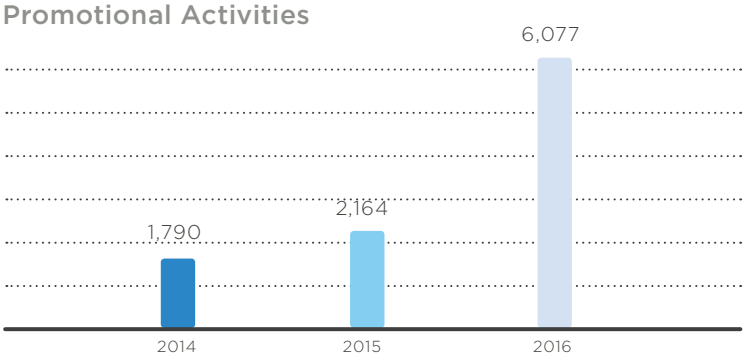
In addition to launching health promotional activities, MediaTek is particularly focused on ergonomics. In other words, we promote a safe and healthy work environment created from constructive interactions between employees, machines, and the environment. Prior to having their annual health checkup at partnering hospitals, our employees complete a Questionnaire on Symptoms of Muscular and Bone-Related Diseases. This provides grounds for data analysis in order to provide appropriate health education to employees regarding doctor appointments, follow-up, prevention, and improvements. In addition, MediaTek has recruited 28 visually-impaired massage therapists to address MediaTek employees' physiological well-being and relieve their stress. This also serves to support the employment rights of the visually-impaired massage therapists. A total number of 12,485 employees (headcount) received massage services in 2016.

| Health Promotional Activities-All In Passion |

Positive fitness and a regular exercise habit can improve physical wellbeing, maintain a positive outlook and relieve stress in work and private life, so that a person can build resilience, and become willing to take on challenges and build on his/her confidence to promote a healthy self-image. MediaTek is focused on the mental and physical wellbeing of our employees. We have built a healthy and happy workplace and planned a fitness and sports center for our employees-including a fitness center, basketball court, badminton court, table tennis room, classrooms and more. Moreover, to enhance the utilization rate of these venues, we offer various sports halls for club practices and spousal classes. Moreover, we have also planned health promotional activities for the entire year, including sports competitions, health seminars, weight loss classes, creative activities, and participation in external sports competitions. We hope that employees can achieve balanced physical and mental wellbeing outside their work.

Building a habit for exercising in a professional workplace can enhance employees' healthy lifestyle, relieve work-related stress, and enhance the Company's vitality and competitiveness. A habit of exercising proactively can help you maintain a positive figure, and passive sports participation will help everyone bond and help you make new friends and learn teamwork through group activities. With the increasing popularity of exercise, more and more people are paying attention to healthcare. MediaTek has come to be aware of our employees' needs and granted permission to use sports venues during noon time. The number of participants in our health promotional activities is also increasing annually, and the average satisfaction rate of each activity has reached 4.1 points (out of 5). We will continue to host various static and dynamic sports activities, offer positive healthcare knowledge; we believe that with enough persistence, you can always win, whether in life, work, or learning.

Total Number of Employees Engaged in Health Promotional Activities



2016 Scope of Health Promotional Activities Expanded to Include China (2,873 persons)

2016 Health Promotional Activities Schedule

Location	Taiwan HQ					China		
Quarter	Round	Type of activity				Round	Type of activity	
Quarter 2	7	Badminton Competition Cheerleading activity	Volleyball Competition Three-legged race	Table tennis competition Taipei 101 stair-climb competition	Swimming competition	9	Power walk competition Fun games	Sports activities
Quarter 3	7	Basketball Competition Pillow Fight	Taipei Round Weight-loss Training Class	Zhubei Round Swimming Across Sun Moon Lake	Tui-tzu Tan Seminar (Healthy Eating)	11	Fun games Hiking event Sports activities	Health Seminar Weight-loss Competition
Quarter 4	4	Kickball Competition	Softball competition	Chin-Feng Chen Seminar (Baseball)	Taipei Marathon	3	Power walk competition Fun games	Sports activities
Total number of participants	3,204					2,873		

Mental health detection and caring mechanism

| New Recruit Caring System and Mechanism |

To assist new entrants in adapting on all fronts, the Company established a "New Employee Caring System" in 2009, in which, upon joining the Company, the system will automatically send out a "New Employee Adaptability Questionnaire" and "New Employee Feedback Questionnaire" to the new recruits on their 7th and 30th days, respectively. The questionnaires are rated out of 5 possible points. The New Employee Adaptability Questionnaire on the 7th day is focused on understanding information such as basic rules on attendance, meals and parking. Alternatively, the New Employee Feedback Questionnaire on the 30th day is focused on the new recruit's perception of his/her first month and covers points such as gaps between company culture and operational methods from what the employee had imagined. Moreover, the Company has also established a "buddy system" for new entrants. Supervisors designate an appropriate colleague from the same department to serve as the new employee's buddy prior to his/her entrance to the Company. Upon his/her arrival, the buddy helps the person adapt to his/her life and work. This system can assist new employees to overcome feelings of alienation and distance, shorten the timeframe they need to adapt, and help them to become immediate assets to the Company. Results from the New Employee Feedback Questionnaire are also provided to the person's buddy as reference. The buddy can then offer more facilitation for the aspects with which the new employee is as yet unfamiliar. Results from the New Employee Feedback Questionnaire are classified as green, yellow, or red light depending on their responses. Results that are classified as yellow or red lights are abnormal, and therapists from our Employee Relations Office proactively contact these new recruits to understand their conditions and care about their wellbeing. They might also facilitate new employees to communicate with their supervisors or their buddies as they see fit.

Additionally, we have also established the "Probation Period Completion Questionnaire" to extend our new entrant caring mechanism. This questionnaire is filled out when a new employee completes his/her probation period, and the purpose is to understand his/her perception and job satisfaction during the probation period. For instance, "I have adapted to the Company's culture and methods after these months." The results of this questionnaire are classified as either green or red based on their responses. Red would be seen as a sign of abnormality, and a therapist from Employee Relations Office would proactively contact these employees to inquire about their wellbeing and offer appropriate assistance. We have achieved a 100% consultation rate and have assisted a total of 163 new employees. The time of accumulated consultation has been 215 hours. Furthermore, to help new recruits better adapt to and familiarize themselves with MediaTek's corporate culture, the Company hosts a 4-hour "MediaTek In-Depth Workshop" after a new employee has been with the Company for 30 days. "Workplace Attitude and Behavior," which accounts for 1.5 hours, is taken from the analytical results of the abnormal contents in New Employee Caring questionnaires.

| Employee Assistance Program |

To build a healthy professional workplace and protect the mental health of our employees, the Company offers both external and internal comprehensive employee assistance programs. In terms of the externally commissioned employee assistance program, MediaTek collaborates with Hsinchu City Lifeline Association, and our employees can undertake professional consultation or inquire about mental or legal issues in a stress-free environment that protects their identity at the Employee Assistance Center. Consultations and inquiries can be about any topic of their choice, and each person can enjoy up to three 60-minute consultation sessions on an annual basis, with all relevant service fees being covered by the Company. Moreover, the Company also offers explanatory cards during new employees' arrival or when mental wellbeing activities are hosted to help all employees understand how to utilize these resources at a glance.

Survey completion rate 100%

Assisted 163 new recruits

215 hours of talks

As a part of our internal employee assistance program, we planned and established a "Mental Health Prevention Program" that is separated into 3 levels:

1. LEVEL ONE PREVENTION

Prevention and Education

We invited Professor Chung-Hsing Sun from the Department of Sociology, NTU to talk about "Learn to Love" in 2016 based on employee wishes and statistics from interested seminar topics in 2015. The professor's speech taught our employees correct attitudes on love and human interactions, and the professor responded to many questions from our employees during his talk. The overall satisfaction rate for the seminar reached 4.8 points (out of 5).

2. LEVEL TWO PREVENTION

Employee Guidance and Employee Grievance Channel

In order to achieve timely, comprehensive, and well-rounded facilitation, division, and organization, the Company collaborated with the Hsinchu City Lifeline Association. The Company has also established internal therapists to offer timely assistance to employees and supervisors. Hence, employee assistance has been construed as a comprehensive network of caring for both individuals and the organization as a whole.

3. LEVEL THREE PREVENTION

Handling of Employee-Related Emergencies

The Company provides comprehensive procedures for handling situations ranging from absenteeism without valid excuses to emergencies. These procedures are integrated in the resources offered by the HR Department, which offers immediate and comprehensive assistance.

Moreover, we also established "Caring for Employees with Longer Working Hours" in 2016 to care for the mental and physical well-being of those whose working hours are longer. If abnormal conditions are found during interviews, immediate assistance is offered. Furthermore, if a certain department is found to have longer working hours during these interviews, we undertake department-based caring processes to achieve individual and organizational comprehensive assistance.

| Supervisor Sensitivity Training |

Because our workforce has largely expanded in recent years and we have several new supervisors in terms of organizational structuring, we hosted five sessions of "supervisor sensitivity training" in 2015 to enhance the supervisors' capability to manage and care about their employees. We hosted two sessions of "supervisor sensitivity training" in 2016 to enhance supervisory sensitivity in recognizing abnormal signs in employees and detect problems early so that timely assistance can be offered and problems can be referred to the appropriate offices. A total of 125 supervisors took part in this training, and satisfaction reached 94%.

Participation of 175 supervisors **Overall satisfaction rate 93%**

1. Enhance sensitivity in supervisors
2. Enhance basic employee facilitation skills and concept in supervisors
3. Assist supervisors in understanding the organization's procedures in handling emergencies
4. Having basic awareness of symptoms of psychological disorders
5. Understanding the Company's internal resources and external EAPC resources

All-in-One Employee and Family Care

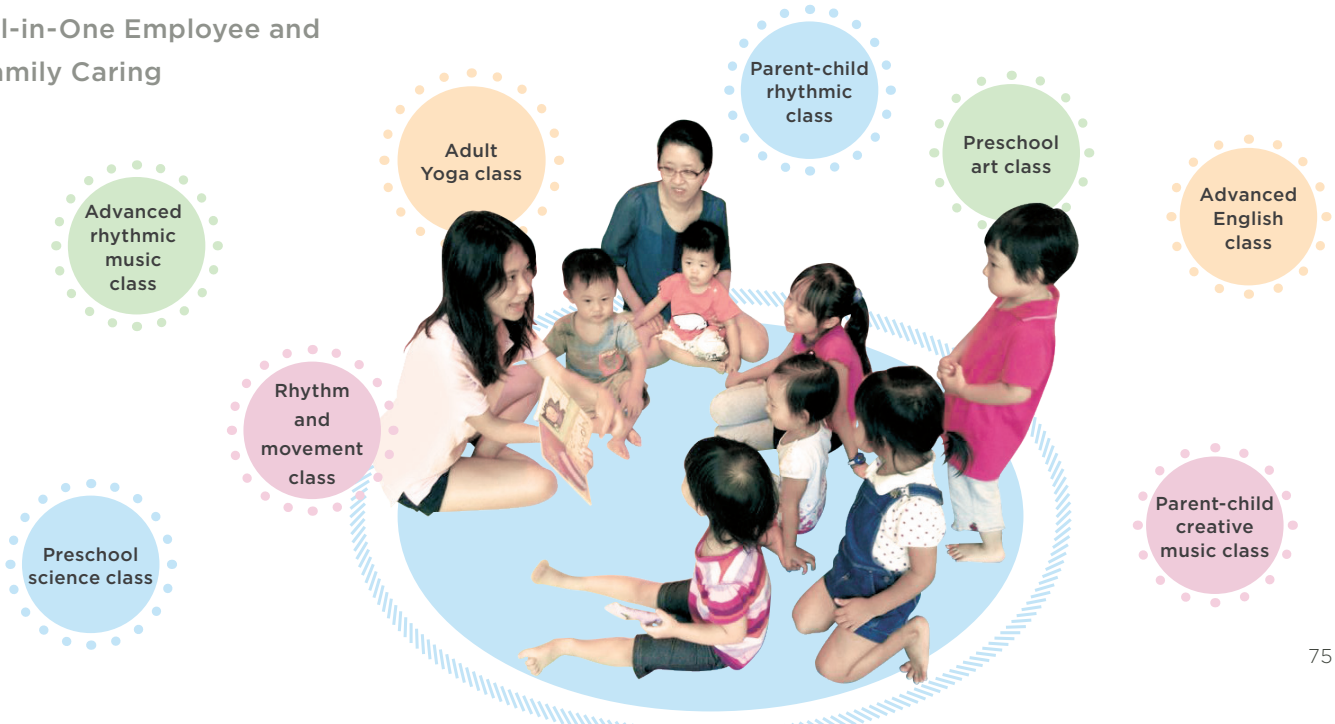
| Family Assistance Network |

Not only is MediaTek focused on caring for our employees, but we also care about employees' families. Each MediaTek employee and his/her children are valued because family is the psychological backbone of our employees; hence, MediaTek has extended Company resources to family caring and offers an online platform for family members to exchange daily information, childcare experiences, local medical resources, and academic information. We wish to strengthen the family members' acknowledgment of MediaTek and for them to become more cohesive, so that our employees do not need to worry about their families while at work. Presently, the platform has been utilized 12,257 times, and MediaTek will continue to offer various activities and information regarding improving parent–child relationships on the online platform. In addition, to respond to the fact that social media has become a mainstream channel of communication, families of our employees have also proactively formed a Family Network on Facebook. Currently, a total of 348 family members have joined the group and are committed to sharing parent–child interactions and the latest updates on activities and information.

| Family-Initiated Activities |

In addition to offering a platform for family interactions, MediaTek also makes the Company fitness center and gym available to family members. We have established Family Activity Classrooms, and family members have proactively initiated family activity classes. Currently, there are 8 types of classes, and a total of 308 individuals participated in these classes in 2016. In particular, the Adult Yoga class had received the highest number of participants (76 participants), and the Family Creative Music class, Advanced Music class, Family Exercise class, Dance class, and Young Children's Arts class all received an average of 30 or more participants. We hope that we can continue to enhance the recognition in our Company through building a tight, interactive network between the Company and families of our employees, through which to produce positive strengths of feedback for our employees and society.

All-in-One Employee and Family Caring



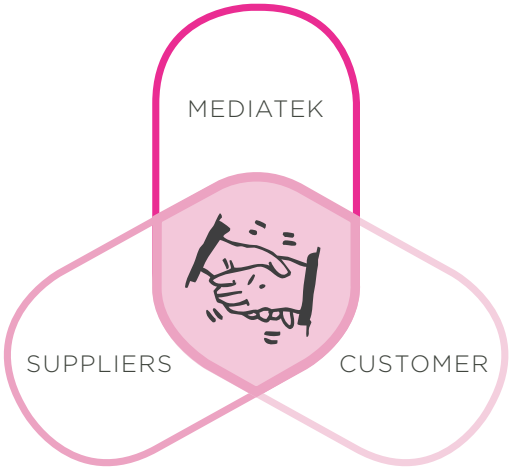
Partnership

Completed ISO 9001:2015 New version of Quality Management System

Established Quality Handbook in accordance with ISO 9001:2015 to ensure that our quality management system is in compliance with international standards. The updated version emphasized that business activity should be focused on risk, and should think and introduce risk management concept into the company. The updated version requires that an organization should have the capability to respond to changes and risk in its operational environment, and continue to improve its operational performance by incorporating the quality management system in order to reach multiple benefits including enhancing customer satisfaction and strengthening execution and competitiveness. To respond to the risk of rapidly changing operational environment, MediaTek has already finished the version update in July 2016.

“ INDUSTRY UPGRADE

Industry upgrade is similar to the trunk of a tree. We can only continue to grow and to solidify through continuously enhancing our core competencies. ”



PARTNERSHIP

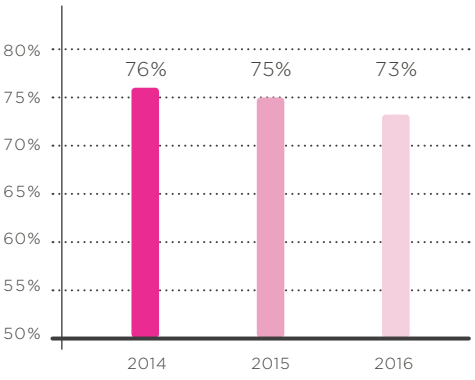
We are convinced it is the only way to establish cooperative partnerships with our customers and suppliers, gaining in-depth insight into customer needs while also closely cooperating with suppliers to jointly develop innovative products and services for achieving success. The partnerships are founded on mutual respect and trust that result in working toward the same ideas and goals to create mutually beneficial outcomes and sustainable relationships. Therefore, we listen to customer needs and closely collaborate with suppliers, thinking how to solve customers' problems and assist customers to gain success, which can create a win-win situation for customer, supplier and our self. In the future, we will take advantage of great partnership to promote our technology and product to the broader regions, which can help more people better their lives.

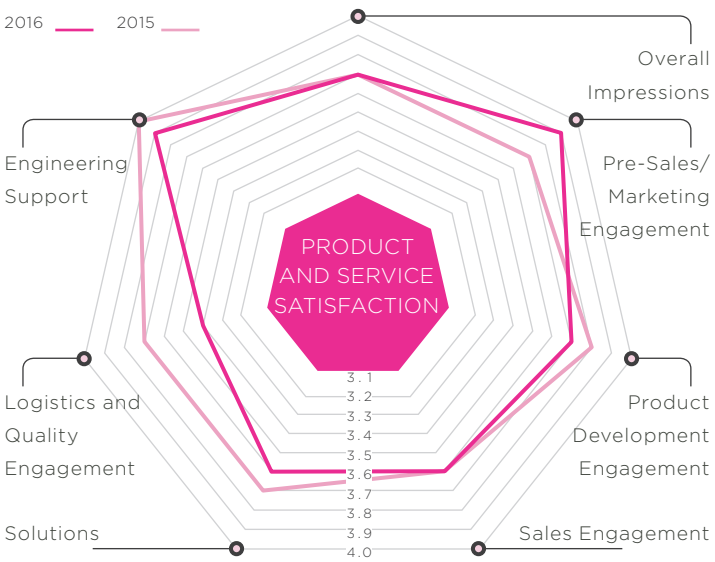
Customer Relations Management

The customer satisfaction survey is conducted on an annual basis. An objective third-party consulting firm assists us to establish comprehensive customer satisfaction surveys, which include customers' overall impression of MediaTek and their satisfaction and feedback regarding MediaTek's before-sales marketing, product development, product sales, selling channels, solutions, logistics, quality and technical support. The targets to be surveyed span customers from all business units. The objective third-party consulting firm surveys our existing customers via the Internet or through face-to-face interviews. After the surveys are completed, we relate customer opinions to their respective departments to understand and analyze various issues as well as come up with improvement measures and reports. After the issues have been tracked and improvements have been verified, we once again explain the results of improvements to these customers to let them understand that MediaTek is resolved to value and listen to suggestions from customers. All customer feedback and results of improvements are reported in managerial meetings and reported to the General Manager.

