

## II. Corporate Governance Report

### 1. Information on Directors and Management

#### 1.1 Directors

2025.4.7

| Title     | Nationality / Companies Registry | Name                                       | Gender Age | Date Elected | Term (Years) | Date First Elected (Note) | Shareholding when Elected |                  | Current Shareholding |                  | Spouse & Minor Shareholding |                  | Shareholding by Nominee Arrangement |                  | Experience (Education)  | Currently holds positions in this company and other companies   | Executives, Directors or Supervisors who are spouses or within two degrees of kinship |      |          | Note |
|-----------|----------------------------------|--|------------|--------------|--------------|---------------------------|---------------------------|------------------|----------------------|------------------|-----------------------------|------------------|-------------------------------------|------------------|---|---|---|------|----------|------|
|           |                                  |  |            |              |              |                           | shares                    | Shareholding (%) | shares               | Shareholding (%) | shares                      | Shareholding (%) | shares                              | Shareholding (%) |   |   | Title   | Name | Relation |      |
| Chairman  | R.O.C                            | Ming-Shieh Li                              | M 61-70    | 20240524     | 3            | 20240524                  | 118,000                   | 0.01%            | 318,000              | 0.01%            | 0                           | 0%               | 0                                   | 0%               | National Taiwan University<br>Department of Economics   | <ul style="list-style-type: none"> <li>Chairman, TECO Electric &amp; Machinery Pte. Ltd. (Singapore)</li> <li>Independent Director, Lion Travel Service Co., Ltd. etc</li> </ul>                | -   | -    | -        |      |
| Vihairman | R.O.C                            | Ho Yuan International Investment Co., Ltd. | -          | 20240524     | 3            | 20210723                  | 50,420,000                | 2.36%            | 50,420,000           | 2.36%            | 0                           | 0%               | 0                                   | 0%               | State of New York, USA<br>Syracuse University<br>Master's Degree in Financial Management                                | <ul style="list-style-type: none"> <li>Chairman, TECO-Westinghouse Motor Company (USA)</li> <li>Director, Yong Guan Energy Co., Ltd., etc.</li> </ul>   | -   | -    | -        |      |
|           |                                  | Representative: Su- Chiu Wu                | F 61-70    | 20240524     | 3            | 20240524                  | 0                         | 0%               | 0                    | 0%               | 0                           | 0%               | 0                                   | 0%               |   |   |   |      |          |      |
| Director  | R.O.C                            | Tung Kuang Investment Co., Ltd             | -          | 20240524     | 3            | 20000421                  | 31,991,364                | 1.50%            | 31,991,364           | 1.50%            | 0                           | 0%               | 0                                   | 0%               | Master of Business Administration,<br>University of Michigan, USA   | <ul style="list-style-type: none"> <li>Chairman, Taiwan Pelican Express Co., Ltd.</li> <li>Chairman, Motovario S.p.A, etc.</li> </ul>   | -   | -    | -        |      |
|           |                                  | Representative: Chwen-Jy Chiu              | F 61-70    | 20240524     | 3            | 20060615                  | 0                         | 0%               | 2,593,068            | 0.12%            | 16,987                      | 0.00%            | 0                                   | 0%               |   |   |   |      |          |      |
| Director  | R.O.C                            | Jong-Chin Shen                             | M 71-80    | 20240524     | 3            | 2040524                   | 0                         | 0%               | 0                    | 0%               | 0                           | 0%               | 0                                   | 0%               | National Taipei University of Technology<br>Graduate Institute of Business Automation and Management<br>Master's Degree | <ul style="list-style-type: none"> <li>Senior Advisor to the President, Office of the President, Republic of China (Taiwan)</li> <li>Vice Chairman, KGI Financial Holdings Co., Ltd.</li> </ul> | -   | -    | -        |      |
| Director  | R.O.C                            | Tong Ho Global Investment Co., Ltd.        | -          | 20240524     | 3            | 20000421                  | 2,240,262                 | 0.10%            | 2,240,262            | 0.10%            | 0                           | 0%               | 0                                   | 0%               | Fu Jen Catholic University<br>Department of Economics   | <ul style="list-style-type: none"> <li>Chairman, Sen Yeh Construction Co., Ltd.</li> <li>Independent Director, Auretek Corporation, etc.</li> </ul>   | -   | -    | -        |      |
|           |                                  | Representative: Cheng-Tsung Huang          | M 61-70    | 20240524     | 3            | 19910508                  | 0                         | 0%               | 15,279,849           | 0.71%            | 2,110,934                   | 0.10%            | 0                                   | 0%               |   |   |   |      |          |      |
| Director  | R.O.C                            | Ho Yuan International Investment Co., Ltd. | -          | 20240524     | 3            | 20210723                  | 50,420,000                | 2.36%            | 50,420,000           | 2.36%            | 0                           | 0%               | 0                                   | 0%               | Cornell University, USA<br>Ph.D. in Policy Analysis and Management  | <ul style="list-style-type: none"> <li>Chairman, YuShan International Consulting Co., Ltd.</li> <li>Director, Pau Jar Charity Foundation, etc.</li> </ul>                                       | -   | -    | -        |      |
|           |                                  | Representative: Show-Shoun Chou            | M 51-60    | 20240524     | 3            | 20210723                  | 0                         | 0%               | 6,000                | 0.00%            | 0                           | 0%               | 0                                   | 0%               |   |   |   |      |          |      |

| Title                   | Nationality/<br>Companies<br>Registry | Name                       | Gender<br>Age | Date<br>Elected | Term<br>(Years) | Date First<br>Elected<br>(Note) | Shareholding when Elected |                     | Current Shareholding |                     | Spouse & Minor<br>Shareholding |                     | Shareholding by<br>Nominee<br>Arrangement |                     | Experience (Education)  | Currently holds positions in this<br>company and other companies   | Executives, Directors or<br>Supervisors who are<br>spouses or within two<br>degrees of kinship |      |          | Note |
|-------------------------|---------------------------------------|----------------------------|---------------|-----------------|-----------------|---------------------------------|---------------------------|---------------------|----------------------|---------------------|--------------------------------|---------------------|---|---------------------|---|--|--|------|----------|------|
|                         |                                       |                            |               |                 |                 |                                 | shares                    | Shareholding<br>(%) | shares               | Shareholding<br>(%) | shares                         | Shareholding<br>(%) | shares                                    | Shareholding<br>(%) |   |  | Title  | Name | Relation |      |
| Director                | R.O.C                                 | Creative<br>Sensor Inc     | -             | 20240524        | 3               | 20090619                        | 46,987,000                | 2.20%               | 46,987,000           | 2.20%               | 0                              | 0%                  | 0   | 0%                  | Harvard University, USA<br>Master's Degree, East<br>Asian Studies   | ● Director and Chief Operating<br>Officer, Universal Cement<br>Corporation   | -  | -    | -        |      |
|                         | R.O.C                                 | Representative:<br>Jack Ho | M<br>31-40    | 20240524        | 3               | 20221222                        | 0                         | 0%                  | 0                    | 0%                  | 0                              | 0%                  | 0   | 0%                  |   | ● Director, Tainan Spinning Co., Ltd.,<br>etc.   | -  | -    | -        |      |
| Independent<br>Director | R.O.C                                 | Hsieh-Hsing<br>Huang       | M<br>61-70    | 20240524        | 3               | 20210723                        | 0                         | 0%                  | 0                    | 0%                  | 0                              | 0%                  | 0   | 0%                  | National Chengchi University<br>Master's Degree in Law<br>National Sun Yat-sen<br>University<br>Master's Degree in Business<br>Administration | ● Managing Partner (Founder),<br>Chung Sun Certified Public<br>Accountants<br>● Independent Director, China<br>Airlines Ltd. | -  | -    | -        |      |
| Independent<br>Directo  | R.O.C                                 | Chao-Chin<br>Tung          | M<br>71-80    | 20240524        | 3               | 20240524                        | 0                         | 0%                  | 0                    | 0%                  | 0                              | 0%                  | 0   | 0%                  | State of New York, USA<br>University of Rochester<br>Master's Degree in Materials<br>Science  | ● Independent Director, Powertech<br>Technology Inc.<br>● Director, Homeplus Digital Co., Ltd                                | -  | -    | -        |      |
| Independent<br>Directo  | R.O.C                                 | Hui-Yiu Chen               | M<br>51-60    | 20240524        | 3               | 20240524                        | 0                         | 0%                  | 0                    | 0%                  | 0                              | 0%                  | 0   | 0%                  | National Taiwan University<br>Department of Animal Science<br>and Technology  | ● Chairman, Choice Development<br>Inc.<br>● Independent Director, Senao<br>Networks Inc, etc.                                | -  | -    | -        |      |
| Independent<br>Directo  | R.O.C                                 | Mei-Chun<br>Chao           | M<br>51-60    | 20240524        | 3               | 20240524                        | 0                         | 0%                  | 0                    | 0%                  | 0                              | 0%                  | 0   | 0%                  | National Taiwan University<br>Master's Degree in Law<br>Columbia University, USA<br>Master of Laws (LL.M.)                                    | Independent Director, Global<br>Communication Semiconductor<br>Holdings Ltd. (Incorporated in the<br>Cayman Islands), etc.   | -  | -    | -        |      |