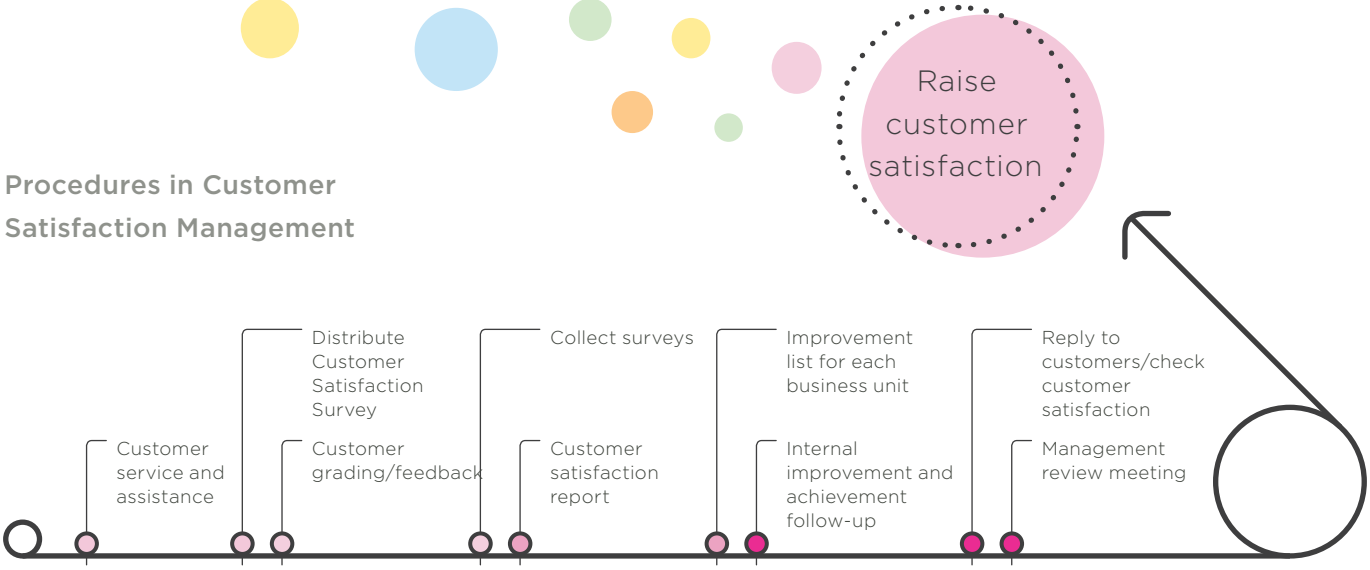
According to the 2016 survey, the customer satisfaction rate is 73%, which was 2% lower than the 2015 survey result. The primary reason for this is that for the entirety of last year, a shortage of supplies resulted in a product shortage for customers, and these customers are looking for better supply support. Based on these results, the Company required members of our supply chain to devise an improvement plan and increase sources of supplies. Sales personnel were also requested to work with customers to provide stable sales estimations. The action plan to improve the supply chain was as follows: 1. Provide demand estimation for up to 12 months for Tier 1 customers so the back-end can prepare production capacity and wafer demands accordingly. 2. Sign supply guarantees with Tier 1 customers to protect the need for stable supply for both the customer and marketing side. 3. Simplify the specifications of products for customers and increase product usability across different customers to reduce the types of inventory required and risks involved. 4. Negotiate a yearly production capacity agreement for 2017 with wafer plants to ensure the production capacity demand for 2017.

Customer Satisfaction Surveys





Procedures in Customer Satisfaction Management



MediaTek Online Platform

"Making it easier to do business with us" is our goal in setting up the MediaTek Online Platform. We provide many different functions, including software authorization, document management, file exchanging, online courses, frequently asked questions, a list of recommended stores, software downloads, and online Q&A. With these available functions, MediaTek can accurately assess customers' needs and speed up the pace for customers to develop products, thus shortening the timing for commercialization.

When customers have questions or comments about our products, they can use eService to make suggestions or ask questions. We have designated personnel to ensure that customers' online questions are assigned to the responsible departments. Therefore our customers' questions can be effectively solved by professional personnel. In 2016, our eService received more than 300 thousand online questions, our DCC document management system was downloaded more than 320,000 times, and the platform accumulated more than 2 million data files, showing that our customers were very active in participating and interacting with us through the platform. This has enabled MediaTek as the best strategic partner with our customers.

Project Management Procedures

Promotion

- Communicate and discuss with contact persons
- Prepare promotional material
- Propose reasons and ways to improve parts that were not introduced successfully

Design In

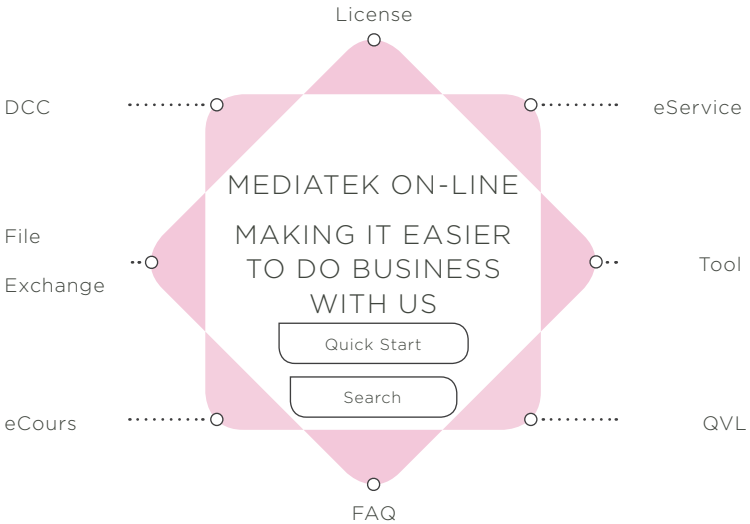
- Arrange for project commencement meeting
- Inspect relevant software and hardware allocation to ensure that they can effectively support the project
- Verify mass production time and offer FCST statistics

Project Tracking

- Closely follow-up on the current conditions of how significant problems are being solved
- Track market competition and pricing at all times and propose relevant suggestions

Mass Production

- Collect customer FCST and offer quantities of supply and pricing quotes
- Continue to promote and extend the numbers of new products, and maximize the quantity of products being shipped



Customer Project Management

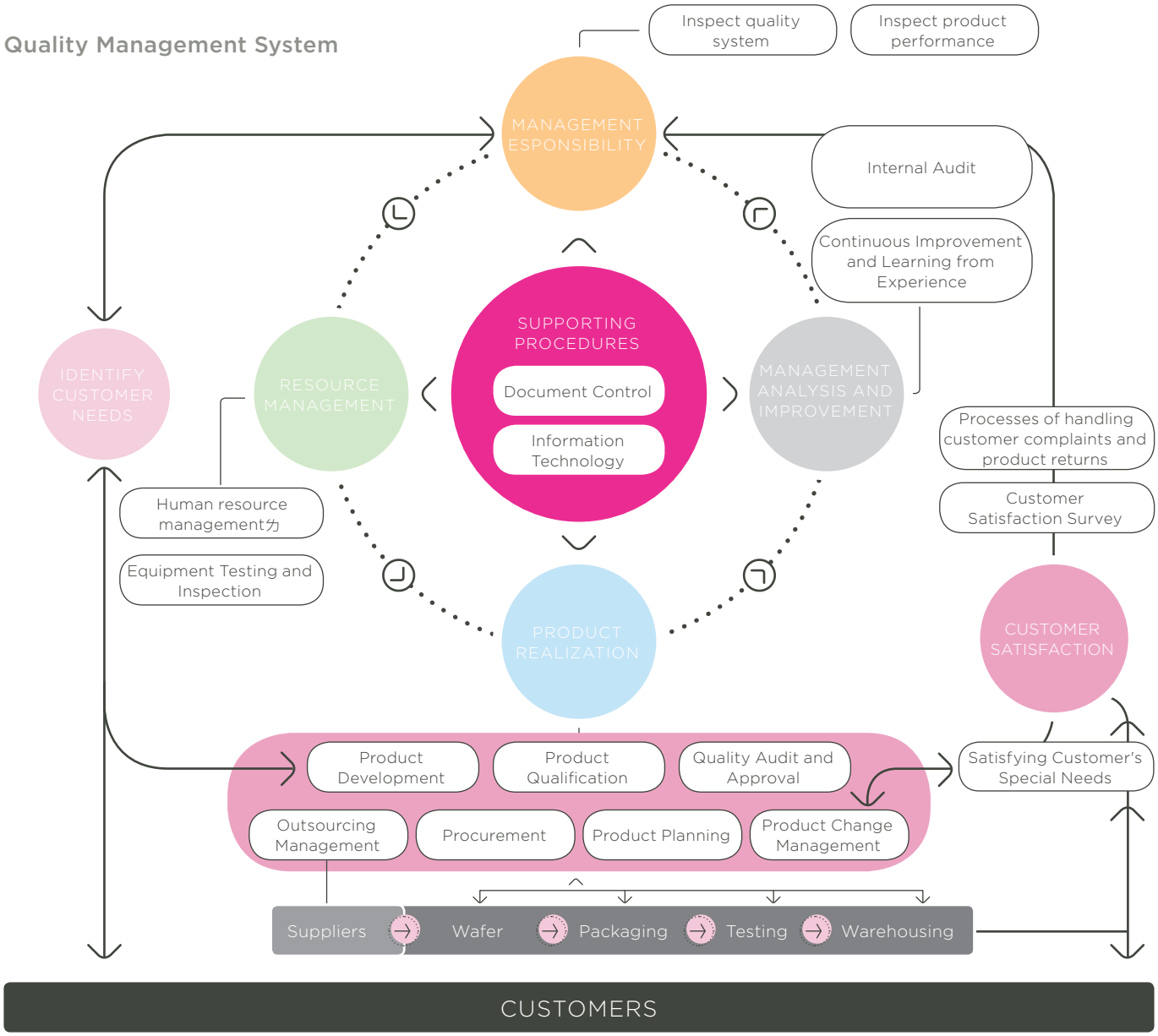
To best serve our customers, we initiated a project management procedure starting the first time a customer makes contact with us. MediaTek has established various platform mechanisms that provide customer service, and all suggestions, strategic considerations and questions raised by customers are coordinated by the platform. Additionally, we also communicate with relevant departments and routinely update promotional events and maintain information on the platform. Each relevant project manager undertakes appropriate promotions according to the platform, integrates customer conditions on a monthly basis, and records and integrates data on client adoptions and difficulties to offer appropriate strategic advice. The purpose of this is for customers to perceive our stringent production process and our detail planning.

Appropriate and Effective Quality Management

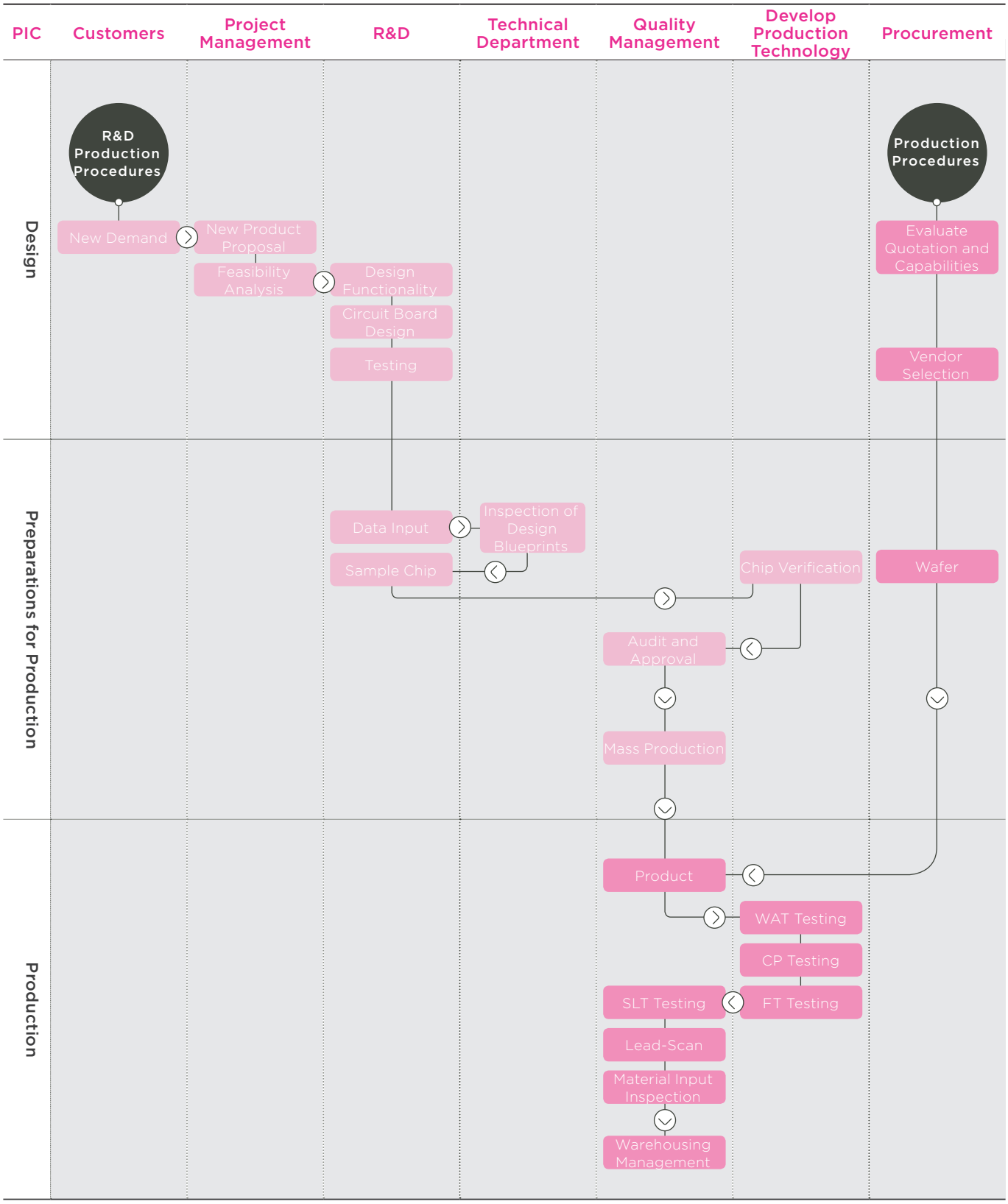
The Company's ability in quality management and in supplying high-quality products have always been factors valued by our customers. Thus, MediaTek has established a comprehensive quality management system and undertakes continuous improvement measure to enhance customer confidence and quality satisfaction. We devised a Quality Handbook according to the ISO 9001:2015 standard to ensure that the quality management system meets international standards. We have also defined quality assurance policies based on market, customer, and internal management needs. We conduct annual internal and external audit plans, implement management supervision, and report to the Company's highest management level to ensure the suitability and effectiveness of the existing quality management system.

ISO9001:2015 international standards were released in September 2015. The updated standards emphasize the need for corporations to consider and implement risk management principles based on risk. The updated version requires that an organization have the capability to respond to changes and risk in its operational environment. It also encourages firms to continue to improve operational performance by incorporating the quality management system in order to enhance customer satisfaction and strengthen execution and competitiveness. To respond to the risk of a rapidly changing operational environment, MediaTek promtly completed the version update in July 2016. The changed clauses include modifications such as strategic planning, executive management, increased involvement of high ranking officers, risk based audits, performance based audits, and PDCA producers. Furthermore, for strategic planning for product allocation, a functional safety policy was added to quality management to best avoid the risk of feature safety component failures due to systematic/random/common reasons. Sufficient resources to invest in the development of the feature security related management system were guaranteed, and a "Functional Safety Manager" was appointed to be responsible for feature safety related management procedures.

Quality Management System



The process of IC development and manufacturing



SUPPLY CHAIN PARTNERSHIP

As a technical leader in the semiconductor industry, MediaTek is at the forefront of the value chain-technological design. Subsequent processes such as raw material procurement, OEM, packaging and testing are all conducted by suppliers, forming a partnership based on each firm's expertise. However, we have realized that the key impact and influence on society and environment comes from our suppliers upon conducting risk evaluation and carbon footprint verifications. Hence, how to partner with our suppliers to reduce potential risks on the society and environment has become our top priority.

We commenced the CSR audit in 2016. In addition to requiring suppliers to sign a CSR guarantee statement, MediaTek also manages effectiveness of supplier's sustainability actions through the EICC - ON online management system. Moreover, MediaTek also autonomously produced an EICC training course for all suppliers to assist them in better understanding and complying with relevant regulations. We hope to effectively exert the influence we have as industry leader, and collaborate with suppliers to work toward sustainable business models.

VISION

Build mutually trusting and stable partnerships with suppliers

Achieve a business model of mutual growth and sustainability

POLICIES

Supplier's Code of Conduct, Green Product Environment Policy

MANAGEMENT

Undertake supplier selection using three primary aspects of ESG to verify the management system and organizational makeup of suppliers. Conduct onsite/written audit each month/year, and arrange for relevant educational training or improvement meetings. Reward quality suppliers through Supplier Meetings.

GOALS

Short-term

Communicate the original goal behind establishing MediaTek's code of conduct with suppliers and offer relevant educational training and tests to assist them in better understanding these regulations and ways to comply. We anticipate promoting the code of conduct to all suppliers in 2016 and achieving a 100% online learning and passing rate.

Mid-term

Require suppliers to conduct self-evaluation pertaining to the regulations in the code of conduct and evidence as proof, as well as sign a commitment toward the code of conduct. Undertake guidance counseling for suppliers who do not comply with the regulations, and to facilitate their gradual implementation of the code of conduct in practice. We anticipate achieving over 80% signing rate for the commitment by 2018.

Long-term

To achieve mutual growth and continuous improvement with suppliers, we will attempt to understand the conditions of implementation at suppliers' firms through onsite audits. For the parts that fail to comply with the code of conduct, we will propose suggestions for improvement. We anticipate achieving onsite audits with more than 80% of suppliers by 2020.

2016 PERFORMANCE

- Commenced CSR Review for the first year
- Collaborated with 7 suppliers and accomplished carbon footprint verification for 10 products
- 100% of suppliers achieved ISO 14001 Environmental Management System
- In-House EICC Online Training Course
- Maintain 100% rate of not using conflict minerals

Suppliers' Sustainable Management

To build a long-lasting, stable partnership with suppliers and achieve the vision of sustainable development, MediaTek has incorporated standards and proposals that fall under the three primary perspectives of economy, society and environment into our scope of sustainable management of suppliers. Through regulating potential risks, we can uncover potential market opportunities.

From an economic perspective, besides the basic factors of meeting deadlines, production capacity, service, and quality, we also require that suppliers remain in compliance with the TS16949 quality management system for the automobile industry in coordination with MediaTek's strategic planning for the IoT market. This is required in order to ensure that these suppliers can jointly develop chips for the Internet of Vehicle (IoV) market. From an environmental perspective, we require suppliers to introduce the ISO 14001 Environmental Management System. We also strive to ensure that suppliers do not use hazardous substances. We assess suppliers using Sony Green-Partner and QC080000 standards to comply with the product safety requirements from international customers. From the social aspect, we ensure that suppliers fulfill their social responsibility, comply with international labor rights, and provide a healthy and safe work environment according to the EICC Code of Conduct, SA8000, and OHSAS 18001 standards.

MediaTek performs supplier risk evaluations from economic, environmental and societal perspectives in order to investigate each supplier's standards under these perspectives and identify potential risks. Step 1: Suppliers undertake self-assessments to ensure their levels of compliance for each indicator and provide supporting materials. Step 2: Mediatek performs assessments and on-site audits to confirm the data against the self-assessments and supplemental information from suppliers and ensure the completeness and accuracy of the data.

Three primary perspectives and standards in sustainable management of suppliers

Devoted to product quality enhancement, seeking the highest product standards with suppliers, and continuing to improve and develop innovative technologies

- Timeline, Capacity, Service, Quality, New product
- ISO 9001 Quality Management System
- IATF16949 Quality Management Systems for Automotive Industry

Introduce eco-friendly green design at the start of the product lifecycle, and require suppliers to also implement green innovation

- ISO14001 Environmental Management System
- QC 080000 HSPM
- Sony Green-Partner

Realize social responsibility as an industry leader, require suppliers to ensure labor rights and offer an appropriate work environment

- Suppliers' CSR Code of Conduct
- EICC Code of Conduct
- SA8000
- Conflict-Free Mineral
- OHSAS 18001

Supply Chain Management Procedures

Evaluation of New Suppliers

The evaluation is based on items including supplier's financials, price, quality, environmental protection, timeliness, workforce, and human rights, in order to ensure that new suppliers are in compliance with MediaTek's sustainable management policies. There are two new suppliers pass the economic, environmental and social review of the three standards during 2016.

Suppliers' Sustainable Management

Established designated units and personnel based on supplier's management procedures and set up management procedures and methods in terms of economic, environmental and societal perspectives based on updates in legal regulations and MediaTek's new requirements.

Monthly Evaluation/ Annual Audit

Monitor suppliers' levels of implementations through monthly evaluation and audit to reduce risks.

Educational Training Courses

Share internal educational resources to facilitate suppliers to efficiently understand and absorb policies or proposals that MediaTek has established. Suppliers can effectively learn professional knowledge and skillsets without any geographical constraints through our eLearning online courses.

Benchmark Studies

Propose research topics to suppliers each month; offer quality and professional capability most suitable for different types of suppliers through rigorous benchmark learning and to achieve mutual learning and growth with our suppliers.

Supplier's Conference

Host a Suppliers Conference on an annual basis to express our appreciation for the hard work and devotion from our suppliers and to inspire all partners throughout our supply chain to achieve mutual growth through an awards ceremony.

2016 MediaTek Supplier Conference - Presented 5 Awards

MediaTek hosted the annual Outsourced Semiconductor Assembly end-test (OSAT) Award Ceremony to award and encourage outstanding actions from suppliers. Over 100 supplier representatives participated in the ceremony. In 2016, we selected one best packaging firm, one testing firm, and one shipping firm. We also gave a Technical Development Award and Outstanding Operation Award to two suppliers each. During the selection process, we mainly inspected supplier quality, product planning, and engineering techniquesrs during the selection process. To encourage suppliers to value sustainable development, we anticipate announcing to all suppliers in 2017 that environmental and social standards will be incorporated into the selection process in the future. In 2018, we will also award a supplier that values sustainable development the most.

BEST PACKAGING SUPPLIER | BEST TESTING SUPPLIER | BEST SHIPPING SUPPLIER TECHNICAL DEVELOPMENT AWARD | EXCELLENT MANAGEMENT AWARD

Stage 1: Risk Evaluation of Supplier

Quality management is highly valued. 100% of all suppliers have introduced and are compliant with ISO 9001, 84% of whom have reached compliance to ISO/TS 16949. In particular, the ratio of testing firms that are in compliance with the ISO/TS 16949 standard has increased from 80% to 100%, and the ratio of memory wafer manufacturers also increased by 17%. This indicates that suppliers have increasingly introduced quality management. However, the ratio of hazardous material management under the environmental aspect has seen a small decline. This is mostly due to an adjustment of the production facility in wafer manufacturers, and the current production facility has not yet been certified with Sony Green-Partner. This has caused a decrease in the ratio. In the future, we will continue to require suppliers to implement hazardous substance management in each facility.

Since MediaTek began to support suppliers in implementing CSR in 2014, the levels of risks that we have identified at present are mostly at moderate to high levels. This indicates that our suppliers still have room for improvement in their management mechanism for risks to the society. A noteworthy point is that packaging firms have had significant management results for the social aspect in 2016. All packaging firms have increased by 25% in the "Workplace Safe and Health Management" item, all of which have fully reached OHSAS 18001 standardd. Moreover, packaging firms have also grown by 27% in the "social responsibility management" item, 90% of which have reached EICC/SA 800 standards. Meanwhile, testing and memory wafer manufacturers are classified as a high-risk group in the "social responsibility management" item, and we will actively encourage suppliers to enhance the effectiveness of their social responsibility management through disclosing their self-assessment questionnaire on the EICC - ON platform. In the future, we will also continue to monitor the level of compliance of suppliers, and aspire to assist all suppliers in maintaining their environmental risk level in the "low levels" classification within 2 to 3 years.

Dimensions	Economy		Environment		Society	
Category	ISO 9001	IATF16949	ISO 14001	Sony Green-Partner／QC 080000HSPM	OHSAS 18001	EICC／SA 8000
Wafer manufacturing facility	● 100%	● 80%	● 100%	▲ 60%$^{-20\%}$	● 100%	▲ 60%$^{+20\%}$
Packaging facility	● 100%	● 100%	● 100%	● 100%	● 100%$^{+25\%}$	● 90%$^{+27\%}$
Testing facility	● 100%	● 100%$^{+20\%}$	● 100%	● 100%	▲ 60%$^{+20\%}$	○ 20%$^{+20\%}$
Memory	● 100%	▲ 57%$^{+17\%}$	● 100%$^{+20\%}$	▲ 57%$^{-3\%}$	▲ 43%$^{+3\%}$	○ 14%$^{-6\%}$
Average ratio	100%	84%	100%	79%	76%	46%

Levels of Risk ● Low (X>60%) ▲ Moderate (60>X>30%) ○ High (X<30%)

The aforementioned numbers represent increases/decreases from the previous year

Stage 2: Sustainability Audit of Supplier

Assessed 24 suppliers(+4) in 2016

MediaTek's objectives are based upon the highest levels of industry standards; in addition to requiring suppliers to have a quality certification and management system, we have listed out 12 categories in the evaluation forms, ranging from management responsibility, raw materials, production processes, warehousing, management over inferior products, reformation and preventions, statistical capability, quantity control, educational training, document management, and contract constraints to design constraints, with a total of 242 quality indicators.

Assessed 14 suppliers (+9) in 2016

To ensure that our suppliers are in compliance with the regulations from the "Green Product Environmental Policy," we undertake green assessment of suppliers on an annual basis. This assessment can be categorized into management responsibility, contractor management, production process management, and customer support. There are a total of 51 assessment indicators. Moreover, conflict minerals assessment is also included, in which suppliers are required to sign MediaTek's conflict-free minerals guarantee and to provide relevant data as supporting evidence.

Assessed 12 suppliers(first year) in 2016

MediaTek's Supplier Code of Conduct that was formulated in reference to EICC evaluates CSR actions in suppliers through assessing the five perspectives of labor and human rights, health and safety, environmental protection, corporate ethics, and management systems. Concurrently, through confirming Self-Assessment Questionnaires (SAQ) from suppliers on the EICC-ON platform and the Validated Audit Process (VAP), we can perform an in-depth analysis of suppliers' CSR practices.

Audit score standard: Excellent (score ≧ 85), Good (70 ≦ score ≦ 85), Resurvey (60 ≦ score ≦ 70), Disqualify (score < 60)Supplier need to achieve at least " Good" standard; "Resurvey" we will provide a deadline for suppliers to improve it; "Disqualify" we will cancel the purchase order from the supplier.

100% All of the suppliers compliance with audit standard.

Confirm whether suppliers can become members of the EICC or join EICC-ON to complete the SAQ or whether the VAP should be performed.

4 suppliers have become members of the EICC

8 have shared data access on EICC-ON

Note: The aforementioned numbers represent increases/decreases from the previous year

EICC Online Training Course

After formally introducing the "Supplier CSR Code of Conduct," strategies to effectively promote this Code to suppliers and have suppliers internally implement such practices have become important issues to MediaTek in supplier management. Hence, MediaTek produced online training videos and other course materials. The content of these materials include an introduction to EICC, explanations of the current conditions, benefits from participation, audit procedures, and the indicators in the five aspects. These resources are available to help suppliers clearly understand the influence and importance of EICC to their own business and to become aware of the actions and practices required by each indicator. This is also helpful for suppliers to correspond to MediaTek's CSR audit procedures in the future. In 2016, we sent the EICC online training course to all (100%) of our suppliers. We will continue to communicate with suppliers concerning relevant EICC standards in the future, and we will make efforts to further implement the code of conduct required for the electronics industry together.

Suppliers' CSR Code of Conduct

To show how much we value CSR, MediaTek has officially incorporated the EICC Code of Conduct, International Labor Organization's Tripartite Declaration of Principles, and UN's Universal Declaration of Human Rights into MediaTek's Supplier Code of Conduct and requires all suppliers to abide by these regulations. This Code of Conduct is established by the Electronic Industry Citizenship Coalition (EICC), which is the world's largest electronic industry coalition and strives to ensure the benefits of workers and groups of individuals in the global electronic industry supply chain.

MediaTek's Supplier Code of Conduct has incorporated five perspectives: labor and human rights, health and safety, environmental protection, corporate ethics, and management system. Altogether, there are 39 corresponding indicators that comprehensively correlate to relevant global initiatives and standards. In order to conduct in-depth analysis and evaluate the potential risks of suppliers, we anticipate undertaking investigations for each indicator in 2016. Risk levels will be classified as low, medium and high levels of risk according to evaluation results, and we will hold conferences with suppliers with high levels of risk to effectively understand the problems or barriers faced by these suppliers. This will enable us to offer appropriate resources and assistance to guide suppliers into complying with relevant regulations.

The Supplier Code of Conduct refer to the following international standards and declaration.

Electronic Industry Citizenship Coalition Code of Conduct

The Universal Declaration of Human Rights

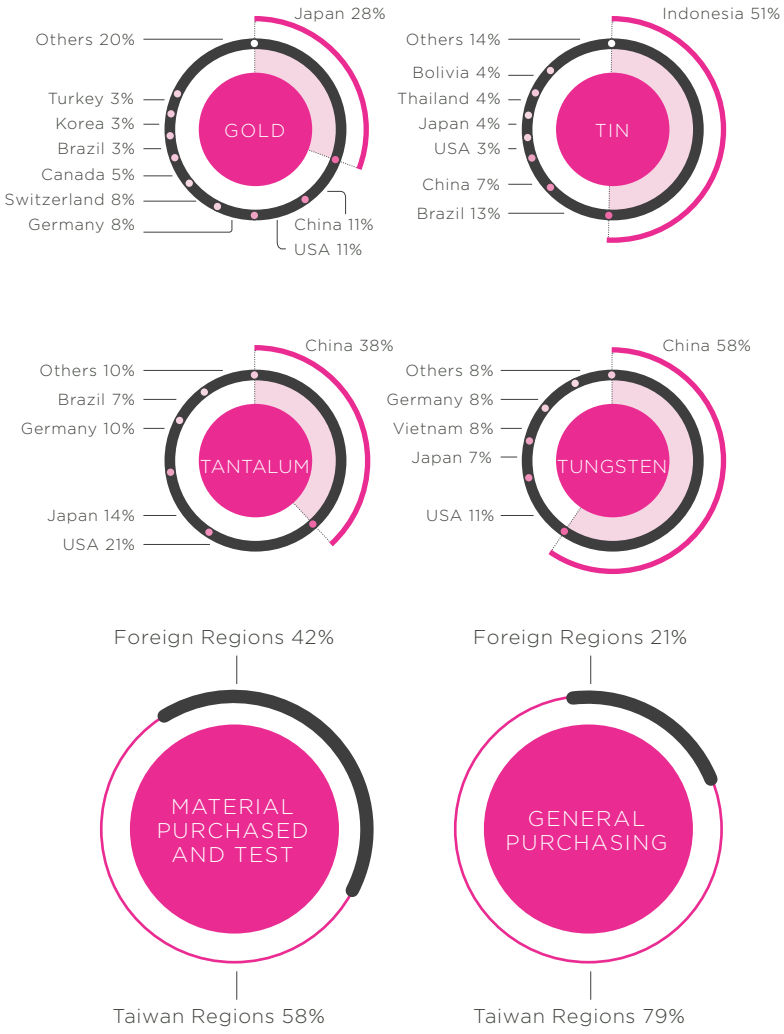
International Labor Office Tripartite Declaration of Principles

SPANS 28 COUNTRIES
RESEARCHED ABOUT 174 SMELTERS

Refusing to Use Conflict Minerals

The term conflict minerals refers to the minerals mined in areas experiencing armed conflict or under conditions that violate human rights, especially tin, gold, tantalum, and tungsten that is produced by the Democratic Republic of the Congo and its neighboring countries. Minerals produced in these areas were mined by means of exploiting civilians and forcing them to work in harsh environments and perform inhumane mining work. Furthermore, the profits generated from such mining are used to wage war and plunder resources. The ongoing civil wars have dramatically worsened the poverty and safety of the people who live in these regions. These severe conditions can lead to sexual assault on the female population, rebel groups forcing teens to join their ranks, and children workers working in mines.

In 2011 MediaTek started conflict minerals investigation in accordance with the regulations of the Conflict-free Smelter Program (CFSP), Electronics Industry Citizenship Coalition (EICC), and Global e-Sustainability Initiative (GeSI). MediaTek requires suppliers to provide Declaration of Conflict-Free Metal to declare that they will not use conflict metals and to prove that the metals they use in their products do not come from regions controlled by warlords. In 2016 we investigated nearly 174 smelters. The investigation results shows that 100% of our metal minerals did not come from non-government sources or warring factions in the regions controlled by the Democratic Republic of the Congo or its neighboring countries. In the future, we will continue to conduct relevant investigations to uphold our social responsibility in maintaining 100% conflict- free metal. In 2016, MediaTek continued to support Conflict- freeMinerals Policy and disclosed each products' data in accordance with GeSI for our customers to maintain our social responsibility of 100% Conflict-Free.



Upholding Local Procurement Principles

MediaTek maintains the principle of local procurement as its purchasing policy in the hopes that job opportunities will remain with local residents, while at the same time reducing the carbon emission during material transportation. However, when facing the intensified global market competition, we will conduct risk assessments on the overall conditions of supply and demand and purchase from suppliers of different regions in an appropriate ratio in order to mitigate material supply risks. Moreover, we have also established strategic cooperative relationships with our suppliers to review products and service conditions periodically and to ensure the stability of raw material supply and quality. In the future, MediaTek will continue to strengthen the cooperation relationships with already existing wafer foundries and will also actively contact other domestic and overseas wafer foundries to provide greater security and selection of material sources, quality, and price.

Purchase type	Purchasing item	Percentage of local suppliers	Location areas
Material purchased and testing	Wafer, IC chip packaging, IC chip testing	In 2016 the total number of suppliers was 27, of which 19 suppliers were in Taiwan. Taiwan based suppliers accounted for 58% of the total suppliers.	Taiwan/China/ Singapore/Korea
General purchasing	Suppliers provide instruments and facilities, as well as maintenance, components, software, and testing services	In 2016 the total number of suppliers was 597, of which 473 suppliers were in Taiwan. Taiwan-based suppliers accounted for 79% of the total suppliers.	Taiwan/China/ USA/Europe

Taiwan Collaborates with the Indian Government on Talent Development Course for the First Time

In today's rapid growth in the global cell phone market, Indian's domestic market is faced with a shortage of talent for hardware and systems. The Indian government has launched the "Make it India" project since 2014 to attract injections of international resources and achieve its objective of creating economies of scale and nurturing talent. In response to the policies of the Indian government, MediaTek initiated the first trans-national talent development program hosted by a Taiwanese electronic corporation. The "MediaTek Smartphone Design Training Program" was jointly hosted by MediaTek and 12 partner suppliers, including Airoha Technology Corp., Anritsu, Ili Technology Corp., Keysight Technologies, Lite-On, Litepoint, Richtek Technology Corp., Rohde & Schwarz Taiwan, Sporton International Inc., TXC Corporation, Unimicron Technology Corp., and Winbond Electronics Corp. Trainees are provided with a series of theoretical and practical training modules and talks on manufacturing management experiences. The Taiwan-based courses attracted the participation of 42 mid-level management and senior engineers from 22 telecom companies in India. These companies included major Indian brands Micromax, Videocon, Lava, and Intex. We hope to plant a seed as a teacher for cell phone manufacturing in India, and will continue to dedicate our efforts toward the "Make it India" smartphone industry in the future.

The purpose of this unprecedented opportunity was for trained engineers to serve as immediate assets to cell phone design and manufacturing management upon returning to India. The courses were designed to assist the Indian telecom businesses in undertakeing six-week comprehensive cell phone training. The curriculum contained three major aspects: course, practicum, and sharing. MediaTek mobilized nearly 80 employees for this program and some of our peripheral vendors who wished to join in. Thus, least 100 personnel worked on this program. Partners from our cell phone supply chain also helped in the program, successfully planting seeds of business opportunity in India, a land of endless potential. At the same time, we also helped create exchanges between the telecom industries in Taiwan and India, creating more partnership possibilities for the future.

Deputy Minister of Telecommunications of India's federal government, Ms. Aruna Sundararajan, expressed gratitude toward MediaTek for being the first company in the world to dedicate human capital and resources to assist India's cell phone industry in enhancing itself and address the problem of talent shortage in practice. MediaTek served as the best example of partnership between Taiwanese and Indian enterprises. MediaTek had entered the Indian Market in 2004. The Company has established R&D centers in Bengaluru, India, and we allocated approximately US$350 million toward research in IoT, financial technology, and operations. Currently, MediaTek has over 500 employees in India, and we hope to grow with India from mobile devices to an era of IoT.