### 1.1.1 Major shareholders of the corporate shareholder

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| Corporate shareholder                      | Major shareholders of the corporate shareholder   |
|--|---|
| Ho Yuan International Investment Co., Ltd. | Five Star Asset Management Co., Ltd. (100%)   |
| Tung Kuang Investment Co., Ltd             | Kuang Yuan Industrial Co., Ltd. (39.27%), Ho-Hui Huang-Lin (35.01%), Bright Industry (HK) Co., Ltd. (12.73%), Tong Ho Global Investment Co., Ltd. (6.00%), Others (6.99%)   |
| Tong Ho Global Investment Co., Ltd         | Shang-Li Huang (25.89%), Po-Yuan Wang (20%), Kuang Yuan Industrial Co., Ltd. (29.5%), Yu-Jen Huang (17.78%), Others (6.83%)   |
| Creative Sensor Inc                        | Teco Image Co., Ltd. (19.39%), Universal Cement Corporation (8.83%), Tien Da Investment Co., Ltd. (8.28%), Universal Cement Investment Co., Ltd. (6.04%), Kuan-Ling Electronics Co., Ltd. (3.82%), Creative Sensor Inc. (Treasury Shares 3.38%), Kao-Huang Lin (1.56%), Ah-Chung Hou (1.29%), Ho-Kuei Lai (0.75%), Jung-Huang Liu (0.57%) |

1.1.2 For any of the aforementioned major shareholders that are legal entities, their respective major shareholders are as follows.

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| Corporate shareholder                | Major shareholders of the corporate shareholder   |
|--------------------------------------|---|
| Five Star Asset Management Co., Ltd  | Yi-Tsai Lin (16.67%), Hsin-Pao Lin (16.67%), Ming-Ku Lin (16.67%), Yi-Wen Lin (16.67%), Ming-Yuan Lin (16.67%), Hai Lin-Chen (8.33%), Shu-Chiung Tseng (4.16%), Shu-Chen Pai (4.16%)  |
| Kuang Yuan Industrial Co., Ltd       | Tung Kuang Investment Co., Ltd. (34.46%), Ho-Hui Huang-Lin (51.58%), Bright Industry (HK) Co., Ltd. (10.0%), Tong Ho Global Investment Co., Ltd. (0.74%), Others (3.22%)  |
| Bright Industry (HK) Co., Ltd        | Mei-Ling Teng (100%)  |
| Tong Ho Global Investment Co., Ltd.  | Shang-Li Huang (25.89%), Po-Yuan Wang (20%), Kuang Yuan Industrial Co., Ltd. (29.5%), Yu-Jen Huang (17.78%), Others (6.83%)   |
| Teco Image System Inc.               | Creative Sensor Inc. (29.69%), Tien Da Investment Co., Ltd. (10.45%), Koryo Co., Ltd (10.15%), Anfu International Investment Co., Ltd. (9.41%), Tong An Investment Co., Ltd. (5.50%), TECO International Investment Co., Ltd. (4.52%), Kuang Yuan Industrial Co., Ltd. (4.24%), Citibank Custody – UBS Europe SE Investment Account (0.77%), Tong Ho Global Investment Co., Ltd. (0.45%), and Antai International Investment Co., Ltd. (0.44%). |
| Universal Cement Corporation         | Sheng Yuan Investment Co., Ltd. (10.32%), Yu Sheng Investment Co., Ltd. (10.29%), Po-Yi Hou (7.93%), HSBC Custody – Bit Bank Investment Account (4.87%), Bo-Chih Investment Co., Ltd. (4.27%), Su-Chin-Chien Hou (3.43%), Standard Chartered Custody – DBS Bank Account No. 0600049662 (3.09%), Po-Yu Hou (2.76%), Wu Chun-Hsien Education and Charity Foundation (1.79%), and Long Yi Chang Gravel Co., Ltd. (1.45%).                          |
| Tien Da Investment Co., Ltd.         | Creative Sensor Inc. (29.85%), Kuan-Ling Electronics Co., Ltd. (27.27%), Teco Image System Inc. (25.17%), Lien Chang Electronics Co., Ltd. (9.79%), Multilite Co., Ltd. (6.99%), and Jih Sheng Co., Ltd. (0.92%).   |
| Universal Cement Investment Co., Ltd | Universal Cement Corporation (100%)   |
| Koryo Co., Ltd                       | Teco Image System Inc. (19.29%), Creative Sensor Inc. (19.07%), Multilite Co., Ltd. (11.30%), Chuan-Fu Lü (10.95%), Tien Da Investment Co., Ltd. (9.82%), Tse-Hang Yang (2.91%), Joyce Worldwide Co., Ltd. (2.91%), Ching-Fen Yang (2.34%), Ho-Hui Huang-Lin (2.22%), and Mao-Hsiung Huang (0.94%).   |

### 1.1.3 Disclosure of Directors' Professional Qualifications, Experience, and Independence

| Disclosure Criteria<br>Name  | Professional Qualifications and Experience:   | Independence Status:   | Number of Independent Directorships in Other Public Companies: |
|--|---|--|--|
| <p>Ming-Shieh Li</p> <p><input checked="" type="checkbox"/> Convener<br/><input checked="" type="checkbox"/> Convener</p> <p>(Note1)</p>   | <p>Chairman Li graduated from the Department of Economics at National Taiwan University. He currently serves as an independent director of Lion Travel Service Co., Ltd. He previously held key leadership positions including Chairman of CTBC Bank, Director of the Straits Exchange Foundation, Director of the Bankers Association of Taipei, President of China Guangfa Bank, and Chairman of Citibank Taiwan. He was also honored with the “Best CEO in Taiwan” award by <i>The Asian Banker</i>. Since assuming the position of Chairman of TECO in May 2024, Chairman Li has respected the company's existing culture and legacy, continuously leveraging its technological advantages to develop new energy-efficient products and seize decarbonization business opportunities—creating greater value for shareholders, employees, and society. Chairman Li has over 20 years of experience in multinational financial management, with expertise in corporate leadership, international sales and marketing, and ESG practices. He has no disqualifying circumstances as specified under Article 30 of the Company Act.</p>  | <p>Chairman Li, a natural person, also serves as a director of affiliated companies. He meets all independence criteria set forth in Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” issued by the Financial Supervisory Commission.</p>  | 1  |
| <p>Ho Yuan International Investment Co., Ltd.<br/>Representative : Su-Chiu Wu</p> <p><input checked="" type="checkbox"/> Member<br/><input checked="" type="checkbox"/> Member</p> | <p>Vice Chairman Wu holds a bachelor's degree in Taxation from National Chengchi University, a Master's in Financial Management from Syracuse University (New York, USA), and an EMBA from INSEAD (France). She currently serves as a director of Yung-Kuan Energy Co., Ltd. Her previous roles include General Manager of Jiayuan Investment Co., Ltd., Chief Strategy Officer of Pau Jar Asset Management, Senior Financial Advisor at Siris Capital Group (a private equity firm in New York), Corporate Representative Director, CFO, Spokesperson, and Director of the Treasury Department at Cosmos Bank (formerly KGI Commercial Bank), and Deputy CFO of Cathay Financial Holdings and Cathay United Bank.</p> <ul style="list-style-type: none"> <li>• Risk Management Experience: As a member of the Company's Corporate Governance and Sustainability Committee, she is involved in the execution and oversight of risk management activities concerning sustainability, regulatory compliance, and information security.</li> </ul> <p>Vice Chairperson Wu has over 20 years of experience in financial management and strategic planning, with expertise in international mergers and acquisitions, corporate restructuring, and ESG advancement. She has no disqualifying conditions as stipulated under Article 30 of the Company Act.</p> | <p>Vice Chairperson Wu serves as a director of affiliated companies and represents the corporate shareholder Ho-Yuan International Investment Co., Ltd. She otherwise meets all independence criteria stipulated in Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” issued by the Financial Supervisory Commission.</p> | 0  |