MediaTek strives to assist the Indian tech industry to cultivate its soft skills in talent pool

42
INDIAN SENIOR PROGRAMMERS

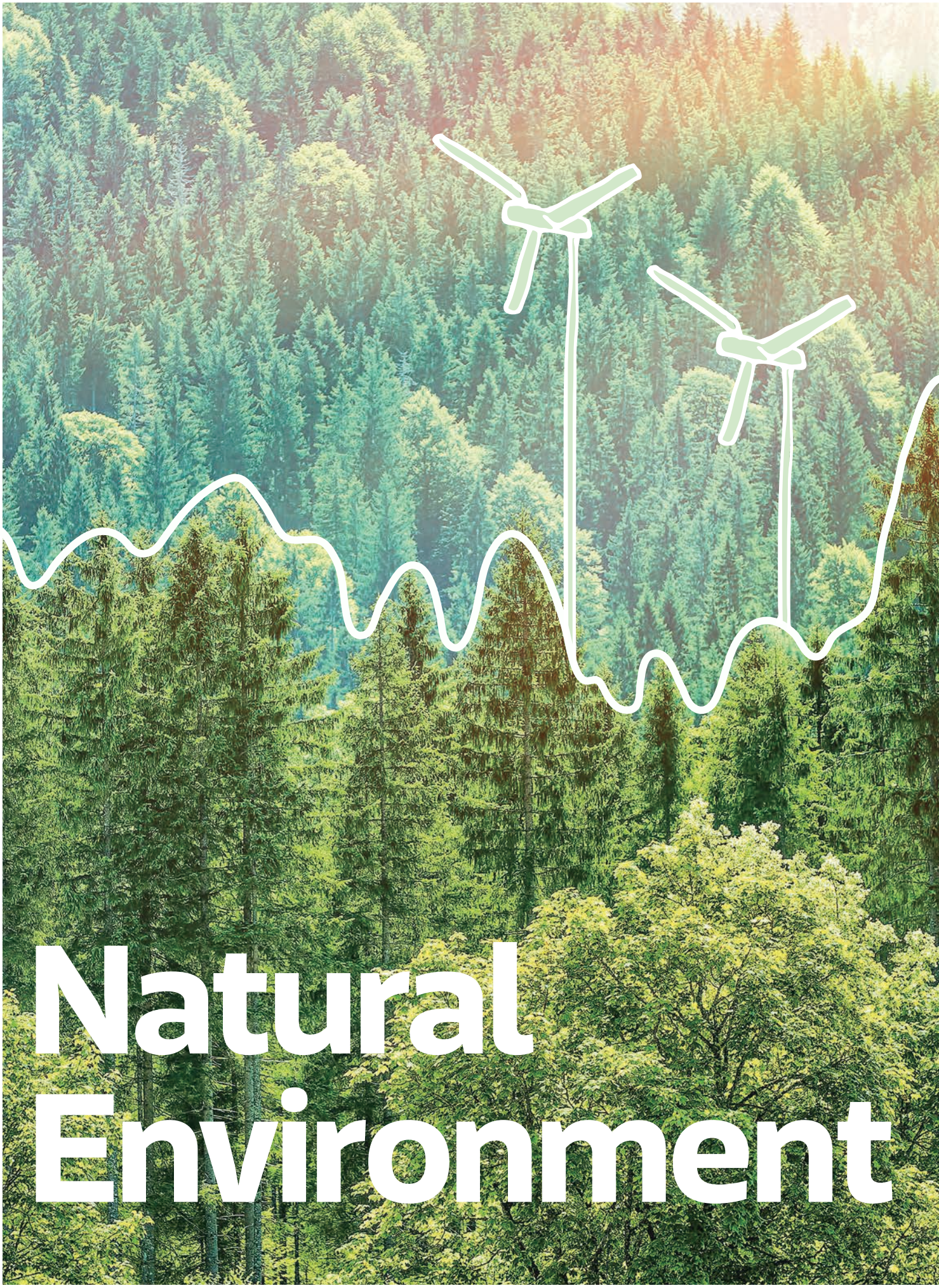
22
INDIAN TELECOMMUNICATIONS COMPANIES

12 primary cell component and equipment manufacturers in Taiwan have joined us as lecturers

A series of theoretical and hands-on training that covers cell phone theory, design, and testing, so students can comprehend all facets and procedures of cell phone design and manufacturing.

Understand critical component and technology for cell phones, including system design, wireless transmission, connectivity, and multimedia, etc.

Sharing soft skills crucial to product development, including sharing project management and team-leading experiences.



Natural Environment

High-Density Energy-Conserving Data Center Saves over NTD 10 Million in Electricity Fees

MediaTek is focused on innovating new technologies, and our need for qualitative and quantitative information computation continues to soar. On the other hand, data centers consume massive energy during high-speed computations. MediaTek has improved power-consuming systems, air conditioning, server cabinets, passageways, and lighting, and our High-Density Energy-Conserving Data Center is anticipated to save 3.7 million kWh, which is approximately NTD11.08 million in electricitybills. The decrease in carbon emissions is equivalent to 6.8% of MediaTek's annual power consumption.

“ INDUSTRY UPGRADE

Industry upgrade is similar to the trunk of a tree. We can only continue to grow and to solidify through continuously enhancing our core competencies. ”

CLIMATE CHANGE

Global climate change not only leads to different types of extreme weather, which seriously impacts the living conditions of animals and plants, but it also influences economic and social activities. Faced with global warming, COP21, the climate change agreement in currently the limelight, was held in Paris at the end of 2015. 195 countries unanimously agreed with what was called the "Paris Agreement", and the agreement became a new, legally binding GHG reduction agreement based on the Kyoto Protocol. According to this agreement, the "GHG Reduction and Management Procedures" have also established targets to lower emission rates to 50% or less of the 2005 emissions by 2050. Confronted with such a trend of unanimous efforts to respond to climate change from the Taiwanese government and the world, as the world leader in IC design, MediaTek promises to continuous our innovation in energy-conserving products and undertake green, environmental conservation and carbon reductions actions together with our suppliers. We will face the various risks brought forth by climate change and actively respond to the global society's interest in the phenomenon.

Enhance product's efficiency in energy conservation and lowering carbon emissions through the latest green, innovative technology
Exert influence as an industry leader and to collaborate with suppliers and work towards sustainable development

	SHORT-TERM OBJECTIVES	MID-TERM OBJECTIVES	LONG-TERM OBJECTIVES
GREEN PRODUCTS	• Conducts carbon footprint inspection on 10 products in each year • Researches whether conflict minerals are used in production annually to ensure that 100% of products do not contain any conflict minerals	• Collaborate with suppliers to effectively control carbon emissions in products	• Introduce water footprint verification for products
ENERGY CONSERVATION AND CARBON REDUCTIONS	• Organizational carbon footprint verification-TWN • Optimized the operations of the first energy-conserving IT Data Center to achieve the highest level of energy conservations • Adjusted equipment at the new facility to achieve optimized operation and energy-efficient mode and improved existing facilities to better conserve energy	• Organizational carbon footprint verification-GCN • Construct and operate second energy-conserving IT Data Center to simultaneously ensure corporate development, energy conservation and carbon reduction • Established cross-site best management practice sharing platform to share and exchange best energy conservation practices around the world	• Organizational carbon footprint verification-Global • Responds to call for energy conservation and carbon reduction, and conserved 4% power consumption throughout the corporate data center within three years • Each company around the world has implemented improvements for energy conservation according to shared best practices

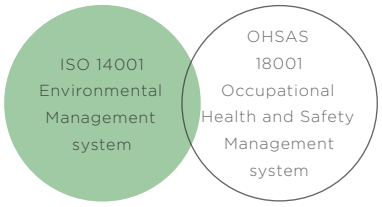
Mitigation and Adaptation

In order to aggressively promote climate change programs, MediaTek implements two main strategies: Mitigation and Adaptation to face with climate change, which were based on the UNFCCC (United Nations Framework Convention on Climate Change). Mitigation strategy concentrates on reducing GHG emissions during operation. MediaTek takes advantage of LCA (Life Cycle Assessment) to understand the amount of carbon from manufacturing IC chips and make an improvement of the highest carbon emissions sectors. We also required suppliers to comply with the environmental policies which were established by MediaTek. However, the mitigation strategy is not enough, extreme weather will continuously happen everywhere in the future. Thus, the primary mission of adaptation strategy is to reduce damage from extreme weather. Business Continuity Planning system can depend on different type of disaster, earthquake, fire, power outage to prepare related countermeasures which can immediately recover to operate.

Prospect of Sustainable Future

As the global leader in the semiconductor industry, MediaTek aspires to work toward a sustainable future from two angles. First, we will continue to engage in innovation in the latest green technology from our core business, enhance the product utilization rate, and lower carbon emissions. Second, and more importantly, we will exert our significant influence over our overall industry chain to ensure that every partner in our supply chain can understand the importance of environmental preservation and a sustainable future. We will demonstrate the responsibility of an industry leader to support sustainability by helping our suppliers meet various environmental standards and assessing their compliance levels. In 2017, we will continue to verify the carbon footprint of 10 IC products, strengthen the implementation of suppliers' management over hazardous materials, improve the energy efficiency in internal operations, and maintain our 100% rate of not using conflicting minerals. Our objectives for the short and long-term fall under four aspects, namely product technology, supply chain management, energy and resource management, and global sustainability. We have clearly established anticipated performance targets in each stage, demonstrating MediaTek's emphasis on environmental protection and the high standards we require of ourselves. We are committed to becoming one of the best green enterprises in the world.

ENVIRONMENTAL AND OCCUPATIONAL SAFETY



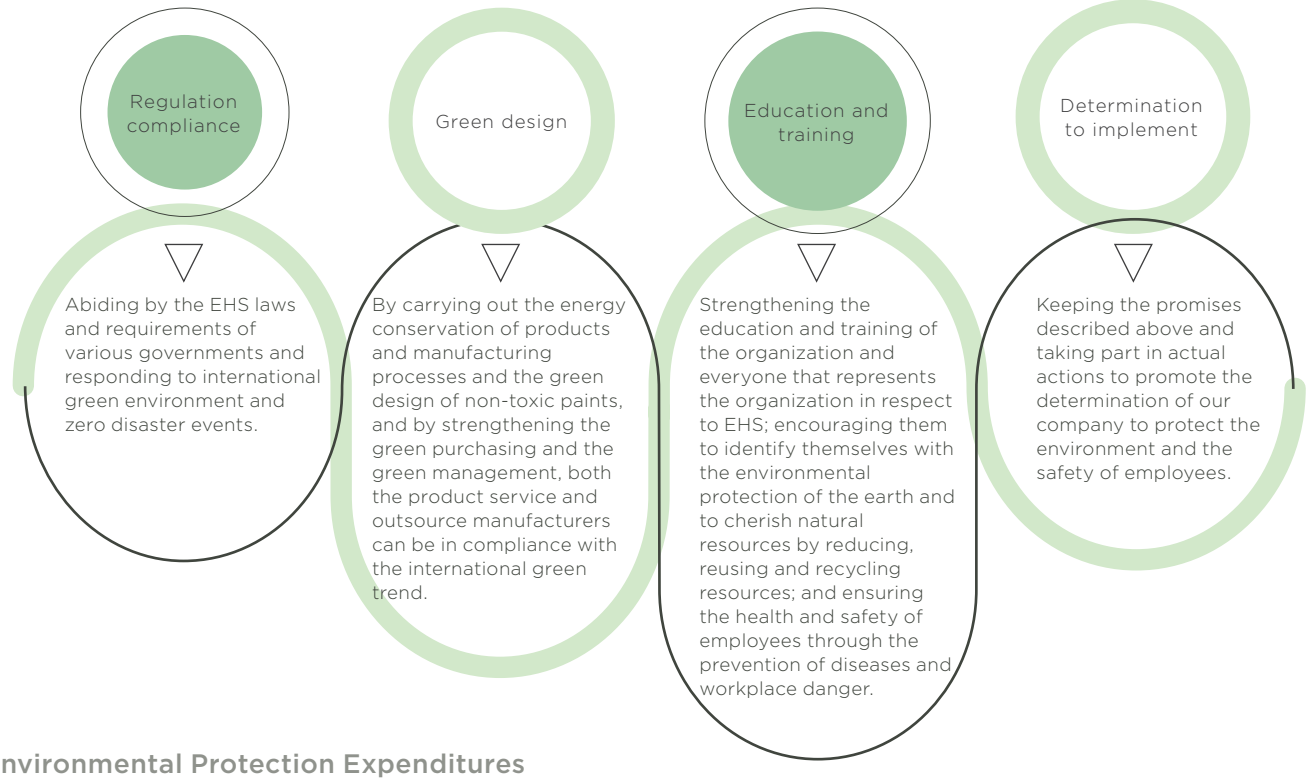
To ensure that all products comply with international environmental protection standards such as WEEE and RoHS as well as client requirements, our Environmental Safety and Health System has been established based on ISO 14001 and OHSAS 18001. The system effectively manages any and all negative impacts or noncompliance issues to the environment, health and safety in all processes including Company activities, production processes, products, or services. It also undertakes continuous improvement for the overall environment and safety and health performance. MediaTek did not have any records of non-compliance with environmental laws and regulations in 2016 and thus was not subjected to any administrative or judicial sanctions or punishments. We hope to create an environment conducive to sustainable operations to the Company and to offer products and services that will satisfy our customers through the Environmental Safety and Health Management System.

Environmental Safety and Health Policies

MediaTek is mainly focused on the research, design, sales, and after-sales service of high-end integrated IC chips. The main impacts on the environment are the storage of business wastes and the management of related outsourcing manufacturers. Therefore, carrying out the green product design, the green management of purchases and suppliers, the reduction of resource waste, and the safety and health of employees is not only the social duty of MediaTek, but also an assessment for future international competition. The Environmental Safety and Health Policies are the highest levels of guiding principles that the Company maintains for environmental, health, and safety management, and in order to meet the requirements of ISO 14001 and OHSAS 18001, we routinely undertake audits of the environmental safety and health management system and has announce these policies on our internal website to educate staff of all ranks according to "Educational Training Management Procedures." Furthermore, our contractors are also required to understand these principles by the "Contractors' Environmental Safety and Health Management Procedures" in order to ensure that the environmental safety and health management system can continue to function in an appropriate and effective manner. MediaTek expect to complete ISO 14001 in 2017 version.

Environmental Safety and Health Management

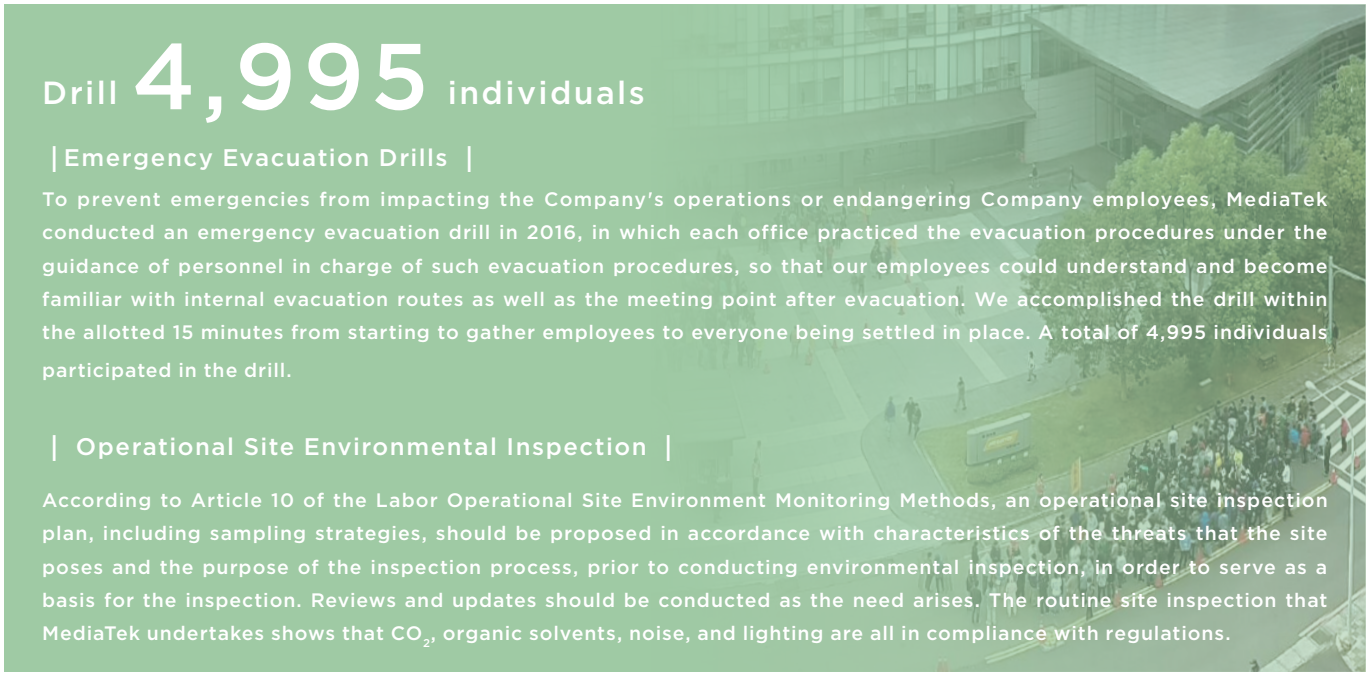
Environmental Safety and Health Objectives



Environmental Protection Expenditures

Expenditure items	EHS management system annual verification fee	Domestic waste management outsourced	Office cleaning and floor washing	Landscape maintenance	Sewage tank cleaning	Vector control	Cleaning supplies
Charges (NTD)	$237.3	$1.252	$20.695	$1.644	$0.76	$0.385	$2.321
Total amount							$264.357

Unit : NTD Million



Drill 4,995 individuals

| Emergency Evacuation Drills |

To prevent emergencies from impacting the Company's operations or endangering Company employees, MediaTek conducted an emergency evacuation drill in 2016, in which each office practiced the evacuation procedures under the guidance of personnel in charge of such evacuation procedures, so that our employees could understand and become familiar with internal evacuation routes as well as the meeting point after evacuation. We accomplished the drill within the allotted 15 minutes from starting to gather employees to everyone being settled in place. A total of 4,995 individuals participated in the drill.

| Operational Site Environmental Inspection |

According to Article 10 of the Labor Operational Site Environment Monitoring Methods, an operational site inspection plan, including sampling strategies, should be proposed in accordance with characteristics of the threats that the site poses and the purpose of the inspection process, prior to conducting environmental inspection, in order to serve as a basis for the inspection. Reviews and updates should be conducted as the need arises. The routine site inspection that MediaTek undertakes shows that CO_2, organic solvents, noise, and lighting are all in compliance with regulations.

Committee Chairman

- Highest person in charge of EHS activities
- Authorization for establishing an overall direction of the EHS management
- Authorization of the EHS policy, goals, and solutions
- Authorization of the proposals of internal and external stakeholders

Environmental management representative

- Reviewing the EHS policy, goals, and solutions
- Calling and conducting meetings of managements and reviews to ensure the performance of operations, and reporting to executives to continuously improve the EHS systems.

Manufacturing and quality management	Harmful substance management, and QC080000. Management of product carbon footprint, and the energy conservation and carbon reduction of manufacturers. The selection, management, examination, procedure/ goal evaluation of suppliers.
R&D	The development process and the goals of product design include the concept of green product design. For example, the integration of chips can reduce the consumption of material and energy.
Factory affairs, workplace safety, and general affairs	Office and public facility investigation and testing. Collecting, identifying, registering, and promoting environmental laws. Suggestions and the Execution of Environment-related Goals. The management standards and contingency plans of public facilities such as fire equipment, electric generators, sewage treatments, air conditioning, etc. The management standards and contingency plans of general affairs such as food service, security, phone operation, cleaning, waste management areas, drinking water, etc.
Human resources	Rights and duties of organizations, education and training, etc.
Purchasing	Administrative selection, management and evaluation of suppliers.
Legal affairs	Assist in the confirmation of environmental management system laws.

GREEN INNOVATIONS

To respond to global trends of environmental protection and the green trends required by our customers, MediaTek strives to design green products that are low-hazardous, low-carbon, and low-energy, to enhance our green competitiveness and seize global business opportunities. This policy is applied to all activities that are related to MediaTek's products, all the way from internal design processes to purchasing, manufacturing and transportation from external suppliers. We will promote and implement a green concept in our overall value chain. In each step, we will undertake project design, execution, evaluation, and actions in accordance with PDCA's management cycle to ensure that each step along the way is in compliance with the policy standards and could achieve our objectives. In addition, ensuring that our employees understand the significance of environmental protection is also part of the policy. Through arranging for educational training and continued promotions and communications, we have incorporated green concepts into our day-to-day activities and inspired the creation of innovative green products.

Green Product Environmental Policy

GREEN PROMISE

- **Leading to promote:** Leading both upstream and downstream companies to increase the awareness for global environmental protection.
- **Regulation of management:** Based on the regulation of ISO 14001, we formulate, maintain, and improve our standard operating procedures to effectively comply to the regulations of air pollution, harmful waste, and noise pollution.
- **Meeting the requirements:** Meeting the requirements of international environmental laws and the green demands of customers.
- **Complete integration:** Fully integrate environmental awareness into the overall manufacturing and quality management system.
- **Green material:** Use green materials on the entire product, from the design and manufacturing to packaging.
- **Conflict Minerals:** Insisting on not using conflict minerals, we require all suppliers to carry out detailed investigations of the origin of all materials in order to ensure that they are all in compliance with the requirements of EICC and the Conflict-Free Smelter Program of GeSI.
- **Promotion channels:** Providing employees, suppliers, and customers with appropriate ways to understand MediaTek's environmental policy and its results.

GREEN DESIGN

- **Design principle:** By following the green design concept of the 3R principle (reduce, reuse, and recycle) we can use resources in a more effective way, reducing the use of resources and the creation of pollution.
- **Cost advantage:** Simplifying the structure of products, offering customers products with an advantage in cost advantage.
- **Energy efficiency:** Significantly reducing products' consumption of components and electricity.
- **Green material:** Using green materials: by carrying out the regulation of using green materials, we can effectively reduce the emissions of carbon dioxide and other greenhouse gases, helping to reduce the impact of the greenhouse effect on climate change.

GREEN PURCHASING

- **Supplier assessment:** Has the supplier established an environmental management system.
- Are material suppliers required to conduct environmental management.
- Satisfies the standards of W-137 MediaTek Standards of Environmental Management Substances.
- **Supplier relationship management:** Set up a dedicated team to make sure that products meet the environmental standards required by various nations and the customers.
- According to the complete definition of RoHS/REACH regulations and Sony technical standards SS-00259, all substances that are harmful to the environment are prohibited.
- The standards suppliers use to examine components and materials shall also be in accordance with RoHS regulations and Sony's standard specification for environment-related substances report.
- Suppliers shall at least a have written agreement on prohibiting the usage of environmentally hazardous substances with their main suppliers.
- Suppliers must periodically provide a third party environment-related harmful substances analysis report on the packaging/packaging materials.
- Suppliers must periodically provide ISO 9001, ISO 14001, OHSAS 18001, or other environmental or corporate social responsibility certificates (QC08000, SA8000, GRI Report).
- Suppliers must provide a Declaration of Conflict-Free Mineral that agrees to not use metals from conflict areas and to prove that all the mineral used are not from non-government militaries or areas controlled by warlords.
- **Supplier Conference:** Advocate and promote the MediaTek Green and Carbon Reduction Product Policy and its concept to the whole supply chain.

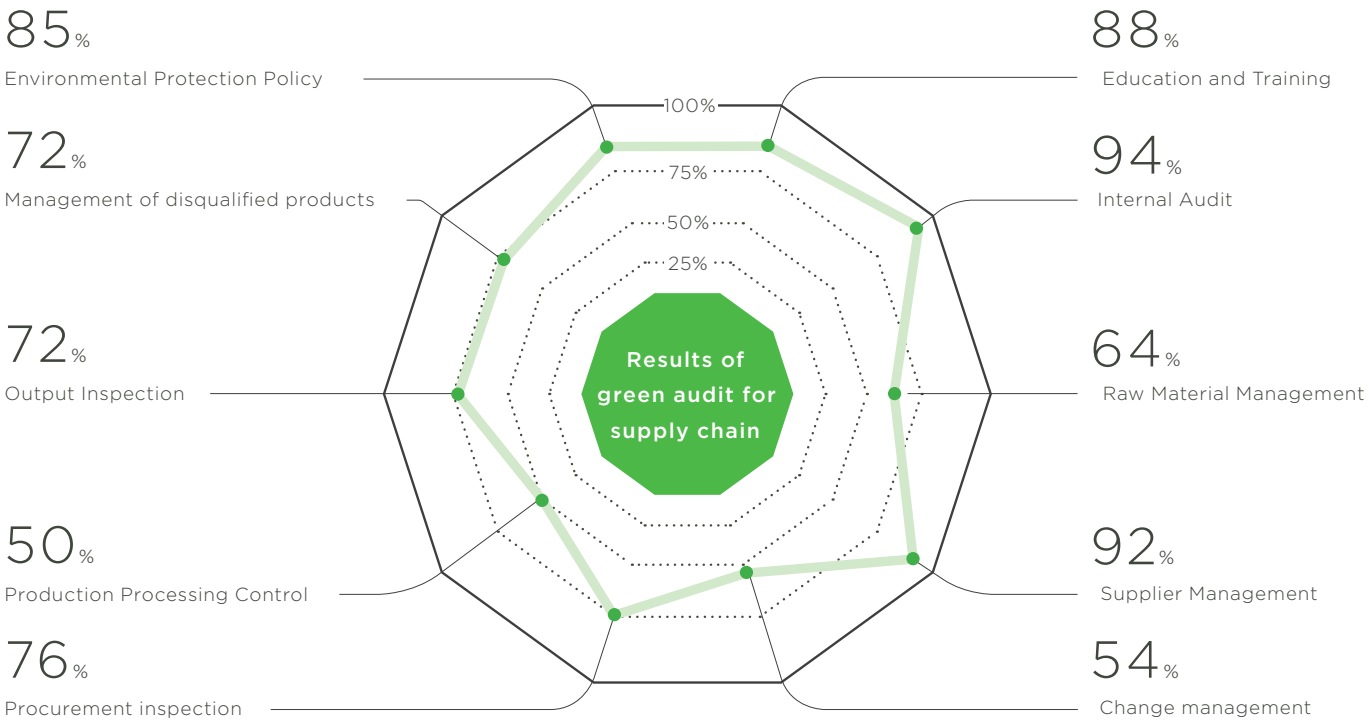
GREEN MANUFACTURING

- **Life Cycle Assessment:** Promoting Life Cycle Assessment (LCA) to test the whole process, from the design of products to manufacturing, for energy use and material and environmental contaminants.
- **Carbon Footprint Inventory:** Requiring Suppliers to perform carbon inventory on the production chains.
- **Greenhouse gas emissions:** Continuously carrying out the reduction of greenhouse gas emissions. Set 2012 as the basic year to perform carbon reduction activities.

GREEN TRANSPORTATION

- **Green packing material:** When transporting products between suppliers and us, we use non-consumptive green materials to replace 90% of the cardboard boxes used.
- **Electronic system:** By using an electronic system to transfer files, we have effectively reduced paper use by 90%.

Create Sustainable Environment



Management of Raw Materials &Hazardous Substances

MediaTek requires suppliers to abide by relevant regulations through "W-137 MediaTek Standards of Environmental Management Substances". We conduct annual internal and external audit plans, implement management supervision, and report to the Company's highest management level to ensure the suitability and effectiveness of the existing hazardous substance management system. To strengthen hazardous substance management, the Company amended the "W-137 MediaTek Standards of Environmental Management Substances" in 2016, in which Articles on input and output management of raw materials, XRF monitoring procedures, product identification and audit were amended to ensure suppliers that implement control over hazardous substances. Suppliers are required to provide information on substance safety to MediaTek. Accuracy of the substance information must be inspected every six months and updated at least once every three years. Suppliers are also required to devise XRF input and output inspection and monitoring procedures to ensure that no hazardous substances are contained in the raw materials. In terms of product identification, packaging firms must identify substances that satisfy management standards using appropriate measures.

MediaTek's management personnel will conduct annual green audits from three primary structures and using 10 aspects. Structure 1: "System"-Ensure whether suppliers have introduced environmental protection policies, undertake routine employee green training, implement an internal audit system, and ensure the effectiveness of hazardous substance management. Structure 2: "Procedures"-Starting with the management of raw materials, upstream suppliers of MediaTek suppliers should also introduce hazardous substance management. If changes to any production procedure are introduced, MediaTek should be informed. To ensure appropriate warehousing management, inspection procedures should be implemented in practice during input of raw materials. Structure 3: "Product"-Prior to being shipped to customers, products should undergo relevant inspections to ensure quality. When defects are found, product returns or exchanges should be undertaken in accordance with management procedures of defective products.

Suppliers must pass a written audit, which will be used to determine whether an onsite audit will be necessary. Suppliers who score lower than 70 points on the written audit must arrange for onsite audit and improve their systems. MediaTek will select at least three suppliers for onsite audits if no supplier scores under 70 points in a given year. Because different customers have different requirements regarding hazardous substance management, we will adjust the inspection items and frequency in accordance with customer needs.

Based on the results of the 2016 green audit, suppliers need to improve "changes in management" and "production processing control". MediaTek will undertake subsequent green onsite audits and arrange discussions for improvements for suppliers who score lower than the acceptable standard. All suppliers that have been audited in 2016 reached 80 points after continuous improvements. Because new suppliers have joined us in 2017 and in order to continue to implement hazardous substance management with our suppliers in practice, MediaTek will provide suggestions and resources on a timely basis to assist the new suppliers in achieving 80 points or above on the audits.

XRF Monitoring Procedures

1. Sampling Plan 2. Inspect specification 3. Handling of qualified and disqualified products
4. XRF Machine needs to be compared and calibrated weekly
5. XRF inspection personnel needs to be trained and re-applies for certification annually

GHG MANAGEMENT

36 IC chips
Accumulated verification of IC chips up to 2016

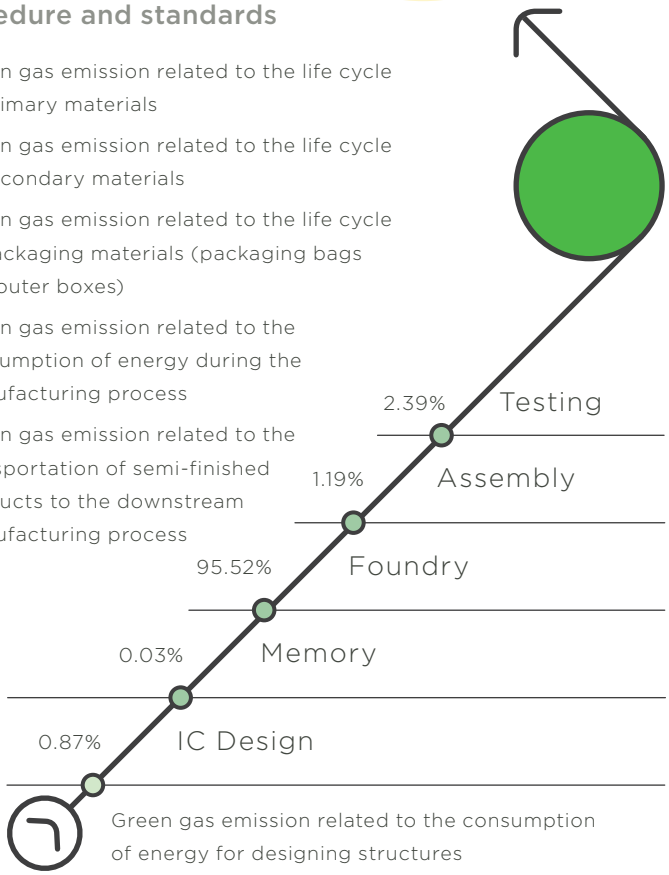
Product Carbon Footprint

We undertake lifecycle evaluation for key products each year, and we calculate the carbon footprint from each IC product through the greenhouse gases emitted from plants during design phase as well as the carbon emissions from each process such as raw materials and energies used in wafer manufacturing, packaging, and testing and transportation. Although carbon emissions from chips may be less significant compared to other technology products, from a positive way of thinking, we should proactively take responsibility for each small step along the production process in order to lead by example. Through this, we can preserve a beautiful natural environment for future generations to come and realize our corporate citizen responsibility of protecting the environment.

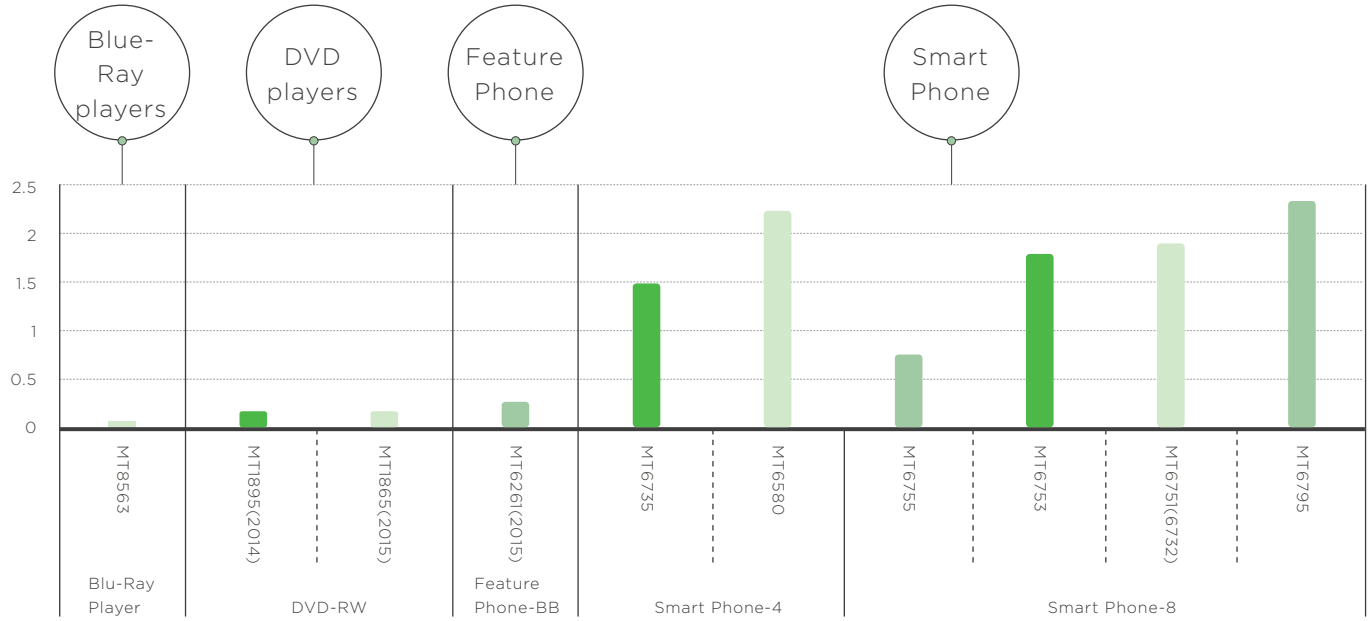
Ten IC products were inspected in 2016, and an accumulated 36 products have been inspected to date. We mostly inspected the octa-core processor, the quad-core smartphone chip, and DVD players. Based on the inspection results, the 8-core and quad-core smartphone chips still have higher carbon emissions. Most of the emissions come from the wafer OEM stage, accounting for 90% of overall emissions. In the future, we will research manufacturing procedures together with our suppliers to lower carbon emissions in high-end IC chip foundry.

Carbon footprint inventory procedure and standards

- Green gas emission related to the life cycle of primary materials
- Green gas emission related to the life cycle of secondary materials
- Green gas emission related to the life cycle of packaging materials (packaging bags and outer boxes)
- Green gas emission related to the consumption of energy during the manufacturing process
- Green gas emission related to the transportation of semi-finished products to the downstream manufacturing process

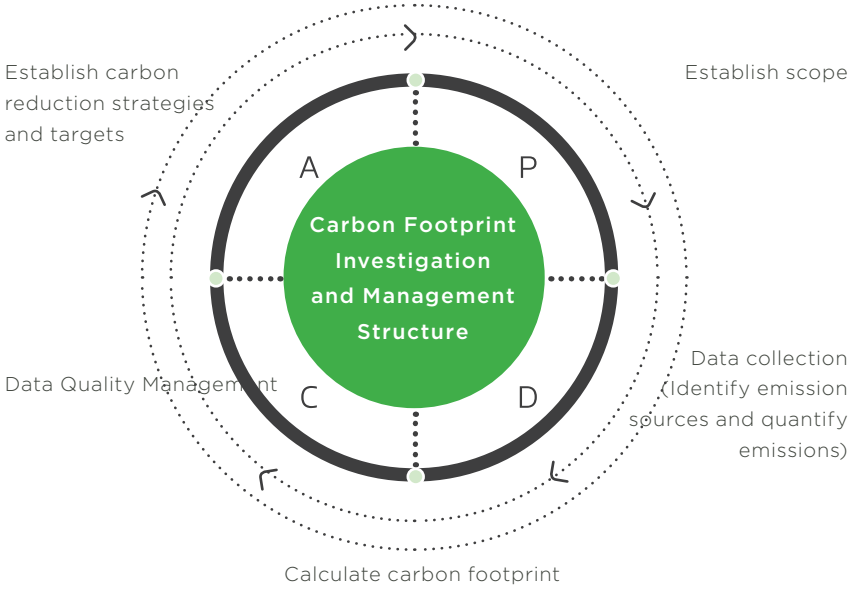


Product Carbon Footprint



Organizational Carbon Footprint

In order to understand internal GHG emissions, an organizational carbon footprint attempts to inspect all possible GHG emission sources in an organization. To implement low carbon operational strategy, MediaTek is expected to introduce organizational carbon footprint assessment in Q2 2017. Through GHG emission assessment, MediaTek wishes to understand the emission volume to effectively control and lower energy consumption.



| Greenhouse gas emissions |

According to the data from the 2016 product carbon footprint inventory, the total greenhouse gas emissions generated by the energy consumption of MediaTek headquarters in Hsinchu Science Park is 28,840 tones CO_2e (the scope of calculation included externally purchased electricity, public facilities, boilers, cooling towers, and water chiller units). On average, each employee emits 4.7 tones CO_2e, and the main emission source is the Scope 2 externally purchased electricity, which made up 98.9% of the overall emissions. In the future, the inventory of MediaTek's greenhouse gas emissions will continue in order to control its environmental impact.

| Greenhouse Gas Scope 3-Transportation vehicles |

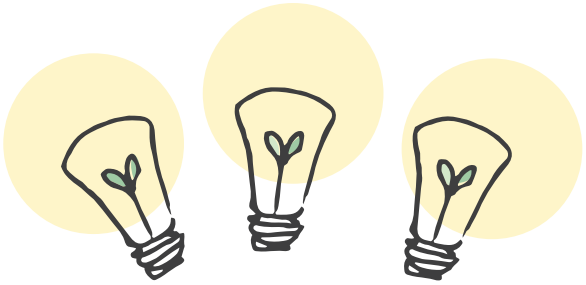
To effectively decrease the carbon emissions from our employees during commuting and in addition to devising relevant regulations to achieve green and eco-friendly targets from Company products and buildings, MediaTek also wishes to take one step further and undertake environmental protection in the transportation of our employees. We launched shuttle buses to/from work in June 2015. Buses are commissioned to transport employees along our designated four routes. Our shuttle buses also help alleviate the traffic conditions at the Hsinchu Science Park during rush hour. In addition, this transportation benefit successfully demonstrated our resolve for environmental preservation to our employees. A total of 26,498 individuals (headcount) had ridden the shuttle buses in 2016, which is equivalent to lowering carbon emissions by 29.5 tons. At the same time, we also placed 6 bicycles at our Hsinchu HQ to encourage employees to make small contributions to the planet by riding bikes rather than motorcycles or driving when traveling to and from the Science Park.