| Disclosure<br>Criteria<br>Name   | Professional Qualifications and Experience:   | Independence Status:   | Number of<br>Independent<br>Directorships<br>in Other Public<br>Companies: |
|--|---|--|--|
| <p>Tung Kuang Investment Co., Ltd<br/>Representative :<br/>Chwen-Jy Chiu</p> <p><input checked="" type="checkbox"/> Convener<br/><input checked="" type="checkbox"/> Member<br/><input checked="" type="checkbox"/> Member</p> | <p>Director Chiu graduated from the College of Commerce at National Taiwan University, and subsequently obtained a Master's degree in Accounting from National Chengchi University and an MBA from the University of Michigan, USA. She previously served as Deputy General Manager of the Business Division at ABN AMRO Bank, Taipei Branch.</p> <p>• <b>Industry Experience:</b> Joined TECO Electric &amp; Machinery's management team in 1997 and has held positions including Director of Finance, Associate Vice President of the Home Appliance Division, Executive Vice President, President, and Chairperson.</p> <p>• <b>Risk Management Experience:</b> Serves as the convener of the Company's Corporate Governance and Sustainability Committee, which oversees risk management execution related to sustainability, regulatory compliance, and information security.</p> <p>• <b>Information Security Experience:</b> During her term as Chairperson, she oversaw TECO Group's digital transformation and information security strategies. On November 4, 2021, the Group obtained certifications for ISO/IEC 27001 and CNS 27001:2014 Information Security Management System (ISMS), and joined TWCERT/CC.</p> <p>Director Chiu has over 20 years of experience in the electromechanical equipment industry and possesses expertise in electric vehicles, smart automation, smart cities, renewable energy, corporate leadership, international sales and marketing, and ESG. She has no disqualifying conditions under Article 30 of the Company Act.</p> | <p>Director Chiu serves as a director and chairperson of affiliated companies and represents the corporate shareholder Tung-Kuang Investment Co., Ltd.</p> <p>She otherwise meets all independence criteria stipulated in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission.</p> | 0  |

| Disclosure<br>Criteria                                       | Professional Qualifications and Experience:  | Independence Status:  | Number of<br>Independent<br>Directorships<br>in Other Public<br>Companies: |
|--|--|---|--|
| Name   |  |   |  |
| Jong-Chin Shen<br><input checked="" type="checkbox"/> Member | <p>Director Shen holds a master's degree from the Graduate Institute of Business Automation and Management at National Taipei University of Technology, and was awarded an honorary Doctor of Engineering degree by the same university. He currently serves as a Senior Advisor to the Office of the President, Vice Chairman of KGI Financial Holdings Co., Ltd., and Independent Director of Gudeng Precision Industrial Co., Ltd.</p> <p>He has previously held numerous high-ranking public service positions, including Vice Premier and Chief Cybersecurity Officer of the Executive Yuan, Minister of Economic Affairs, Director General of the Industrial Development Bureau, Executive Director of the Central Bank, Convener of the National Financial Stabilization Fund Committee, Convener of the Price Stabilization Task Force, Commissioner of the Financial Supervisory Commission, and Executive Director of the Industrial Technology Research Institute (ITRI).</p> <p>• <b>Industry Experience:</b> During his tenure as Vice Premier and Minister of Economic Affairs, Director Shen actively promoted industrial and energy transformation policies, establishing Taiwan as a global hub for advanced manufacturing, semiconductor processes, high-tech R&amp;D, and green energy. He also spearheaded the "Invest Taiwan" initiatives, attracting over NT\$2.5 trillion in investments by 2025, laying a solid foundation for Taiwan's economic growth.</p> <p>• <b>Risk Management Experience:</b> As convener of the National Financial Stabilization Fund, a member of the Financial Supervisory Commission, and leader of the Price Stabilization Task Force, he helped maintain the stability of Taiwan's capital and financial markets and ensured price stability in response to major domestic and international events.</p> <p>• <b>Information Security Experience:</b> While serving as Chief Cybersecurity Officer of the Executive Yuan, he elevated cybersecurity to the level of national security, oversaw responses to cyberattacks originating from mainland China, and supported the development of Taiwan's cybersecurity industry ecosystem.</p> <p>Director Shen has over 50 years of experience in industrial policy and development planning, with expertise in electric vehicles, smart automation, renewable energy, smart cities, and public policy. He has no disqualifying conditions under Article 30 of the Company Act.</p> | <p>Director Shen is a natural person and does not represent a corporate shareholder. He meets all independence criteria as stipulated in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission.</p> | 1  |

| Disclosure<br>Criteria<br>Name  | Professional Qualifications and Experience:  | Independence Status:  | Number of<br>Independent<br>Directorships<br>in Other Public<br>Companies: |
|---|--|---|--|
| Tong Ho Global<br>Investment Co., Ltd.<br>Representative :<br>Cheng-Tsung Huang   | <p>Director Huang graduated from the Department of Economics at Fu Jen Catholic University. He currently serves as Chairman of Sen Yeh Construction Co., Ltd. and as an Independent Director of Her Chee Precision Co., Ltd. He previously held positions such as Chairman of the Taipei Importers and Exporters Association (2012–2018) and Chairman of the Taiwan Corporate Sustainability Association (2015–2021).</p> <p>• <b>Industry Experience:</b> Director Huang has over 30 years of experience in the management of the electromechanical equipment industry, construction and engineering sector, and railway infrastructure sector. He possesses expertise in electric vehicles, smart automation, smart cities, renewable energy, land development, corporate leadership, international sales and marketing, and ESG. He has no disqualifying conditions under Article 30 of the Company Act.</p>  | <p>Director Huang serves as a director of the Company's affiliated enterprises and represents the corporate shareholder Tung-Ho International Investment Co., Ltd. He otherwise meets all independence criteria as stipulated in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission.</p> | 1  |
| Ho Yuan International<br>Investment Co., Ltd.<br>Representative :<br>Show-Shoun Chou<br><br><input checked="" type="checkbox"/> CS Member<br><input checked="" type="checkbox"/> S Member | <p>Director Chou holds a Ph.D. in Policy Analysis and Management from Cornell University, USA. He currently serves as Chairman of YuShan International Consulting Co., Ltd., and Director of the Pau Jar Charity Foundation. He previously served as a Legislator (2005–2012), Legislative Consultant, and Director of the National Policy Foundation.</p> <p>• <b>Industry Experience:</b> Former Vice Chairman of ADATA Technology Co., Ltd. (2012–2017), focusing on information storage solutions and technological innovation.</p> <p>• <b>Risk Management Experience:</b> Serves as a member of the Company's Corporate Governance and Sustainability Committee, which oversees risk management execution related to sustainability, regulatory compliance, and information security. Director Chou has over 20 years of experience in public policy and the electronic technology sector, with expertise in electric vehicles, smart cities, corporate leadership, and governmental policy. He has no disqualifying conditions under Article 30 of the Company Act.</p> | <p>Director Chou represents the corporate shareholder Ho-Yuan International Investment Co., Ltd. He otherwise meets all independence criteria as stipulated in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission.</p>   | 0  |



| <div>Disclosure Criteria</div> <div>Name</div>  | Professional Qualifications and Experience:   | Independence Status:   | Number of Independent Directorships in Other Public Companies: |
|---|---|--|--|
| Creative Sensor Inc<br>Representative: Jack Ho  | <p>Director Hou holds a bachelor's degree in Political Science from Columbia University and a master's degree from the Harvard University Regional Studies – East Asia program. He currently serves as Director and Chief Operating Officer of Asia Cement Corporation, and as a director of Uneo Inc., Grand Bills Finance Co., Ltd., and CHC Resources Co., Ltd.</p> <p>• <b>Industry Experience:</b> Former Deputy General Manager of Asia Cement Corporation, responsible for marketing in the electronics division. Director Hou has over 10 years of experience in cement and electronic technology industry operations, with expertise in international sales and marketing, smart automation, , and renewable energy. He has no disqualifying conditions under Article 30 of the Company Act.</p>   | <p>Director Hou represents the corporate shareholder Creative Sensor Inc. He otherwise meets all independence criteria as stipulated in Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” issued by the Financial Supervisory Commission.</p>   | 0  |
| Hsieh-Hsing Huang<br><input checked="" type="checkbox"/> Convener<br><input checked="" type="checkbox"/> Member<br><input checked="" type="checkbox"/> Member | <p>Independent Director Huang holds a bachelor's degree in Economics and a master's degree in Law from National Chengchi University, as well as an MBA from National Sun Yat-sen University. He is the founder and Managing Partner of Chung Shan United CPAs, and currently serves as Independent Director of China Airlines Co., Ltd. and as Advisor to the New Taipei Real Estate Association. He previously served as President of the New Taipei Tax Agents Association (2010–2012), President of the CPA Association of Taiwan Province (2019–2021), and Supervisor at Taiwan Salt Industrial Corporation (2007).</p> <p>• <b>Risk Management Experience:</b> Serves as Convener of the Company's Audit Committee, responsible for overseeing risk management related to financial and internal control matters.</p> <p>Independent Director Huang has over 30 years of experience in accounting, taxation, and administrative remedies, and is professionally equipped in electric vehicles, land development, corporate leadership, government strategy, ESG, and accounting. He has no disqualifying conditions under Article 30 of the Company Act.</p> | <p>Independent Director Huang met all independence qualifications both in the two years preceding appointment and throughout his tenure, in accordance with the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and Article 14-2 of the Securities and Exchange Act. All independent directors have been granted sufficient authority to participate in decision-making and exercise their duties independently in accordance with Article 14-3 of the Securities and Exchange Act.</p> | 1  |