Scope	Energy purpose	Energy type	Energy consumption		Carbon dioxide equivalent (CO_2e)
Energy used directly	Emergency generator	Diesel	908 L	31,916 MJ	2 tones
	Kitchen	Liquefied petroleum gas	171,255 L	4,756,476 MJ	301 tones
Energy used indirectly	Plant-wide power consumption	Externally purchased electricity	54,046,600 kWh	194,567,760 MJ	28,537 tones

References

1. The conversion units are referenced from the Bureau of Energy - Heat Content of Energy Products
2. Greenhouse gas inventory sheet, version 2.6.1
3. Bureau of Energy-2015 Carbon Dioxide Emission Coefficient for Electricity

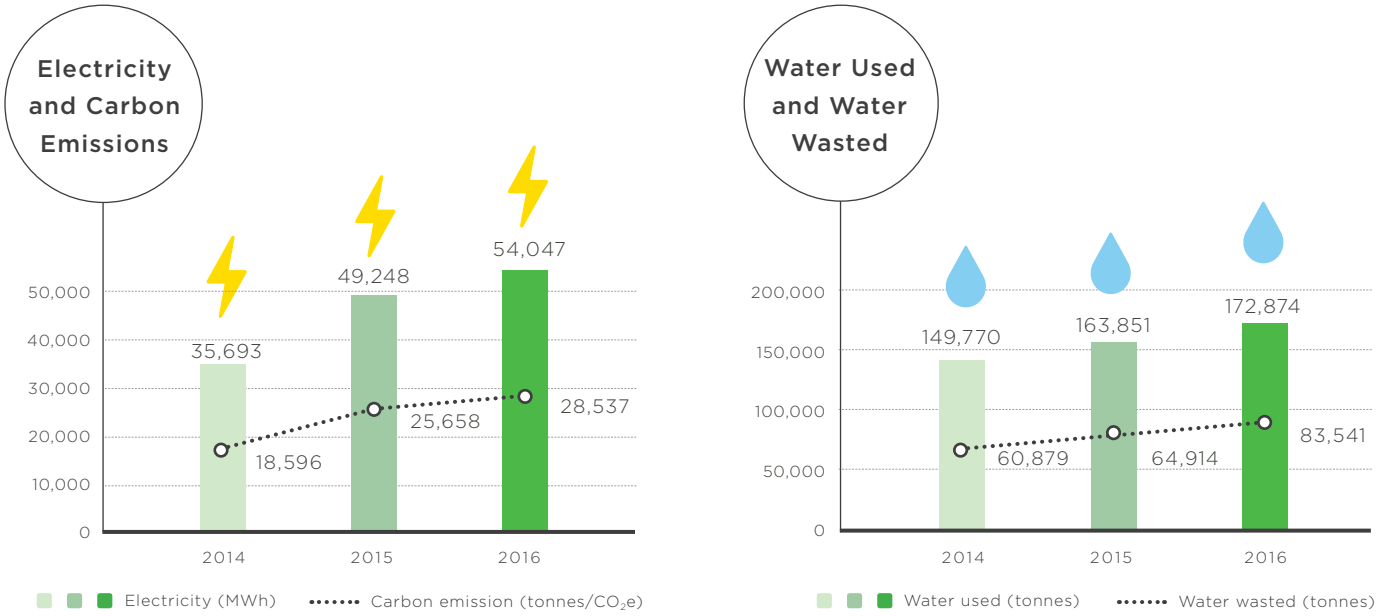
ENERGY RESOURCE MANAGEMENT



MediaTek has passed the ISO 14001 Environmental Management System for the implementation of the PDCA (Plan-Do-Check-Act Cycle) and for the consolidation of environmental protection goals and strategies, as well as for implementing pollution prevention and improvement system. These improvements enabled MediaTek to have more influence on the protection of the environment. MediaTek primarily focuses on the development and design of IC technology. Manufacturing processes such as wafer fabrication, packaging, and testing are outsourced to external suppliers. The resources used the most by MediaTek are electricity and water. The energy intensity for selling one unit of IC consumes an average of 0.0617 MJ.

Total electricity consumption in 2016 was 54,047 MWh, and water consumption was 172,874 tons. The primary increases in water and electricity consumption came from increases in personnel and new offices in Building E and Building C which opened new IT data center and expanded to full capacity in 2016. To effectively promote energy efficiency, MediaTek anticipates that the second-generation energy-conserving data center will be completed by Q1 2017. In addition, organizational carbon footprint assessment will also be introduced. We hope to decrease organizational electricity consumption by 4% within three years. In addition, MediaTek's primary source of water is the Taiwan Water Corporation - Third Management Division. Primary water supplies come from the first and second reservoirs in Baoshan Reservoir, Yonghe Shan Reservoir, and the Second Purification Station in Long-En Yan Diversion, Toucian River. Wastewater from our operations converges into the sewage treatment tank in the Hsinchu Science Park.

Electricity and water consumption of the last three years



2016 Water Conservation Measures

Item	Improvement method	Improvement results			2016 Improvement goals
		Saved water expense	Saved electricity expense	Recycle ratio	
Equipment replacement	Improve the water consumption for cleaning in the recycling area, and change faucet outlet type to save about 30.78% of water	NT$3,000	240 tons	0.14%	Reduce kitchen water usage: • Recycle water used for washing vegetables to clean indoor environment • Change food defrosting method from flowing water to defrosting food by refrigeration • Use less water when washing range hoods
Recycle water sources	Install a two-tonne rain water recycling tank to recycle rain water for water cooling towers	NT$9,000	700 tons	0.4%	
	Recycle condensation from the company air conditioning for gardening	NT$39,000	3000 tons	1.74%	

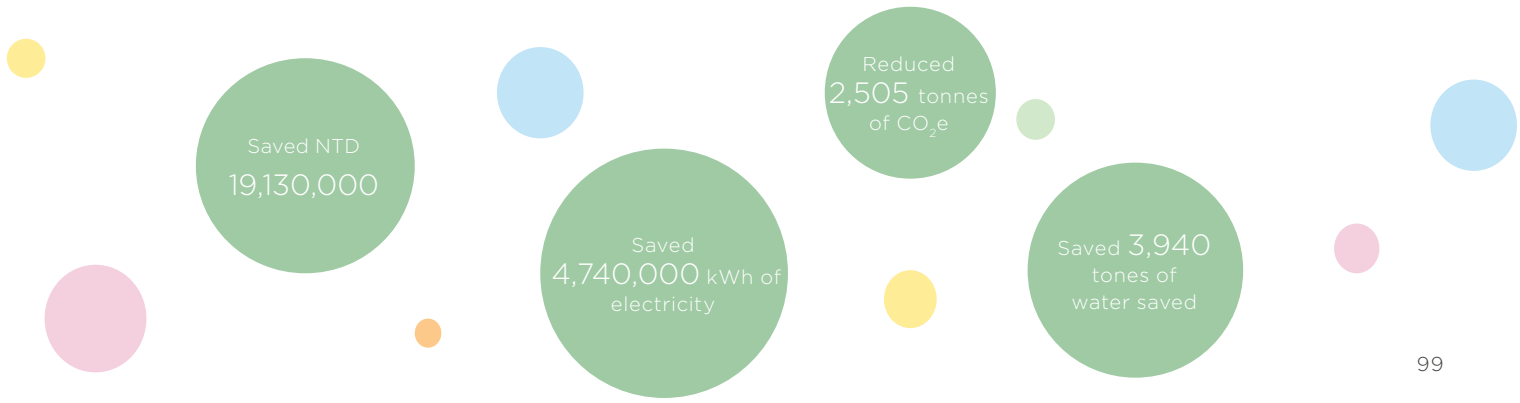
Note: 1. Recycling ratio calculation: saving water / 2016 total consumption of water
2. Water is calculated at NTD 13 per kWh

2016 Energy Conservation Measures

Item	Improvement measure	Effectiveness of improvement			2017 Improvement target
		Electricity bill saved	Energy conserved	Reduction in carbon emissions	
Facility improvements	Improved energy efficiency of the AC in the UPS machine room. Improved the circulation route of the air conditioner in the cold aisle containment so that the temperature of the environment could decrease and the loading of the AC could also decrease accordingly. This saved approximately NTD 920 thousand electricity fees annually.	NTD 1,070,000	360,000 kWh	188 tons of CO_2e	Constructed an energy-conserving machine room in Building E in HQ, including the following: • Placing cabinets with high energy consumption in different areas • Using modular UPS facility with high power conversion efficiency • Using cabinet-type AC facility with high cooling efficiency • Cool aisle containment enhances AC efficiency • Using sensor-LED lighting
	Improved energy efficiency of lighting by switching original florescent light to LED lighting. This saved up to approximately NT$560 thousand in electricity fees annually.				Improved the water chilling unit efficiency of the Xing Shan Road office by running them in parallel and based on the scale of operations at the Neihu office.
Air conditioning management	Improved the traditional IT machine rooms, specifically for air conditioning circulation and insufficient sealing. Implemented system controlled air conditioning to reduce waste. This led to reduced air conditioning energy conservation and reduced electricity fees by approximately NT$ 3.84 million.	NTD 10,920,000	3,640,000 kWh	1,922 tons of CO_2e	Increased the environmental temperature in the IT machine room of the AB building in HQ and achieved air conditioning power savings.
	The data center machine rooms are newly constructed high-density data centers built with energy saving equipment. Using power use effectiveness (PUE) calculations, the new data center machine room has saved approximately NT$ 3.58 million in the year 2016 compared with the traditional machine rooms.				
	Selected VAV air conditioning system for plants, which will conserve significant energy in air ventilation. Compared with the traditional AC control system, the new system can save about 15-30% of power, which sums up to about NT$ 3 million in savings.				Increase the chilling water output temperature in off hours and optimize the number of water cooling towers in AB buildings in HQ to achieve energy conservation in air conditioning.
	Carried out actions to conserve air conditioning in water chilling machine room. Adjusted environmental temperature and reduced the number of active air conditioners and water usage without affecting the normal operations of water chilling units. This added up to approximately NT$ 400 thousand in savings.				
	Power savings of AC in lobby. Proceeded to adjust system control criteria to reduce energy consumption in AC, which added up to about NTD 90,000 in savings.				

Item	Improvement measure	Effectiveness of improvement			2017 Improvement target
		Electricity bill saved	Energy conserved	Reduction in carbon emissions	
Lighting management	Energy conservation management in car park during working days. In addition to selecting high-efficiency products for the parking lot, we have also undertaken systematic reductions in lighting during non-peak hours to lower energy consumption. Anticipated energy conservation reaches up to approximately NTD 1.56 million.	NTD 2,240,000	750,000 kWh	394 tons of CO_2e	Improved lighting efficiency in the ramps in the parking lots in Buildings A and B in HQ - We plan to introduce LED lighting to replace fluorescent lighting to conserve energy and enhance the useful life of the lighting. Anticipated energy conservation can reach up NTD 100,000.
	Energy conservation management in the car park during holidays. Parking will be limited to one floor during holidays, and the system will control and turn off lights on the unused floors to conserve energy. Anticipated energy conservation can reach up to NTD 680,000.				Improved lighting efficiency in the factory rooms in Buildings A, B, and C in HQ - We plan to introduce LED lighting to replace fluorescent light tubes in factory rooms (electricity, cooling room, power generator, etc.) to conserve energy and to enhance useful life of the lighting. Anticipated energy conservation can reach up to NTD 140,000 within the warranty period of 3 years.
Power management	Calculation for electricity fees has been changed from two tiers to three tiers. We will review and continue to track the impacts on the power usage contract, fluctuations in prices of the electricity fees payable, and the continued benefits of power conservation at the three-tiered pricing level. We saved approximately NTD 4.9 million in 2016.	NTD 4,900,000	–	–	Evaluated optimized electricity fee measurement in Building E in HQ.

Calculation standard of CO_2 emissions is based on the electricity emission coefficient released by the Bureau of Energy, Ministry of Economic Affairs in 2015, where 1 kWh = 0.528 kg of CO_2.



New Generation of IT Machine Room
Conserves 1.2 million kWh in power supply and NTD 3.58 million in electricity bill

Next Generation of IT Machine Room
Conserves 2.5 million kWh in power supply and NT$7.5 million in electricity bill

Energy utilization efficiency PUE 1.37
In accordance with green building certification standards-

Gold Level

Conserves 3.7 million kWh in power supply and NTD 11.08 million in electricity bill annually

Anticipated energy conservation rate from data center to reach 4% in 3 years

- Machine Room-grade AC
- Integrated ninterruptible Power System
- High- and Low-Density Server Cabinet Cluster Cold and Hot Aisles
- Infrared Sensor-Type LED Lighting

| High-Density Energy-Conserving Data Center |

MediaTek is passionate about innovating new technologies. As a result, our need for qualitative and quantitative information computation continues to increase. However, data centers consume massive energy during high speed computations. To decrease the data center's impact on the overall environment, MediaTek has improved our power supply system, AC, machines, passageways, and lighting. We have successfully overcome the constraints for cooling capacity in traditional machine rooms and transformed our data center into a high-density energy-conserving data center of the new era. Our facility now supports the demands of new models of high-capacity and high-heat servers and serves as a strong support to our R&D technologies.

Based on our calculations, the power usage effectiveness (PUE) of a traditional machine room is 1.6. The PUE of MediaTek's Generation One IT data center is 1.41, showing an improvement over the original machine room. In 2016, we further enhanced the environmental temperature of the machine room to conserve air conditioning, further lowering the PUE to 1.37 and reaching the Gold Level of the LEED certificate. Furthermore, we saved 1.20 million kWh in power and NTD 3.58 million in electricity fees, which is equivalent to 1.6 times that of the Da'an Forest, showing significant carbon reductions.

Based on the outstanding energy conservation results of the new data center, the Generation Two high-density energy-conserving data center was established in Q1 2017. Compared to the first high-density energy-conserving data center, we anticipate saving 2.5 million kWh in power and NTD 7.5 million in electricity fees during full capacity. These carbon reductions will be roughly equivalent to 3.3X that of Da'an Park. In the future, the two generations of machine rooms will help MediaTek to conserve NTD 3.7 million kWh of power and NT$11.08 million in electricity fees, which is equivalent to 6.8% of MediaTek's annual power consumption.

Waste Management

For the purpose of achieving the maximum benefits of effective waste management and recycling, MediaTek has placed huge importance on the reduction of waste. We effectively sort out, recycle, re-use, and properly dispose waste. We continue to improve the impact storage, transportation, and processing of waste has on the environment. In order to effectively control the flow of waste, we have carefully selected qualified waste disposal and recycling suppliers, and we audit the legitimacy of the waste disposal process at random. These measures are taken by MediaTek to the responsibility of supervising waste management.

Waste disposal in 2016

Category	Type of waste	Waste disposal methods	Waste disposal quantity (tonnes)	Percentage
Non-hazardous waste	Domestic waste	Incineration	36.6	56.02%
	Paper	Recycling	8.27	12.66%
	Iron container	Recycling	0.23	0.35%
	Aluminum container	Recycling	0.23	0.35%
	Light source waste	Recycling	0.9	1.38%
Hazardous waste	Electronic components, scrap materials, and defective products (overseas)	Physical treatment process	13.66	20.91%
		Treatment process outsourced	5.44	8.33%

Social Welfare

We hosted the 2016 Telecommunications Competition-MediaTek IoT / Wearable Innovations Contest for the Fourth Consecutive Year

MediaTek's core technologies and products were integrated into the competition to help the competing teams develop new IoT applications with more efficiency. A total of 154 teams and as many as 348 participants took part in the 2016 competition, creating 109 excellent concepts related to IoT and 30 innovative prototypes. During this process, MediaTek also assisted nearly 100 professors from leading universities in learning the LinkIt developer platform so they could better apply the tool toward IoT practices.

SCIENCE EDUCATION

Science education helps to plant the seed of interest and encourages students to explore the wonders of the high-tech world and develop into the future talent of the Taiwanese high-tech industry.

SOCIAL WELFARE

MediaTek's mission is to enhance and enrich lives. One of the routes to achieve this objective is through technological breakthroughs and developments to create products that are beneficial toward the society and environment. We also realize our mission of giving back to the community through long-term devotion to social welfare. Furthermore, "realizing our responsibilities as corporate citizens" is also one of the principles in our eight primary management principles, and this is deeply rooted in the day-to-day activities of all of our employees. Realizing our responsibilities as a corporate citizen is also one of MediaTek's eight management visions. We hope to enrich lives through technical innovation and developing products that are beneficial to society and the environment. Our 20 years of practice in giving back to society has ingrained a culture of CSR into the daily lives of every MediaTek employee. To uphold the Company's core values, MediaTek proactively takes social responsibility and continues to communicate with stakeholders from all aspects of the society to understand their true needs and offer resources to those in need.

We see that high-tech personnel form the core competitiveness in the Taiwanese economy, so we established the MediaTek Foundation in December 2001 to contribute to scientific education and focus on the technological needs of society. For nearly 15 years, MediaTek has injected our R&D spirit into Taiwanese scientific academia, and we have proactively sought collaborations between the government and academia. We seek to find solutions to social problems in Taiwan through coordinating the strengths of the industry, schools, and the government. The Foundation continuously cultivates Taiwan through accessibility to scientific education, talent development and social innovation, and we have dedicated over NTD 1.3 billion to these causes. We hope to achieve a positive cycle of mutual growth and prosperity with the society in educational promotions, industry development, and culture and humanities.

Approximately NTD 170 million in budget dedicated to social welfare in 2016

Promoting Technology Education

Promote and popularize science education and establish ecosystem for maker education

- Elementary School Science Class Advocacy Program
- Promote Skill Enhancement in Teachers for Maker Education in Elementary and Junior High Schools
- Establish AaPaTo Honor Society
- ECE High School Camp at Tamkang University
- Establish Ecosystem for Maker Education

Social Innovation

Promote social innovations and support solutions for social problems from technological innovations and applications

- Established NCKU Joint Disease Prevention Lab
- IoT and School Safety

Talent Development

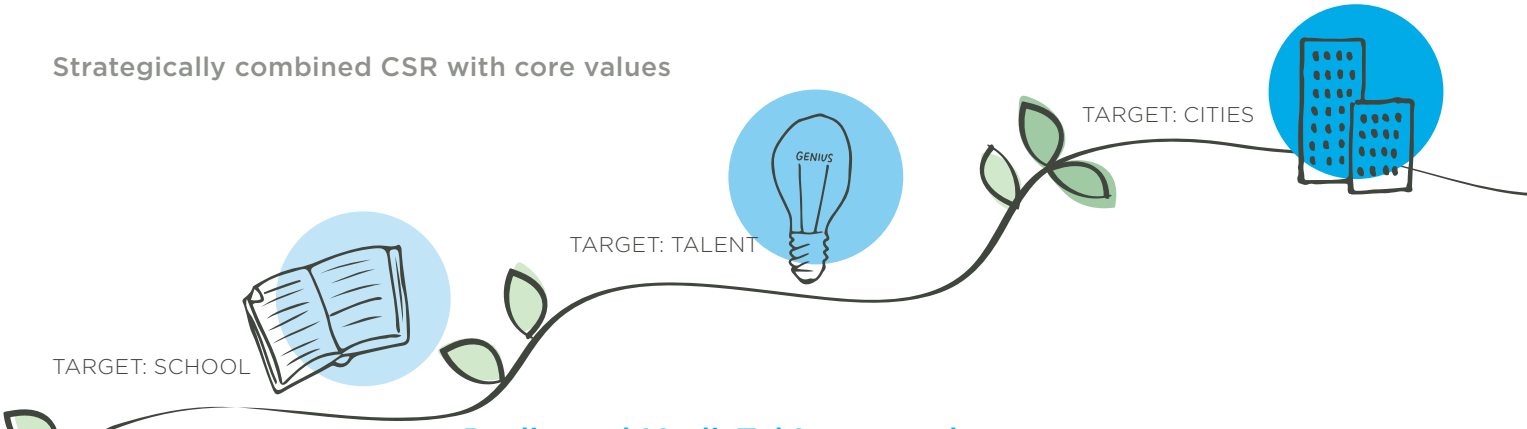
Talent development, establish talent pool for Taiwan's industry

- Established MediaTek-NTU Research Center, MediaTek-NTHU Research Center, and MediaTek-NCTU Research Center
- Established NCTU Youth Seminar
- Indian PhD Candidate Scholarship

ACCESSIBILITY TO SCIENTIFIC EDUCATION

Education is a lasting mission and the foundation of the sustainable development of a nation. Successful scientific education has established strong cornerstones for economic prosperity in Taiwan, and the subsequent of Taiwan's competitiveness will rely on the further promotion and in-depth learning of science education. MediaTek has comprehensively integrated the mission of promoting scientific education into each stage of education, and we have customized different projects from elementary, middle, high school, college and graduate studies. Concurrently, as teachers play the most crucial role in the education system, we have also incorporated faculty and course materials into the overall planning of the promotion of scientific education. MediaTek provides appropriate resources and materials to help teachers comprehend the technical applications of IoT on a deeper level and incorporate these concepts into their curriculum. This will attract more students to study technology. Moreover, strategically thinking, MediaTek has also launched various science education promoting projects on city, talent, and school levels so that Taiwan can be further encouraged to learn about science. Most importantly, MediaTek effectively incorporated the LinkIt IoT platform as a part of its promotion of scientific education. In addition to serving as course material, the platform enables students to create their own IoT solutions through competitions.