| Disclosure<br>Criteria<br>Name   | Professional Qualifications and Experience:   | Independence Status:   | Number of<br>Independent<br>Directorships<br>in Other Public<br>Companies: |
|--|---|--|--|
| Chao-Chin Tung<br><input checked="" type="checkbox"/> Member<br><input type="checkbox"/> Convener<br><input type="checkbox"/> Member   | <p>Independent Director Tung holds a Master's degree in Materials Science from the University of Rochester, New York, USA. He currently serves as an Independent Director of Powertech Technology Inc. and as a Director of China Network Systems Co., Ltd. He previously served as Vice Chairman of CTBC Financial Holding Co., Ltd. (Stock Code: 2891), Vice Chairman of CDIB Capital Group (Stock Code: 2883), and Chairman of Taiwan Mask Corporation.</p> <p>• <b>Industry Experience:</b> Former Vice Chairman and CEO of Global Testing Corporation (2003–2023), and Vice Chairman of GCS Photomask Co., Ltd. (2012), focusing on components for hard disk drives and semiconductor photomask development.</p> <p>• <b>Risk Management Experience:</b> Serves as a member of the Company's Audit Committee, responsible for overseeing the execution of risk management related to financial and internal control matters.</p> <p>Independent Director Tung has over 30 years of experience in the financial and technology sectors, with expertise in corporate leadership, public policy, and emerging technologies. He has no disqualifying conditions under Article 30 of the Company Act.</p>   | <p>Independent Director Tung met all independence qualifications both in the two years preceding appointment and throughout his tenure, in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act.</p> <p>All independent directors have been granted sufficient authority to participate in decision-making and exercise their duties independently in accordance with Article 14-3 of the Securities and Exchange Act.</p> | 1  |
| Hui-Yiu Chen<br><input checked="" type="checkbox"/> Member<br><input type="checkbox"/> Member<br><input checked="" type="checkbox"/> Member<br><input type="checkbox"/> Member | <p>Independent Director Chen graduated from the Department of Animal Science and Technology at National Taiwan University. She currently serves as Chairperson of Autumn Rain Innovative Co., Ltd. (Stock Code: 9929), and as an Independent Director of Senao Networks Inc. (3558), Maywufa Co., Ltd. (1731), and Taichung Biotech Co., Ltd. (4169). She is also a Director of MiiS Technology Inc.</p> <p>• <b>Industry Experience:</b> Previously served as Vice Chairperson of Autumn Rain Innovative Co., Ltd. and Vice Chairperson of Senao International Co., Ltd., focusing on commercial printing, investment, telecommunications, and information technology applications.</p> <p>• <b>Risk Management Experience:</b> Serves as a member of both the Audit Committee and the Corporate Governance and Sustainability Committee of the Company, responsible for overseeing the execution of risk management concerning financial, internal control, sustainability, regulatory compliance, and information security risks.</p> <p>Independent Director Chen has over 20 years of experience in the insurance and technology industries, with expertise in corporate leadership and information and communication technology (ICT). She has no disqualifying conditions under Article 30 of the Company Act.</p> | <p>Independent Director Chen met all independence qualifications both in the two years preceding appointment and throughout her tenure, in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act.</p> <p>All independent directors have been granted sufficient authority to participate in decision-making and exercise their duties independently in accordance with Article 14-3 of the Securities and Exchange Act.</p> | 3  |

| Disclosure<br>Criteria<br>Name   | Professional Qualifications and Experience:  | Independence Status:   | Number of<br>Independent<br>Directorships<br>in Other Public<br>Companies: |
|--|--|--|--|
| Mei-Chun Chao<br><input checked="" type="checkbox"/> Member<br><input type="checkbox"/> Member<br><input checked="" type="checkbox"/> Member | <p>Independent Director Chao holds a Master of Laws (LL.M.) from both National Taiwan University and Columbia University, USA. She is licensed to practice law in Taiwan and the State of New York. She currently serves as the Managing Partner of Mei-Chun Chao Law Offices, an Arbitrator of the Chinese Arbitration Association, Taipei (CAA), and an Independent Director of Global Communication Semiconductor, Inc. (registered in the Cayman Islands).</p> <p>She previously served as Global Partner at JONES DAY, Chairperson of the Taiwan Chapter and Secretary General/Regional Vice President (Asia) of the International Federation of Women Lawyers (FIDA), Executive Director of the National Bar Association of Taiwan, and Chairperson of the Ethics Committee of the Taiwan Bar Association.</p> <p>• <b>Industry Experience:</b> Provides legal advisory services to clients in industries including energy, construction, aerospace, electronics, industrial machinery, air and sea transport, and logistics.</p> <p>• <b>Risk Management Experience:</b> Serves as a member of both the Company's Audit Committee and Corporate Governance and Sustainability Committee, responsible for risk management execution related to financial, internal control, sustainability, regulatory compliance, and information security risks. She also serves on the Audit Committee of Global Communication Semiconductor, Inc., and formerly as the convener of the Audit Committee of Chun-An Electronics Co., Ltd.</p> <p>• <b>Information Security Experience:</b> As Executive Director of the Taipei Bar Association, she was responsible for planning and overseeing the redevelopment of the Association's information systems as a member of its Information Technology Committee.</p> <p>Independent Director Chao has over 30 years of experience in legal practice and possesses expertise in engineering, energy, intellectual property, cross-border dispute resolution, and corporate law. She has no disqualifying conditions under Article 30 of the Company Act.</p> | <p>Independent Director Chao met all independence qualifications both in the two years preceding appointment and throughout her tenure, in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act.</p> <p>All independent directors have been granted sufficient authority to participate in decision-making and exercise their duties independently in accordance with Article 14-3 of the Securities and Exchange Act.</p> | 1  |

Note1 : Functional Committee :

A: Audit Committee

C: Compensation Committee

CS: Corporate Governance & Sustainability Committee

R: Research& Innovation Committee

N: Nomination Committee

S: Strategy Committee

## Board Diversity and Independence

### 1. Board Diversity

The Company is committed to implementing a board diversity policy, as set forth in its “Corporate Governance Best Practice Principles.” The policy outlines two major dimensions of diversity for board composition, including but not limited to the following:

**1.1 Basic attributes and values:** such as gender, age, nationality, ethnicity, and cultural background;

**1.2 Professional knowledge and skills:** including professional background (e.g., law, accounting, industry expertise, finance, marketing, or technology), specific competencies, and relevant industry experience.

At the 2024 Annual General Meeting (held on May 24, 2024), the Company elected 11 directors, including 4 independent directors. All members of the Board are distinguished professionals from the industry and academia, collectively possessing diverse and complementary experience across sectors as well as expertise in finance, accounting, law, and related disciplines. The current composition aligns with the objectives of the board diversity policy.

(Refer to Note 1: Implementation of Board Diversity Policy.)

The Company continues to advance gender diversity among board members. As of the latest election, the number of female directors increased from one to three, accounting for 27.27% of the board. While this ratio has not yet reached one-third, the primary constraint is the limited number of qualified female candidates with relevant expertise in the electromechanical industry. The Company will continue to actively seek recommendations from a broad range of sources and identify suitable candidates with the goal of achieving at least one-third representation of either gender.

#### **Management Objectives:**

- a. The Board shall include at least one female director;
- b. Independent directors shall comprise more than one-third of the Board;
- c. The number of directors concurrently serving as company executives shall not exceed one-third of the Board;
- d. No more than two directors shall have a spousal or second-degree family relationship.