Strategically combined CSR with core values



Dedicated MediaTek's core value

IoT technology + soft and hardware product services + corporate volunteer

Elementary schools and high schools	College and Graduate school	Teachers and course materials
● Promotions of participation in science fare ● A Journey of Science - Opening the Doors to Technology ● AaPaTo Honor Society	● NTU EE Makerthon ● 2016 Mobile Heroes ● Tamkang University ECE High School Camp	● Empowering Teachers for Maker Education ● Maker Education Ecology Plan
Education promotion and hobby development	**Hardware implementation and software development**	**Teacher's training and development of course material**
Establish AaPaTo Honor Society in key high schools in the country and provide the IoT platform, MediaTek LinkIt™, to guide students to realize their innovative capability while attempting to develop and bring to life all kinds of imagination and possible applications of IoT and wearable technologies.	Leverage the brainstorming and implementations involved in the competition to solve current problems of the society, environment, and the city. MediaTek not only provides LinkIt hardware, but also establish corporate awards and LinkIt application workshops, and guide students in applications of the development board.	Teacher's training and development of course materialWorks closely with the Ministry of Education and various City and County Governments to plan for popular science projects appropriate for elementary and middle schools. MediaTek introduced and assisted the development of LinkIt platform. Starting from empowering teaching force for maker education, we have planned a research integration platform for maker education, and offered teacher training camp, project exchange and development of course materials.

Produce social benefits from MediaTek

to promote IoT + product solutions + cultivate technological talents

3000+
Influenced/reached over 3000 teachers and students annually

500+
Influenced/reached over 500 makers annually

300+
Trained over 300 maker instructors annually

Target: Cities - Empowering Teachers for Maker Education

Coming from the standpoint of building a scientific education infrastructure with "creating a market education ecosystem" as our objective, MediaTek has planned science education projects appropriate for elementary and middle schools. Starting from empowering teachers for scientific education, we work closely with the Ministry of Education and various city/county governments to provide teacher training camps, project exchanges and development of course materials. Through providing teaching resources and technologies, we help teachers to overcome the last mile of providing science education. We hope to spark a love of science in students and foster future talent who can solve social problems through hands-on applications.

| Maker Education Ecology Plan |

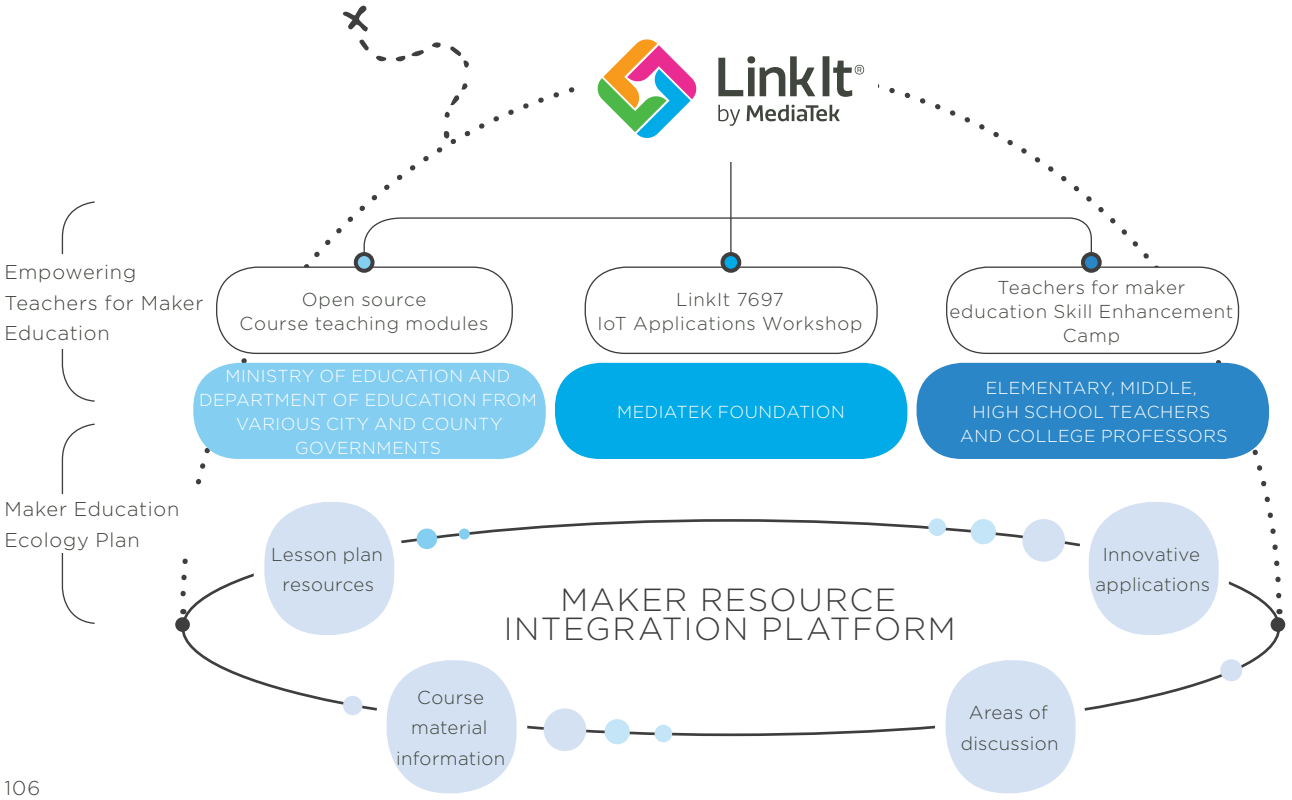
Besides resources from the government and enterprises, the promotion of maker education needs a cycle of positive ecology to make it sustainable and create a greater impact. Therefore, MediaTek has begun planning a resource integration platform for maker education, which will serve as a supportive platform for teachers and maker resources. The platform will offer interactive communications, resource sharing, and assistance between makers and teachers, and it is expected to help to realize and operate the maker education ecology. Functions planned for the platform include project resource integration, course material information, a discussion platform, and solution application innovations, offering a one-stop solution for makers and teachers in solving the resource needs for maker education.

| Empowering Teachers for Maker Education |

MediaTek Foundation provides empowerment training for science education for teachers in elementary, middle schools, and colleges in collaboration with the Department of Information and Technology Education, Ministry of Education and the Department of Education in Taipei City Government. By using MediaTek LinkIt™ as a foundation, MediaTek designs open source teaching modules appropriate for different age groups and hosts workshops and teacher training camps to encourage teachers to familiarize themselves with IoT applications. We also provide supporting course materials and projects so teachers can accelerate their learning and pass on the knowledge to their students. In 2017, we plan to host a LinkIt7697 IoT application workshop for college teachers in collaboration with the Department of Information and Technology Education, Ministry of Education. The workshop will provide an open source course plan as a set of resources for teachers during IoT applications courses.

Furthermore, we also plan to host a Maker Education Teacher Empowerment Camp in the summer of 2017 with the Department of Education, Taipei City Government. We wish to foster the knowledge of IoT applications in elementary and middle school teachers so they could host relevant summer camps in Taipei. All programs are open source in nature, and teachers and other users can change the content and software to better meet their needs. MediaTek also provides technical support in back-end applications to assist teachers in developing endless possibilities in academic applications, establish the foundations for maker education in Taiwan, and foster talent capable of solving problems hands-on.

Help teachers to step over the last mile of maker education; develop talents that can solve social problems



Target: Talent-Hands-on Solutions for Social and Environmental Problems

The core of maker education is to foster hands-on problem-solving capabilities. MediaTek sponsors a number of maker events and competitions in Taiwan, including NTU EE Makerthon and IoT Application Competition, so that students' professional design skills can be applied to real-world applications. These events strive to encourage students to realize theoretical learning and be more perceptive to societal needs.

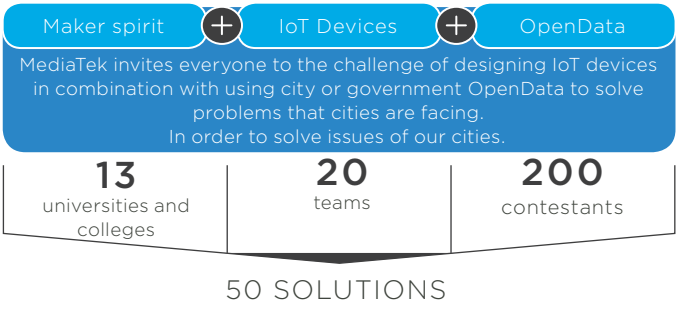
| Tamkang University ECE High School Camp |

MediaTek Foundation collaborates with Tamkang University, which is experienced in charity actions, in hosting Tamkang University ECE High School Camp. The camp was founded to help underprivileged high schools to learn and promote scientific education and encourage upward social mobility. We plan to start taking applications starting in2017, in which 40 high school students from low-to mid-income families from all over Taiwan will be selected to participate in a 5-day charity camp, in which MediaTek LinkIt™ will be used as the basis for courses on IoT applications. MediaTek's scientific education volunteers will also help in instruction and assistance, helping students from families that lack resources to access maker education. Through these actions, we aspire to promote upward social mobility among Taiwan's youths.

| NTU EE Makerthon |

NTU EE Makerthon (MakeNTU) is founded on the concept of using software and product design to assist hardware applications. MakeNTU is designed to inspire creativity and hands-on skills in its participants. Participants attempt to create works that closely meet real-life needs. In addition to enhancing teamwork skills, the competitions also offer the best, most comprehensive venue from thinking, autonomous learning, realizing dreams. MakerNTU inspires thinking and hands-on practice to solve social, environmental, and other problems in the city. MediaTek, sponsored LinkIt hardware, established a Corporate Prize, and created a LinkIt application workshop to guide students on the applications and practices of the development platform. Over 90 students took part in the workshop.

First Place: Smart Garbage Disposal Second Place: Student ID Lost & Found System



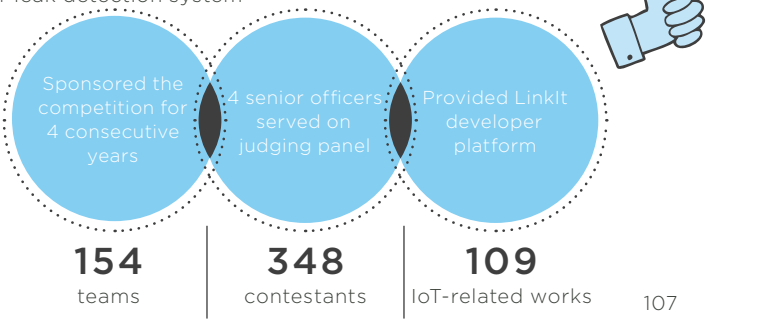
| 2016 Telecommunications Competition - MediaTek IoT/Wearable Innovations Contest |

MediaTek never lags behind in our effort to promote the IoT industry, and we proactively co-hosted the 2016 Telecommunications Competition - IoT R&D Contest with the Ministry of Economic Affairs. This is our forth year in sponsoring the competition, and we have incorporated MediaTek's core technologies and products to help teams of contestants to quickly develop new IoT applications. Moreover, four of MediaTek's senior staff served as judges for this competition. In addition to offering educational training and sharing their hands-on experiences with contestants, we also encouraged young developers to utilize our LinkIt developer's hub to stimulate their imagination for IoT and wearable devices.

In 2016, a total of 154 teams and as many as 348 participants partook in the competition. These participants created 109 outstanding IoT-related results and 30 creative prototypes. During this process, MediaTek also assisted nearly 100 professors from leading universities in learning the LinkIt developer platform so they could better apply the tool toward IoT practices. The participating teams designed many innovative and diversified IoT application concepts and utilized our LinkIt platform in very creative ways. Awarded concepts in 2016 included a wearable mountain-region wireless communication device, a low-cost GNSS instant dynamic positioning system, and an automatic water leak detection system.

Looking back on the innovative teams we have incubated in the past, the winner of our first competition –a smart wine brewer - has now formed a company and entered Kickstarter. The winning team of the second competition now ranks Top 10 in the FITI Program of the Ministry of Science and Technology. As for the 2016 winning teams, they designed IoT and wearable devices to improve hiking and campus safety and effectively enhanced water resource efficiency from a personal safety and environmental conservation perspective. MediaTek wishes to be a cradle that nurtures dreams, and through providing competitions, product platform and technical support, we help young developers accelerate their development process, leading to IoT and wearable device designs that integrate hardware, software, and services.

— Winners —
Wearable mountain-region wireless communication device, low-cost GNSS real-time dynamic positioning system, automatic water leak detection system



Target: School - Nurture Student Interest in Technology

| AaPaTo Honor Society |

MediaTek co-founded the AaPaTo Honor Society to nurture interest in technology in major colleges throughout Taiwan. Chief objectives include hosting popular science seminars and high school camps, promoting interactions between science-themed clubs, and promoting knowledge-learning relevant to science and technology. We invited former NCTU principal and lecturer in the Electronic Engineering Department Chung-Yu Wu, MediaTek Chairman and CEO Ming-Kai Tsai, and President of Sinovation Ventures Kai-Fu Lee to serve as mentors. The Society will be primarily facilitated and led by multiple professors from National Chiao Tung University's Department of Electronic Engineering. The backbone of the society are full-time assistants, while students in the Electronic Engineering major and MediaTek volunteers serve as seed teachers to undertake thematic teaching projects in various schools. By taking steps to fulfill the lasting mission of educating youth, we aim to foster more talent and create continuous development for Taiwan's high-tech industry.

In terms of promoting technological applications, MediaTek will nurture students' interest in technology by providing the IoT platform, MediaTek LinkIt™ to guide students in realizing their innovative capability while attempting to develop and bring to life all kinds of creations and possible applications of IoT and wearable technologies. We aim to establish AaPaTo presence in the 12 major colleges throughout Taiwan within three years. In 2016, we established presence in National HsinChu Senior High School, Taichung First Senior High School, and National Experimental High School at Hsinchu Science Park.

| Scientific Education Enhancement Program - Science Fair Promotions |

To promote elementary school teachers and students in learning about science and undertaking studies and exchanges through the science fair, MediaTek collaborates with elementary schools throughout Taiwan to encourage teachers and students who are passionate about science to form study groups or clubs geared at scientific research. These efforts aim to enhance the culture of learning about science in elementary school in hopes of inspiring interest and hands-on skills in students. Students can learn the logic behind scientific concepts and experience the wonders of science through science fairs. Moreover, through reading about various researches, students can expand their horizons and fundamental concepts of science can become etched in their minds, thus cultivating a positive basis for future research.

AaPaTo Honor Society

卓爾榮譽學會
AaPaTo
HONOR SOCIETY

The term "AaPaTo" comes from "The Book of Han" and its meaning is "outstanding talent and character"

AaPaTo presence have already been established at National HsinChu Senior High School, Taichung First Senior High School, and National Experimental High School at Hsinchu Science Park

Tasks and goals

Learning technological applications | Hosting popular science seminars and high school camps | Promoting interactions between science-themed clubs | Promoting knowledge-learning relevant to science and technology

Mentors

MediaTek Chairman and CEO	President of Sinovation Ventures	NCTU principal
Ming-Kai Tsai	Kai-Fu Lee	Chung-Yu Wu

Enhancement of observation and hands-on competencies of popular science

July

AWARDS FOR NOMINEES

February to May

PARTICIPATION IN CITY AND COUNTY SCIENTIFIC EXHIBITIONS

To exert MediaTek's core values in the popularization of scientific education, we call on MediaTek employees to serve as volunteers and mentors for popular science. We also hope to encourage students and teachers to take in scientific knowledge, strengthen their communication and expressive skills, and to lead the academia in Taiwan to pay more attention to basic science education.

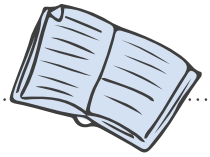
January

OPENING THE DOORS TO TECHNOLOGY A JOURNEY OF SCIENCE

To encourage teachers and students to broaden the stimulation they receive from scientific areas and to expose themselves to a wealth of diversified popular science knowledge, we provide financial aid to schools that have passed the preliminary rounds to visit National Taiwan Science Education Center and National Science and Technology Museum each year. The teachers and students also increase their knowledge and are better equipped for subsequent participation in science exhibitions and science fairs through participating in these displays, hands-on DIY courses and from finding the joy in science in theater performances on this subject.

November

NOMINATION OF PROPOSALS FOR SCIENTIFIC EXHIBITION



August to September

SELECTION OF SEED SCHOOLS

Promotions of participation in science fare

MediaTek Science Trip

SOCIAL INNOVATION

MediaTek is more than willing to share our R&D competencies with Taiwanese society. MediaTek Foundation has proactively initiated various collaborations with the government and academia to help in solving major societal problems through "technological innovative applications". For instance, we have contributed our strengths toward the Taiwanese society in terms of IoT applications, technological disease prevention, and security and safety of school children. MediaTek believes that appropriate technological applications can provide solutions to social problems. Hence, we proactively provide technical know-how and resources in collaborations with the government, private sectors, and academia to pursue the greatest benefit to society.

| Cloud-based Smart Disease Prevention |

MediaTek has formed an industry-government-academia disease prevention web with Tainan City Government, National Cheng Kung University and NCKU Hospital. By incorporating public health expertise with IoT data analytics technology and AI, we successfully formed preventative measures to the spread of Dengue Fever. MediaTek dedicated R&D personnel and funds, and we also formed a joint-lab with NCKU. In addition, we assisted in turning data collection from passive to active. Through establishing IoT smart mosquito zappers, we significantly lowered the cost, time frame, and precision in disease prevention. Together with controlling the disease and enhancing the accuracy in predictions, our goal was also to lower the threat that Dengue Fever posed to the public health. More importantly, through the practical experiences of industry collaborations and disease prevention, we aim to foster young talent in public health and IT and gear them toward disease prevention.

| IoT and Campus Safety - Security Monitoring System in Rixin Elementary School |

Currently, most existing campus fences incorporate electronic fence technology. However, they are both costly and provide a limited field of vision, causing blind spots in restrooms, car parks, and corners. They also pose issues to student safety. Upon having the concept presented to us from the students and faculty, MediaTek Foundation actively introduced our technology and resources to help Rixin Elementary School utilize the MediaTek LinkIt Smart 7688 platform for this purpose. Through integrating security cameras, a laser motion detector and cloud-based system, a campus security system that was low-budget, high-mobility, and easy to install and maintain was born. When outsiders enter monitoring range in a non-specified time, the system sends an alert message to faculty cell phones. Thus, the campus could be rigorously protected.

| IoT and Campus Safety - NCTU Children Safety Protection Program |

To further utilize IT to safeguard the children in school, MediaTek teamed up with NCTU in designing a smart wearable device exclusively for students, and the 120 sets that were developed have been donated to the Affiliated Experimental Elementary School of National Tsing Hua University. The smart wearable device encompasses two functions-safety and health, and teachers can instantly receive signal through their smartphone application and clearly understand whether their students are within accepted safety perimeters. Moreover, the wearable device has also been pre-installed with pedometer functions to measure the steps students take on a daily basis. Teachers can check their status on cell phones and remind students to get into the positive habit of exercising daily.

TALENT DEVELOPMENT

Established three Innovative Research Centers

Innovation is an important driver to the sustainable growth of a company. Continuous dedication to forward-thinking research and development technology is a critical investment for a company that wishes to stand out among global competition. In 2016, MediaTek's academia expenses amounted to nearly NTD 100 million, and we have dedicated extensive efforts to developing executive personnel. In addition to establishing joint research centers with NTU, NTHU, and NCTU to assist professors in undertaking various technical developments on topics ranging from smart handheld devices, automotive, and packaging techniques that enhance high-efficiency and low energy-consumption, we also responded to government policy in helping businesses solve R&D difficulties through using the R&D skills of academia. Therefore, MediaTek has allocated nearly NTD 200 million to apply for the "Research on Forward-Thinking New Generation of Mobile Communication Critical Terminal Technology" with NTU for three consecutive years. By incorporating the strengths from over 30 professors and nearly 100 Masters and PhD students, we strive to develop the core technology of a "heterogeneous multi-core computing platform" and a "new generation of mobile communication". At the end of 2016, MediaTek has committed to supporting NCTU's "3D Communication Network Technology and its Application in Smart Campus" industry-academia alliance program for NTD 8 million each year. We participated in the research of critical low-lag communication technology and aspire to assist NCTU in planning a smart campus with our own technical competencies. We look forward to playing a part in a move toward the scale of a smart city and a smart country.

Recruit Overseas Faculty

MediaTek and National Chiao Tung University (NCTU) have collectively announced the "MediaTek Junior Chair Professor" financial grant program. We anticipate allocating NTD 7.2 million as funds for recruiting talent from academia to increase the innovative driver in promoting enhancement in the high-tech industry over the next four years. The principal of NCTU is the chair of the program, and four internal and external experts and MediaTek Foundation have been invited to inspect and approve the grant. In 2016, to actively solve the problems in the qualification of teachers in higher-education, we recruited four talented overseas scholars to return to Taiwan and assume teaching roles. The four professors are Assistant Professor Y.C. Kuan from the International College of Semiconductor Technology, Assistant Professor Hsueh-Cheng "Nick" from Wangin Electrical and Computer Engineering (ECE), Assistant Professor Chi-Yu Li from the College of Computer Science, and Assistant Professor Yung-Ju Chang from the College of Computer Science. Their field of expertise includes robotics, 4G/5G communications, UX/UI design, and innovative semiconductor technology. The "MediaTek Junior Chair Professor" financial grant sponsors newly-recruited, outstanding professors who specialize in electrical engineering, electronics, and IT engineering in NCTU. We wish to encourage our global elites to return to Taiwan, recruit renowned teachers and outstanding individuals overseas.

Innovative Research Centers

MediaTek-NTHU Research Center

R&D of critical technology for AI and system testing and verification

MediaTek-NTU Research Center

R&D of critical terminal technology for pioneering, next-generation mobile network

MediaTek-NCHU Research Center

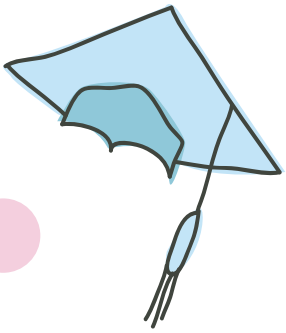
Mobile communication network and smart visual / R&D of critical technology for smart campus

International College of Semiconductor Technology, NCTU
Assistant Professor
Y.C. Kuan

Electrical and Computer Engineering (ECE)
Assistant Professor Professor
Hsueh-Cheng "Nick" Wang

College of Computer Science
Assistant Professor
Chi-Yu Li

College of Computer Science
Assistant Professor
Yung-Ju Chang



Rewarded over 500 Graduates and Ph.D. Students

MediaTek has actively promoted the development of technological knowledge and scientific education to promote scientific and technological research and encourage and assist graduate students who wish to undertake Ph.D. studies in Taiwan. To foster future talent in technological research and education in Taiwan and enhance our nation's competitive advantage in relevant research in the future, the "MediaTek Taiwan Ph.D. Scholarship" was founded in 2002 and the "Innovative Research Center Scholarship" was launched in 2014. These scholarships aim to incentivize outstanding graduate students in electrical engineering and information fields to study toward Ph.D. degrees in Taiwan. A total of 58 Ph.D. students have received this scholarship, each of whom can research using NTD 35,000 to NTD 50,000 on a monthly basis for up to 48 months. This allows them to concentrate on their fundamental research programs without financial burdens. This scholarship has already aided over 500 Master and Ph.D. students, showing significant contributions, as many of the scholarship recipients have already started to contribute their expertise and knowledge through either working in relevant industries or assuming teaching positions. Moreover, as ASEAN and southern Asian markets are rapidly emerging, MediaTek launched the "Scholarship for ASEAN and Southern Asian students for studying in Taiwan" in 2017. The purpose of this grant is to encourage the inflow of talent from Southeast Asia, lead to more academic exchange, and enhance our industry. Each year, the scholarship will choose up to 12 candidates to receive USD$10 thousand to promote outstanding students from these regions to undertake graduate studies in Taiwan. In particular, we wish to encourage Indian students to undertake Ph.D. studies and research in Taiwan to promote academic and technical exchange and to enhance the positive relations between Taiwan and India.

Support for High-tech Interactions

Semiconductor/ communications	2016 IEEE ICME (International Conference on Multimedia and Expo)
	2016 SASIMI (Synthesis And System Integration of Mixed Information)
	2016 ACCV (Asian Conference on Computer Vision) at Gold level.
	2016 CTHPC (Compiler Techniques and System Software for High-Performance and Embedded Computing)
	2016 ISNE (International Symposium on Next-Generation Electronics)
	2016 CAD Contest
	NTU EE Technology Promotion Seminar
	6th Cross-Strait University IC Design Seminar - Institute of Microelectronics, Tsinghua University
	Micro Sensors and Actuators Technology Consortium, uSAT
	5G Technology Workshop: booth deco & TV rental service
	2016 APCAP (Asia-Pacific Conference on Antennas and Propagation)
	UCLA fellowship program for 2 students (Year 1) with project made on 6/16/2016.
Medical	2016 SEMBA (Symposium on Engineering, Medicine and Biology Applications)
	Clinical trials and expense for "Signal Analysis of Smart Watch in Cardiovascular Diseases and Applications" of Dr. Jyh-Ming Jimmy Juang

SOCIAL WELFARE AND COMMUNITY

3 PRIMARY OBJECTIVES FROM VOLUNTEER CLUB

TALENT DEVELOPMENT

Volunteers for Popular Science

Collaborate with National Chiao Tung University and Hsinchu Wufeng Elementary School to promote experiments relevant to LinkIt and reading popular science stories to elementary school students

COMMUNITY BUILDING

Community Volunteers

Collaboration with Lung Shan Elementary School

Teaching moral fiber at schools

CORPORATE VOLUNTEERS

Volunteers for Joint Charity Sale

Donated proceeding from charity sale of artwork to World Vision to serve as financial aid for students at remote regions

Realizing the Vision of a Corporate Volunteer through Integrity

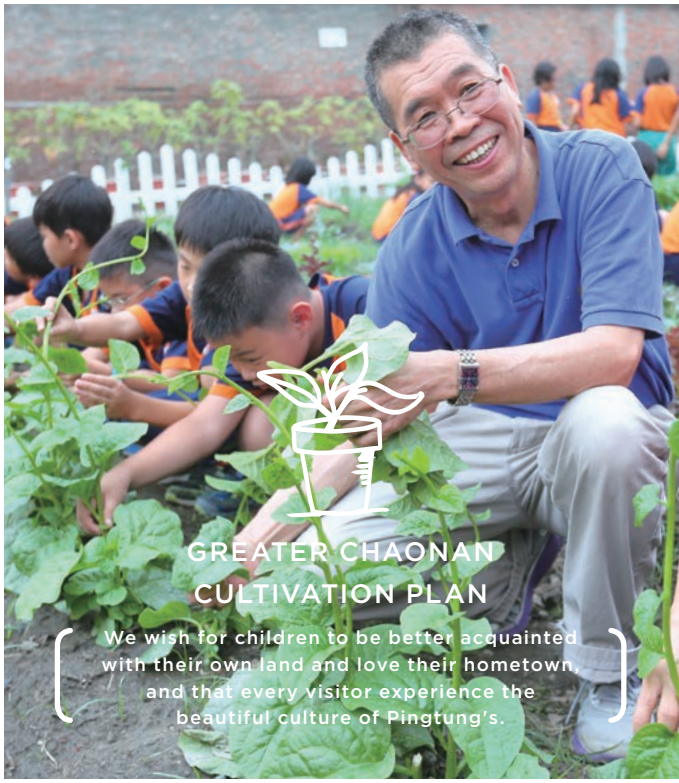
"Realizing our responsibility as corporate citizens" is MediaTek's management vision. We hope to lead every MediaTek employee to empathize through simple welfare actions and find more ways to help and give back to society. MediaTek has co-hosted various charity volunteer activities with local charities as early as 2003. In order to encourage employees to interact with society and give back, so that our employees can understand that there are still many individuals and groups who need our caring and assistance. Over the years, volunteer activities have always been proactively initiated by our employees. In order to continue to help disadvantaged groups that require assistance, we formally founded the Volunteers Club in 2012, and we hope to expand MediaTek's social influence through systematic management. In 2015, we formally passed the volunteer holiday policy, and we encourage MediaTek employees to actively participate in social welfare activities and realize their own responsibilities as corporate citizens under the three primary aspects of "talent fostering", "community building", and "corporate volunteering".

In 2016, our Volunteer Club was divided into three sections: volunteers for scientific education, community volunteers, and volunteers for joint charity sale. In particular, the volunteers for scientific education collaborated with NCTU and Wufeng Elementary School to conduct experiences. Our volunteers also read popular science stories to the students, sparking interest for scientific knowledge. Moreover, the community volunteers also traveled to Longshan Elementary School to convey the positive concepts of character and integrity to students through reading stories and other teaching activities. Finally, the charity sale volunteers hosted a year-end joint charity sale, in which more than 100 works of art from our colleagues were sold and the proceeds from the artwork auction, NT$1 million, were donated to World Vision to help finance education for students residing in remote areas.

Greater ChaoNan Cultivation Plan - Preserving the Land

MediaTek Foundation has been consistently paying close attention to the topic of education in Taiwan for more than ten years. Chairman Mr. Ming-Kai Tsai is particularly focused on the education and environment of children in his hometown, Pingtung. Over the years, he has donated nearly NTD 130 million to the area for disadvantaged groups and to help in enhancing the quality of local education. Chairman Tsai especially wishes for children in his hometown to get to know their town and then bravely explore the outside and learn from sources outside of textbooks. Hence, MediaTek Foundation has partnered with Lovely Taiwan Foundation to jointly launch the "Greater ChaoNan Cultivation Plan". We will first introduce educational resources on humanities and popular science to promote the preservation of local culture. We wish for children to be better acquainted with their own land and love their hometown, and that every visitor experience the beautiful culture of Pingtung's.

The Greater ChaoNan Cultivation Plan is a four-year scheme that will launch initiatives including "Chao Academy", "Agriculture Plan@Chao Nan Elementary School", "Blue Sky", and "Touring through Greater ChaoNan Region" over the years. We plan to blend the beautiful nature and humanitarian aesthetics and culture in Chaozhou and Nanzhou, Pingtung. The unique school agricultural project in the Greater ChaoNan Cultivation Plan fully demonstrates our Chairman's love for his homeland and his commitment for the sustainable development of Taiwan. He wishes for children to understand and protect the natural and cultural environment and preserve the lasting beauty of our land.



Touring through Greater Chaonan Region

Through integrating the natural resources and unique points of Chaozhou and Nanzhou, we cultivated a localized, in-depth tourism model

Chao Academy

This is an academy for elementary school students as well as the society. We will call on scholars and experts from various fields to enter the Greater Chaonan Region and to promote education and reasoning.

Blue Sky

We entered the two elementary schools, Chao Nan and Nanzhou in collaboration with Cloud Gate, where we lead the school children to find themselves both physically and mentally.

Agriculture Plan@Chao Nan Elementary School

Through collaborating with two elementary schools in remote regions, Chao Nan and Nanzhou, and an acre of school farm, we will attempt to transform and internalize the love of our homeland into the daily lives and value of the children.

Helped to Realize 1,800 Wishes

For the 12th consecutive year, MediaTek has again called on our employees to participate in welfare actions and collaborated with the Hsinchu branch of TFCF on the "Spreading Love to Aboriginal Counties" project. Our colleagues collect and select comprehensive, thoughtful gift baskets before the Mid-Autumn Festival each year to be sent to aboriginal tribes in Zhudong and Jianshi so that local disadvantaged families can also enjoy the heartfelt atmosphere and festivities. As of 2016, MediaTek volunteers' footsteps have covered institutions with needs throughout Hsinchu and Miaoli. MediaTek's social participation is a circle that continues to expand outward. Besides aboriginal counties, we have also contributed toward other institutions, including the Hsinchu branch of the Taiwan Fund of Children and Families (TFCF), Ren'Ai Family, and the Yu-An Children's Home. In addition to caring and interactions, our volunteers have also reached out to various organizations to integrate resources to create even greater impacts. At year's-end in 2016, we hosted a "Spreading Love during Christmas" event, and over 1,800 wishes were quickly selected and granted.

Blood Donation Drive 2016

Blood Donation Drive to Save Lives' - With the help of media and self-initiated encouragement from our employees, since 2007, MediaTek has voluntarily hosted a blood donation drive two seasons at the Hsinchu Blood Center to help the Center overcome routine periods of low blood reserve. In 2016 and in the spirit of "helping to save lives through blood donation", three blood donation drive events were initiated, and more will be hosted in the future.

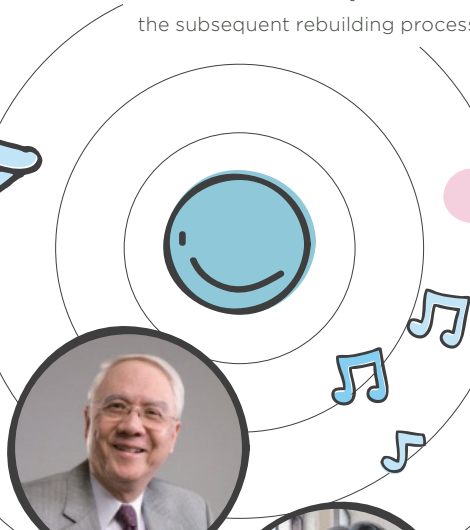
Disaster relief for Tainan Earthquake

During times of disaster, MediaTek is always there to support the public's needs. At the beginning of 2016, an earthquake in Tainan jolted half of the entire population awake in the early morning and brought disastrous damages to Tainan and Kaohsiung. In response, MediaTek immediately announced that a NTD 10 million would be donated to Tainan City Government for disaster relief and the subsequent rebuilding process.

Sole Sponsor of the Voice of IC Broadcasting Radio Station

"The world may be changed with just a concept, though changing current social disorder may require further development of humanistic literacy"

In order to fulfill the "I care, I can, I change" founding philosophy of the Voice of IC radio station, MediaTek has been sponsoring two programs: I like talking and you like laughing by Chung-Laung Liu, former president of NTHU, and Conversations with History by scholar Tsann-Liang Liu. With in-depth analysis of historical personalities and events, the programs are hoping to convey the models of history, value judgment, and reflection on modern society to every audience in the community and to develop the general public's ability to think independently and increase their involvement in social welfare activities through the process of sharing.



I like talking and you like laughing
Chung-Laung Liu

Conversations with History
Tsann-Liang Liu

APPENDIX

Associations

Category	Participating Units
Internet Communication	European Telecommunications Standards Institute, ETSI
	MIPI Alliance
	25 Gigabit Ethernet Consortium
	Open Networking Foundation
	Peripheral Component Interconnect Special Interest Group, PCI-SIG
	Global Certification Forum, GCF
Multimedia	Video Electronics Standards Association
	Audio Engineer Society, AES
	Blu-ray Disc Association, BDA
	The DVD Copy Control Association
	Society of Motion Picture & Television Engineers, SMPTE
Semiconductor	Global Semiconductor Alliance, GSA
	JEDEC Solid State Technology Association
	SD Card Association
	Taiwan Semiconductor Industry Association, TSIA
	USB Implementers Forum, USB-IF
	The Serial ATA International Organization, SATA
Laboratory	Microsystems Technology Laboratories, MTL
	University of New Hampshire InterOperability Laboratory, UNH-IOL

Note: MediaTek is a member of the above associations

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INDEPENDENT ASSURANCE REPORT

SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE MediaTek Inc.'s CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2016

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by MediaTek Inc. (hereinafter referred to as MTK) to conduct an independent assurance of the Corporate Social Responsibility Report for 2016 (hereinafter referred to as CSR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in this report.

The information in the MTK's CSR Report of 2016 and its presentation are the responsibility of the directors or governing body and the management of MTK. SGS has not been involved in the preparation of any of the material included in MTK's CSR Report of 2016.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all MTK's stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (2013) for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured using our protocols for:

- evaluation of content veracity at a moderate level of scrutiny for MTK and moderate level of scrutiny for subsidiaries and applicable aspect boundaries outside of the organization covered by this report;
- AA1000 Assurance Standard (2008) Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008); and
- evaluation of the report against the Global Reporting Initiative Sustainability Reporting Guidelines (G4 2013).

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, CSR committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant. Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from MTK, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, EICC, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

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VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within MTK's CSR Report of 2016 verified is accurate, reliable and provides a fair and balanced representation of MTK sustainability activities in 01/01/2016 to 12/31/2016.

The assurance team is of the opinion that the Report can be used by the Reporting Organisation's Stakeholders. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting. In our opinion, the contents of the report meet the requirements of GRI G4 Core Option and AA1000 Assurance Standard (2008) Type 1, Moderate level assurance.

AA1000 ACCOUNTABILITY PRINCIPLES (2008) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

MTK has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, CSR experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, MTK may proactively consider having more direct two-ways engagement with its stakeholders.

Materiality

MTK has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

Responsiveness

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES (G4 2013) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, MTK's CSR Report of 2016, is adequately in line with the GRI G4 Core Option. The material aspects and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material aspects and boundaries, and stakeholder engagement, G4-17 to G4-27, are correctly located in content index and report. Disclosures on sustainability governance in highest governance level may be considered in future reports. Disclosures on the specific actions taken to achieve goals and targets set to be enhanced. More disclosures on results of supply chain management, as well as more disclosures on EN, LA6, HR and SO are encouraged in next report.

Signed:
For and on behalf of SGS Taiwan Ltd.

David Huang, Director
Taipei, Taiwan
29 June, 2017
WWW.SGS.COM

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