#### **Status of Objective Achievement:**

- a. The Board currently includes **three female directors**, accounting for **27.27%** of all members; (Achieved)
- b. **Independent directors** account for **36.36%** of the Board; (Achieved)

- c. The number of directors concurrently serving as company executives does **not exceed one-third** of the Board; (Achieved)
- d. **No directors** have spousal or second-degree kinship relationships. (Achieved)

## 2. Board Independence

- a. The Company's Board comprises **11 directors**, of whom **6 directors (54.55%)** meet the independence criteria set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." Among them, **4 serve as independent directors**, accounting for **36.36%** of the Board.
- b. All independent directors have served **no more than three consecutive terms**, and **each holds independent directorships in no more than three other public companies**. Currently, **three independent directors have served for less than three years**, while **one has served between three to six years**.
- c. There are **no spousal or second-degree familial relationships** among any of the directors. (No circumstances as stipulated in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act apply.)
- d. All directors act with a high degree of self-discipline. In accordance with applicable regulations, **any director who has a conflict of interest in matters listed on the board agenda — whether on behalf of themselves or the legal entity they represent — must disclose the material facts of such interest, abstain from discussion and voting on the relevant resolution, and shall not act as proxy for other directors.**

Note 1: Implementation of Board Diversity Policy

| Item<br>Name                             | 1.1 Basic attributes and values |       |             | Date First Elected (YYYYMMDD) | Tenure as Independent Director | Professional Background/Experience Aligned with the Company's Future Development |                  |            |            |                  | Professional Knowledge and Skills  |                              |                                   |                      |     |           |            |       | Industry Experience |                       |                        |
|--|---------------------------------|-------|-------------|-------------------------------|--------------------------------|--|------------------|------------|------------|------------------|------------------------------------|------------------------------|-----------------------------------|----------------------|-----|-----------|------------|-------|---------------------|-----------------------|------------------------|
|  | Gender                          | Age   | Nationality |                               |                                | Electric Vehicles  | Smart Automation | Smart City | New Energy | Land Development | Leadership in Corporate Management | Government Policy & Strategy | International Sales and Marketing | Financial Management | ESG | Oversight | Accounting | Legal | Industrial Sector   | Electronic Technology | Finance and Accounting |
| Ming-Shieh Li                            | M                               | 61-70 | R.O.C       | 20240524                      | -                              |  |                  |            | •          |                  | •                                  |                              | •                                 | •                    |     |           |            |       |                     |                       | •                      |
| Su- Chiu Wu                              | F                               | 61-70 | R.O.C       | 20240524                      | -                              |  |                  |            | •          | •                | •                                  |                              |                                   | •                    | •   |           |            |       |                     |                       | •                      |
| Chwen-Jy Chiu                            | F                               | 61-70 | R.O.C       | 20060615                      | -                              | •  | •                | •          | •          |                  | •                                  |                              |                                   | •                    | •   |           | •          |       | •                   |                       | •                      |
| Jong-Chin Shen                           | M                               | 71-80 | R.O.C       | 20240524                      | -                              | •  | •                | •          | •          |                  | •                                  | •                            |                                   |                      | •   |           |            |       | •                   | •                     | •                      |
| Cheng-Tsung Huang                        | M                               | 61-70 | R.O.C       | 19910508                      | -                              | •  | •                | •          | •          | •                | •                                  |                              | •                                 |                      | •   |           |            |       | •                   |                       |                        |
| Show-Shoun Chou                          | M                               | 51-60 | R.O.C       | 20210723                      | -                              | •  |                  | •          |            |                  | •                                  | •                            |                                   |                      | •   |           |            |       | •                   | •                     |                        |
| Jack Ho                                  | M                               | 31-40 | R.O.C       | 20221222                      | -                              |  | •                | •          |            |                  |                                    |                              | •                                 |                      |     |           |            |       | •                   | •                     |                        |
| Hsieh-Hsing Huang (Independent Director) | M                               | 61-70 | R.O.C       | 20210723                      | 3-6                            |  |                  |            |            | •                | •                                  | •                            |                                   |                      | •   | •         | •          |       |                     |                       | •                      |
| Chao-Chin Tung (Independent Director)    | M                               | 71-80 | R.O.C       | 20240524                      | <3                             |  |                  |            | •          |                  | •                                  | •                            |                                   | •                    |     | •         |            |       | •                   |                       | •                      |
| Hui-Yiu Chen (Independent Director)      | M                               | 51-60 | R.O.C       | 20240524                      | <3                             |  |                  |            |            |                  | •                                  | •                            |                                   |                      | •   | •         |            |       | •                   |                       |                        |
| Mei-Chun Chao (Independent Director)     | M                               | 51-60 | R.O.C       | 20240524                      | <3                             |  |                  |            | •          | •                |                                    |                              |                                   |                      | •   | •         |            | •     | •                   |                       |                        |

## 1.2 The Management

2025.4.7

| Title                    | Nationality | Name             | Gender | Date Effective | Shareholding |       | Spouse & Minor Shareholding |       | Shareholding by Nominee Arrangement |    | Experience ( Education )  | Currently holds positions in other companies           | Managers who are Spouses or Within Two Degrees of Kinship |      |          | Note |
|--------------------------|-------------|------------------|--------|----------------|--------------|-------|-----------------------------|-------|-------------------------------------|----|---|--|---|------|----------|------|
|                          |             |                  |        |                | Shares       | %     | Shares                      | %     | Shares                              | %  |   |  | Title   | Name | Relation |      |
| President                | R.O.C       | Thomas Fann      | M      | 2022.04.07     | 0            | 0%    | 0                           | 0%    | 0                                   | 0% | Ph.D. Mechanical Engineering, University of Michigan  | Independent Director, Tongtai Machine & Tool Co., Ltd. | -   | -    | -        | Note |
| Vice President           | R.O.C       | Scott Chen       | M      | 2024.8.15      | 0            | 0%    | 0                           | 0%    | 0                                   | 0% | Texas Tech University, USA Master, Graduate Institute of Systems and Engineering Management                     | Director, Lien Chang Electronic Enterprise Co., Ltd.   | -   | -    | -        |      |
| Head of Business Group   | R.O.C       | Fei-yuan Kao     | M      | 106.01.01      | 247,857      | 0.01% | 305                         | 0%    | 0                                   | 0% | National Central University Master, Graduate Institute of Mechanical Engineering                                | Chairman, TECO (Vietnam) Electric Co., Ltd.            | -   | -    | -        |      |
| Head of Business Group   | R.O.C       | Sung-Pin Chang   | M      | 2015.08.12     | 145,130      | 0.01% | 0                           | 0%    | 0                                   | 0% | Bachelor of Chemical Engineering, National Tsing Hua University   | Director, YATEC Engineering Corporation                | -   | -    | -        |      |
| Head of Business Group   | R.O.C       | Chi-Tseng Peng   | M      | 2017.01.01     | 112,781      | 0.01% | 0                           | 0%    | 0                                   | 0% | Master of Telecom Engineering, University of Pittsburgh   | Chairman of A-Ok Technical Co., Ltd                    | -   | -    | -        |      |
| Chief Technology Officer | R.O.C       | Da-Jeng Yao      | M      | 114.01.06      | 0            | 0%    | 2,000                       | 0.00% | 0                                   | 0% | Ph.D. from the Department of Mechanical and Aerospace Engineering, University of California, Los Angeles (UCLA) | Director, TECO-Westinghouse Motor Company (USA)        | -   | -    | -        |      |
| Regional Head            | R.O.C       | K. Clarence King | M      | 113.09.25      | 0            | 0%    | 0                           | 0%    | 0                                   | 0% | Ph.D. from Northwestern University's Department of Theoretical and Applied Mechanics                            | Director, TPI Bearings Co., Ltd.                       | -   | -    | -        |      |
| Regional Head            | R.O.C       | Shang-yu Tsai    | M      | 114.01.01      | 0            | 0%    | 0                           | 0%    | 0                                   | 0% | Master, the Antai College of Economics and Management at Shanghai Jiao Tong University                          | Chairman, EVK Motor Co., Ltd                           | -   | -    | -        |      |

| Title                        | Nationality | Name               | Gender | Date Effective | Shareholding |       | Spouse & Minor Shareholding |       | Shareholding by Nominee Arrangement |    | Experience ( Education )  | Currently holds positions in other companies                   | Managers who are Spouses or Within Two Degrees of Kinship |      |          | Note |
|------------------------------|-------------|--------------------|--------|----------------|--------------|-------|-----------------------------|-------|-------------------------------------|----|---|--|---|------|----------|------|
|                              |             |                    |        |                | Shares       | %     | Shares                      | %     | Shares                              | %  |   |  | Title   | Name | Relation |      |
| Assistant Vice President     | R.O.C       | Jung-Pang Wang     | M      | 114.01.01      | 60,616       | 0.00% | 1,056                       | 0.00% | 0                                   | 0% | Master, mechanical engineering from National Taiwan University                              | Chairman, Jiangxi TECO Westinghouse Motor Coil Co., Ltd        | -   | -    | -        |      |
| Assistant Vice President     | R.O.C       | Andy Liu           | M      | 114.01.01      | 697,552      | 0.03% | 889                         | 0.00% | 0                                   | 0% | Master, Industrial Management from the National Taiwan University of Science and Technology | Director, Information Technology Total Services Co., Ltd.      | -   | -    | -        |      |
| Assistant Vice President     | R.O.C       | Amy Liao           | F      | 114.01.01      | 0            | 0%    | 0                           | 0%    | 0                                   | 0% | Master of Laws from the University of British Columbia                                      | Director, Shen Chang Electric Co., Ltd                         | -   | -    | -        |      |
| Corporate Governance Officer | R.O.C       | Shih-Hsiung, Chien | M      | 108.06.01      | 15,055       | 0.00% | 0                           | 0.00% | 0                                   | 0% | Master of Business Administration, National Chung Cheng University                          | —  | -   | -    | -        |      |
| Accounting Chief             | R.O.C       | Tommy Wu           | M      | 109.11.13      | 25,923       | 0.00% | 0                           | 0.00% | 0                                   | 0% | National Chengchi University<br>Master's Degree, Graduate Institute of Accounting           | Supervisor, Tong An Asset Development and Management Co., Ltd. | -   | -    | -        |      |

**Note:** On March 14, 2025, the Board of Directors approved the appointment of Mr. Fei-Yuan Kao as President of the Company, effective April 7, 2025.



### 1.3 Remuneration of Directors and Management

#### 1.3.1 Remuneration of Directors and Independent Directors

2024.12.31/ Unit: NT\$1,000

| Term  | Code | During the directorship in 2024 | Position          | Name  | Remuneration         |  |                  |  |                       |  |               |  | Relevant remuneration received by directors who are also employees |  |                                     |  |                   |  |                                    |   |  |                     | Compensation paid to directors from an invested company other than the company's subsidiary |  |  |
|---|------|---------------------------------|-------------------|---|----------------------|--|------------------|--|-----------------------|--|---------------|--|--|--|-------------------------------------|--|-------------------|--|------------------------------------|---|--|---------------------|---|--|--|
|   |      |                                 |                   |   | Base Compensation(A) |  | Severance Pay(B) |  | Bonus to Directors(C) |  | Allowances(D) |  | Ratio of total remuneration (A+B+C+D) to net income(%)             |  | Salary, Bonuses, and Allowances (E) |  | Severance Pay (F) |  | Profit Sharing- Employee Bonus (G) |   |  |                     |   | Ratio of total compensation (A+B+C+D+E+F+G) to net income(%) |  |
|   |      |                                 |                   |   | The company          | Companies in the consolidated financial statements | The company      | Companies in the consolidated financial statements | The company           | Companies in the consolidated financial statements | The company   | Companies in the consolidated financial statements | The company  | Companies in the consolidated financial statements | The company                         | Companies in the consolidated financial statements | The company       | Companies in the consolidated financial statements | The company                        |   | Companies in the consolidated financial statements |                     |   | The company  | Companies in the consolidated financial statements |
| 26 <sup>th</sup> term & 27 <sup>th</sup> term | 1    | 2024/5/24-2024/12/31            | Chairman          | Ming-Shieh Li   | 0                    | 0  | 0                | 0  | Total 79,039          | Total 79,039                                       | Total 228     | Total 228  | Total 79,267 (1.37%)   | Total 79,267 (1.37%)                               | 0                                   | 0  | 0                 | 0  | 0                                  | 0 | 0  | 0                   | Total 79,267 (1.37%)  | Total 79,267 (1.37%)   | None   |
|   | 2    | 2024/5/24-2024/12/31            | Director          | Ho Yuan International Investment Co., Ltd. Representative : Su- Chiu Wu     |                      |  |                  |  |                       |  |               |  |  |  |                                     |  |                   |  |                                    |   |  |                     |   |  |  |
|   | 3    | 2024/1/1-2024/12/31             | Director          | Tung Kuang Investment Co., Ltd Representative : Chwen-Jy Chiu               |                      |  |                  |  |                       |  |               |  |  |  |                                     |  |                   |  |                                    |   |  |                     |   |  |  |
|   | 4    | 2024/5/24-2024/12/31            | Director          | Jong-Chin Shen  |                      |  |                  |  |                       |  |               |  |  |  |                                     |  |                   |  |                                    |   |  |                     |   |  |  |
|   | 5    | 2024/1/1-2024/12/31             | Director          | Tong Ho Global Investment Co., Ltd. Representative : Cheng-Tsung Huang      |                      |  |                  |  |                       |  |               |  |  |  |                                     |  |                   |  |                                    |   |  |                     |   |  |  |
|   | 6    | 2024/5/24-2024/12/31            | Director          | Ho Yuan International Investment Co., Ltd. Representative : Show-Shoun Chou |                      |  |                  |  |                       |  |               |  |  |  |                                     |  |                   |  |                                    |   |  |                     |   |  |  |
|   | 7    | 2024/1/1-2024/12/31             | Director          | Creative Sensor Inc Representative : Jack Ho                                |                      |  |                  |  |                       |  |               |  |  |  |                                     |  |                   |  |                                    |   |  |                     |   |  |  |
|   | 8    | 2024/1/1-2024/12/31             | Indepent Director | Hsieh-Hsing Huang   | 0                    | 0  | 0                | 0  | Total 6,760           | Total 6,760  | Total 468     | Total 468  | Total 7,228 (0.13%)  | Total 7,228 (0.13%)                                | 0                                   | 0  | 0                 | 0  | 0                                  | 0 | 0  | Total 7,228 (0.13%) | Total 7,228 (0.13%)   | None   |  |
|   | 9    | 2024/5/24-2024/12/31            | Indepent Director | Chao-Chin Tung  |                      |  |                  |  |                       |  |               |  |  |  |                                     |  |                   |  |                                    |   |  |                     |   |  |  |
|   | 10   | 2024/5/24-2024/12/31            | Indepent Director | Hui-Yiu Chen  |                      |  |                  |  |                       |  |               |  |  |  |                                     |  |                   |  |                                    |   |  |                     |   |  |  |
|   | 11   | 2024/5/24-2024/12/31            | Indepent Director | Mei-Chun Chao   |                      |  |                  |  |                       |  |               |  |  |  |                                     |  |                   |  |                                    |   |  |                     |   |  |  |

**Note:** This item represents the amount accrued or allocated as retirement or severance expenses.

| Term                  | Code | During the directorship in 2024 | Position          | Name   | Remuneration         |  |                  |  |                       |  |               |  | Relevant remuneration received by directors who are also employees |  |                                     |  |                   |  |                                    |  |  |                | Compensation paid to directors from an invested company other than the company's subsidiary |                      |                |
|-----------------------|------|---------------------------------|-------------------|--|----------------------|--|------------------|--|-----------------------|--|---------------|--|--|--|-------------------------------------|--|-------------------|--|------------------------------------|--|--|----------------|---|----------------------|----------------|
|                       |      |                                 |                   |  | Base Compensation(A) |  | Severance Pay(B) |  | Bonus to Directors(C) |  | Allowances(D) |  | Ratio of total remuneration (A+B+C+D) to net income(%)             |  | Salary, Bonuses, and Allowances (E) |  | Severance Pay (F) |  | Profit Sharing- Employee Bonus (G) |  | Ratio of total compensation (A+B+C+D+E+F+G) to net income(%) |                |   |                      |                |
|                       |      |                                 |                   |  | The company          | Companies in the consolidated financial statements | The company      | Companies in the consolidated financial statements | The company           | Companies in the consolidated financial statements | The company   | Companies in the consolidated financial statements | The company  | Companies in the consolidated financial statements | The company                         | Companies in the consolidated financial statements | The company       | Companies in the consolidated financial statements | The company                        | Companies in the consolidated financial statements | Cash Dividend  | Stock Dividend |   | Cash Dividend        | Stock Dividend |
| 26 <sup>th</sup> term | 12   | 113/1/1-13/5/23                 | Director          | Ho Yuan International Investment Co., Ltd. Representative : Pen- Ching Cheng |                      |  |                  |  | Total 19,668          | Total 19,668                                       | Total 105     | Total 105  | Total 19,773 (0.34%)   | Total 19,773 (0.34%)                               | 0                                   | 0  | 0                 | 0  | 0                                  | 0  | 0  | 0              | Total 19,773 (0.34%)  | Total 19,773 (0.34%) | None           |
|                       | 13   | 113/1/1-13/5/23                 | Director          | Yinge Int. Inv. Co., Ltd Representative: LiChong Huang                       | 0                    | 0  | 0                | 0  |                       |  |               |  |  |  |                                     |  |                   |  |                                    |  |  |                |   |                      |                |
|                       | 14   | 113/1/1-13/5/23                 | Director          | Show-Shoun Chou  |                      |  |                  |  |                       |  |               |  |  |  |                                     |  |                   |  |                                    |  |  |                |   |                      |                |
|                       | 15   | 113/1/1-13/5/23                 | Director          | Song-Ren Fang  |                      |  |                  |  |                       |  |               |  |  |  |                                     |  |                   |  |                                    |  |  |                |   |                      |                |
|                       | 16   | 113/1/1-13/5/23                 | Indepent Director | Wei-Chi Liu  | 0                    | 0  | 0                | 0  | Total 2,860           | Total 2,860  | Total 157     | Total 157  | Total 3,017 (0.05%)  | Total 3,017 (0.05%)                                | 0                                   | 0  | 0                 | 0  | 0                                  | 0  | 0  | 0              | Total 3,017 (0.05%)   | Total 3,017 (0.05%)  | None           |
|                       | 17   | 113/1/1-13/5/23                 | Indepent Director | Li-Chen Lin  |                      |  |                  |  |                       |  |               |  |  |  |                                     |  |                   |  |                                    |  |  |                |   |                      |                |
|                       | 18   | 113/1/1-13/5/23                 | Indepent Director | Shiang-Chung Chen  |                      |  |                  |  |                       |  |               |  |  |  |                                     |  |                   |  |                                    |  |  |                |   |                      |                |
| Total                 |      |                                 |                   |  | 0                    | 0  | 0                | 0  | 108,327               | 108,327  | 958           | 958  | 109,285 (1.89%)  | 109,285 (1.89%)                                    | 0                                   | 0  | 0                 | 0  | 0                                  | 0  | 0  | 0              | 109,285 (1.89%)   | 109,285 (1.89%)      | None           |

**Note:** This column represents the amount recognized or allocated as expense for retirement or severance benefits.

1. Please describe the remuneration policy, system, standards, and structure for both general directors and independent directors. Additionally, explain how the amount of remuneration is related to their respective responsibilities, risks, and time commitment:  
 In accordance with Article 21 of the Company's Articles of Incorporation, directors' remuneration is determined by the Remuneration Committee based on the level of participation in the Company's operations and the value of their contributions. The Committee also takes into account industry standards, both domestic and international, and submits its recommendations to the Board of Directors for resolution.  
 Pursuant to Article 26 of the Articles of Incorporation, the total amount of directors' remuneration shall not exceed 5% of the Company's annual earnings. When deliberating the Remuneration Committee's recommendations, the Board takes into comprehensive consideration the amount and method of payment as well as potential future risks to the Company. According to the Company's Director Remuneration Allocation Policy, **independent directors receive fixed compensation**, while **general directors are compensated based on their respective roles, levels of authority, and degree of participation**.
2. In addition to the disclosures in the table above, any remuneration received in the most recent fiscal year by directors for services rendered (e.g., as consultants to the parent company, any entities included in the consolidated financial statements, or non-employee positions in investee companies): **None**

### Remuneration Bracket Table

| Remuneration Range (NT\$)          | Director's name (Note) |                                    |                 |                                    |
|------------------------------------|------------------------|------------------------------------|-----------------|------------------------------------|
|                                    | (A+B+C+D)              |                                    | (A+B+C+D+E+F+G) |                                    |
|                                    | The Company            | Parent & All Investee Entities (I) | The Company     | Parent & All Investee Entities (J) |
| Less than 1,000,000                | 16.17.18               | 16.17.18                           | 16.17.18        | 16.17.18                           |
| 1,000,000 – less than 2,000,000    | 9.10.11                | 9.10.11                            | 9.10.11         | 9.10.11                            |
| 2,000,000 – less than 3,500,000    | 8                      | 8                                  | 8               | 8                                  |
| 3,500,000 – less than 5,000,000    | 12.13.14.15            | 12.13.14.15                        | 12.13.14.15     | 12.13.14.15                        |
| 5,000,000 – less than 10,000,000   | 2.4.6                  | 2.4.6                              | 2.4.6           | 2.4.6                              |
| 10,000,000 – less than 15,000,000  | 1.5.7                  | 1.5.7                              | 1.5.7           | 1.5.7                              |
| 15,000,000 – less than 30,000,000  | 3                      | 3                                  | 3               | 3                                  |
| 30,000,000 – less than 50,000,000  |                        |                                    |                 |                                    |
| 50,000,000 – less than 100,000,000 |                        |                                    |                 |                                    |
| 100,000,000 and above              |                        |                                    |                 |                                    |
| <b>Total</b>                       | 18 persons             | 18 persons                         | 18 persons      | 18 persons                         |

**Note:** Director code corresponding to the previous table

### 1.3.2 Remuneration of Management

2024.12.31 / Unit: NT\$1,000

| Code  | Title   | Name               | Salary (A)   |  | Severance Pay (B) |  | Bonuses and Allowances (C) |  | Profit Sharing- Employee Bonus (D) |       |  |       | Ratio of total compensation (A+B+C+D) to net income(%) |  | Compensation paid to the president and vice president from an invested company other than the company's subsidiary |
|-------|---|--------------------|--------------|--|-------------------|--|----------------------------|--|------------------------------------|-------|--|-------|--|--|--|
|       |   |                    | The company  | Companies in the consolidated financial statements | The company       | Companies in the consolidated financial statements | The company                | Companies in the consolidated financial statements | The company                        |       | Companies in the consolidated financial statements |       | The company  | Companies in the consolidated financial statements |  |
|       |   |                    |              |  |                   |  |                            |  | Cash                               | Stock | Cash   | Stock |  |  |  |
| 1     | Honorary Vice Chairman                            | Chwen-Jy Chiu      | Total 19,288 | Total 19,288                                       | Total 938         | Total 938  | Total 25,892               | Total 28,015                                       | Total 33,525                       | 0     | Total 33,525                                       | 0     | Total 79,644 (1.38%)                                   | Total 81,767 (1.42%)                               | Total 602  |
| 2     | President   | Thomas Fann        |              |  |                   |  |                            |  |                                    |       |  |       |  |  |  |
| 3     | Vice President                                    | Scott Chen         |              |  |                   |  |                            |  |                                    |       |  |       |  |  |  |
| 4     | Head of Business Group                            | Fei-yuan Kao       |              |  |                   |  |                            |  |                                    |       |  |       |  |  |  |
| 5     | Head of Business Group                            | Chi-Tseng Peng     |              |  |                   |  |                            |  |                                    |       |  |       |  |  |  |
| 6     | Head of Business Group                            | Sung-Pin Chang     |              |  |                   |  |                            |  |                                    |       |  |       |  |  |  |
| 7     | Assistant Vice President                          | K. Clarence King   |              |  |                   |  |                            |  |                                    |       |  |       |  |  |  |
| 8     | Assistant Vice President                          | Chou-Li Hsu        |              |  |                   |  |                            |  |                                    |       |  |       |  |  |  |
| 9     | General Director of Teco Group Research Institute | Kun-Yao Ho         |              |  |                   |  |                            |  |                                    |       |  |       |  |  |  |
| 10    | Corporate Governance Officer                      | Shih-Hsiung, Chien |              |  |                   |  |                            |  |                                    |       |  |       |  |  |  |
| Total |   |                    | 19,288       | 19,288   | 938               | 938  | 25,892                     | 28,015   | 33,525                             | 0     | 33,525   | 0     | 79,644 (1.38%)   | 81,767 (1.42%)                                     | 602  |

**Note:** Chou-Li Hsu resigned on June 21, 2024; Kun-Yao Ho resigned on August 15, 2024.

Remuneration Bracket Table

| Remuneration Range (NT\$)          | Name        |                                |
|------------------------------------|-------------|--------------------------------|
|                                    | The Company | Parent & All Investee Entities |
| Less than 1,000,000                |             |                                |
| 1,000,000 – less than 2,000,000    | 7           | 7                              |
| 2,000,000 – less than 3,500,000    | 3.8.9       | 3.8.9                          |
| 3,500,000 – less than 5,000,000    |             |                                |
| 5,000,000 – less than 10,000,000   | 5.6.10      | 5.6.10                         |
| 10,000,000 – less than 15,000,000  | 4           | 4                              |
| 15,000,000 – less than 30,000,000  | 1.2         | 1.2                            |
| 30,000,000 – less than 50,000,000  |             |                                |
| 50,000,000 – less than 100,000,000 |             |                                |
| 100,000,000 and above              |             |                                |
| Total                              | 10 persons  | 10 persons                     |

**Note: Managers' code corresponding to the previous table**

### 1.3.3 Names of Managers Receiving Employee Compensation and Details of Distribution

2024.12.31 /Unit: NT\$1,000

|                    | Title   | Name               | Stock | Cash            | Total           | Ratio of Total Amount to Net Income (%) |
|--------------------|---|--------------------|-------|-----------------|-----------------|---|
| Executive Officers | Honorary Vice Chairman                            | Chwen-Jy Chiu      | 0     | Total<br>33,525 | Total<br>33,525 | 0.95%                                   |
|                    | President   | Thomas Fann        |       |                 |                 |   |
|                    | Vice President                                    | Scott Chen         |       |                 |                 |   |
|                    | Head of Business Group                            | Fei-yuan Kao       |       |                 |                 |   |
|                    | Head of Business Group                            | Chi-Tseng Peng     |       |                 |                 |   |
|                    | Head of Business Group                            | Sung-Pin Chang     |       |                 |                 |   |
|                    | Assistant Vice President                          | K. Clarence King   |       |                 |                 |   |
|                    | Assistant Vice President                          | Chou-Li Hsu        |       |                 |                 |   |
|                    | General Director of Teco Group Research Institute | Kun-Yao Ho         |       |                 |                 |   |
|                    | Corporate Governance Officer                      | Shih-Hsiung, Chien |       |                 |                 |   |

### 1.4 Analysis of the Ratio of Total Remuneration Paid to the Company's Directors, President, and Vice Presidents by the Company and All Consolidated Entities in the Past Two Years to the Company's Net Income After Tax, and Description of the Remuneration Policy, Standards, Composition, Determination Procedures, and Its Relevance to Business Performance

Unit: NT\$1,000

| Year | Total remuneration paid to directors, presidents and vice presidents | Ratio of total remuneration paid to directors, presidents and vice presidents to net income (%) |
|------|--|---|
| 2024 | 191,052  | 3.31%   |
| 2023 | 181,692  | 3.12%   |

In accordance with Article 26 of the Company's Articles of Incorporation, if the Company has earnings in a given year, after offsetting accumulated losses, it shall allocate 1% to 10% of the remaining profit as employee remuneration and no more than 5% as directors' remuneration.

The Company's remuneration policy is based on market salary levels for comparable positions in the industry, the scope of responsibilities associated with the position within the Company, and the individual's contribution to achieving the Company's operational goals. In accordance with the Guidelines for Directors' Remuneration Allocation and the Guidelines for Employee Remuneration Allocation, the remuneration of directors and senior management is determined based on the Company's overall operating

performance, potential business risks, individual performance evaluations, and each individual's contribution to the Company's results, to ensure reasonable and appropriate compensation.

In accordance with Article 21 of the Company's Articles of Incorporation, directors' remuneration is determined by the Compensation Committee based on the level of participation in the Company's operations and the value of their contributions, with reference to industry standards both domestically and internationally. The proposed remuneration is then submitted to the Board of Directors for approval. According to the "Board Performance Evaluation Guidelines," the Company conducts an annual board performance assessment at the end of each fiscal year. The self-assessment by directors covers six key areas: understanding of the Company's goals and missions, awareness of director responsibilities, level of participation in Company operations, internal relationship management and communication, professional competency and ongoing education, and internal control. The results of the annual board performance evaluation are provided to the Compensation Committee as a reference for determining the remuneration of individual directors.

### **Linkage Between Incentive Mechanism and Sustainability Performance**

To encourage the President, business group heads, presidents of key affiliated companies, mid- to senior-level managers, and professional talents to focus on long-term overall performance while promoting sustainable operations and achieving ESG goals, the Company has established sustainability performance indicators aligned with its sustainability strategy and objectives. These indicators are included as part of the key performance indicators (KPIs) for the President, business group heads, and presidents of key affiliated companies.

KPI scores have a direct impact on the amount of long-term incentive bonuses awarded and indirectly affect the distribution of various short-term bonuses through performance evaluations. This ensures that the rewards and incentives for managers and professional talents at all levels are closely aligned with the Company's overall sustainability goals, thereby driving the implementation of its sustainability development strategy.

Specifically, the sustainability performance indicators are set as follows:

#### **1. President and Business Group Heads**

Sustainability performance indicators account for **2% of the total performance score**, with the following components and weights:

- Cumulative achievement rate of greenhouse gas (GHG) emissions reduction targets (0.5%)
- Cumulative achievement rate of GHG emissions intensity reduction (1%)
- Cumulative achievement rate of green supply chain targets (0.5%)

#### **2. Presidents of Key Affiliated Companies**

Sustainability performance indicators account for **4% of the total performance score**, with the following components and weights:

- Cumulative achievement rate of GHG emissions reduction targets (1%)
- Cumulative achievement rate of GHG emissions intensity reduction (1%)
- Implementation of key emission reduction initiatives (1.2%)

- Cumulative achievement rate of green supply chain targets (0.8%)

For sales-oriented affiliated companies, the following indicators apply instead:

- Cumulative achievement rate of GHG emissions intensity reduction (1%)
- Growth rate of low-carbon product sales ratio (3%)

### 3. **Mid- to Senior-Level Managers and Professional Talents**

The KPIs for mid- to senior-level managers and professional talents are directly linked to the KPIs of their respective business group heads. This linkage is intended to ensure active collaboration in promoting business group sustainability goals and aligning with the Company's overall sustainability strategy.



## 2. Corporate Governance Status

### 2.1 Operation of the Board of Directors

| In fiscal year 2024, the 26th Board of Directors held four meetings. The attendance of the directors is as follows: |   |                   |                  |                     |   |
|---|---|-------------------|------------------|---------------------|---|
| Position  | Name  | Actual Attendance | Proxy Attendance | (%) Attendance Rate | Notes   |
| Chariman  | Tung Kuang Investment Co., Ltd<br>Representative:<br>Chwen-Jy Chiu                | 4                 | 0                | 100%                | Expected to attend 4 meetings                                   |
| Director  | Tong Ho Global Investment Co., Ltd.<br>Representative:<br>Cheng-Tsung Huang       | 4                 | 0                | 100%                | Expected to attend 4 meetings                                   |
| Director  | Show-Shoun Chou   | 4                 | 0                | 100%                | Expected to attend 4 meetings                                   |
| Director  | Ho Yuan International Investment Co., Ltd.<br>Representative:<br>Pen- Ching Cheng | 4                 | 0                | 100%                | Expected to attend 4 meetings                                   |
| Director  | Yinge Int. Inv. Co., Ltd<br>Representative:<br>Li-Chong Huang                     | 4                 | 0                | 100%                | Expected to attend 4 meetings                                   |
| Director  | Creative Sensor Inc.<br>Representative:<br>Jack Ho                                | 3                 | 1                | 75%                 | Expected to attend 4 meetings                                   |
| Director  | Song-Ren Fang   | 4                 | 0                | 100%                | Expected to attend 4 meetings                                   |
| Independent Director  | Wei-Chi Liu   | 4                 | 0                | 100%                | Expected to attend 4 meetings                                   |
| Independent Director  | Hsieh-Hsing Huang   | 4                 | 0                | 100%                | Expected to attend 4 meetings                                   |
| Independent Director  | Li-Chen Lin   | 4                 | 0                | 100%                | Expected to attend 4 meetings                                   |
| Independent Director  | Shiang-Chung Chen   | 4                 | 0                | 100%                | Expected to attend 4 meetings                                   |
| In fiscal year 2024, the 27th Board of Directors held six meetings. The attendance of the directors is as follows:  |   |                   |                  |                     |   |
| Position  | Name  | Actual Attendance | Proxy Attendance | (%) Attendance Rate | Notes   |
| Chariman  | Ming-Shieh Li   | 6                 | 0                | 100%                | Assumed office on May 24, 2024<br>Expected to attend 6 meetings |
| Vice Chariman   | Ho Yuan International Investment Co., Ltd.<br>Representative:<br>Su- Chiu Wu      | 6                 | 0                | 100%                | Assumed office on May 24, 2024<br>Expected to attend 6 meetings |
| Director  | Tung Kuang Investment Co., Ltd<br>Representative:<br>Chwen-Jy Chiu                | 6                 | 0                | 100%                | Reappointed on May 24, 2024<br>Expected to attend 6 meetings    |
| Director  | Jong-Chin Shen  | 6                 | 0                | 100%                | Assumed office on May 24, 2024<br>Expected to attend 6 meetings |
| Director  | Tong Ho Global Investment Co., Ltd.<br>Representative:<br>Cheng-Tsung Huang       | 6                 | 0                | 100%                | Reappointed on May 24, 2024<br>Expected to attend 6 meetings    |
| Director  | Ho Yuan International Investment Co., Ltd.<br>Representative: Show-Shoun Chou     | 6                 | 0                | 100%                | Reappointed on May 24, 2024<br>Expected to attend 6 meetings    |

| Position   | Name   | Actual Attendance | Proxy Attendance | (%) Attendance Rate | Notes                          |
|--|--|-------------------|------------------|---------------------|--------------------------------|
| Director   | Creative Sensor Inc Representative:<br>Jack Ho | 6                 | 0                | 100%                | Reappointed on May 24, 2024    |
| Independent Director   | Hsieh-Hsing Huang                              | 6                 | 0                | 100%                | Expected to attend 6 meetings  |
| Independent Director   | Chao-Chin Tung                                 | 6                 | 0                | 100%                | Assumed office on May 24, 2024 |
| Independent Director   | Hui-Yiu Chen                                   | 6                 | 0                | 100%                | Expected to attend 6 meetings  |
| Independent Director   | Mei-Chun Chao                                  | 6                 | 0                | 100%                | Assumed office on May 24, 2024 |
| <p><b>The actual attendance rate of all directors at Board meetings was 99%, with all independent directors attending each meeting in person.</b></p> <p>Calculation: Total actual attendance by all directors was 109 out of 110 expected attendances, resulting in a 99% attendance rate.</p> <p>Other Matters to Be Disclosed:</p> <p><b>1. If any of the following circumstances occurred during Board operations, the Company shall disclose the meeting date, session, proposal details, opinions of all independent directors, and how the Company addressed those opinions:</b></p> <p>(1) <b>Matters specified under Article 14-3 of the Securities and Exchange Act:</b><br/>Please refer to the section "Audit Committee Operations" in this Annual Report. All proposals under this category were unanimously approved by all independent directors.</p> <p>(2) <b>Other resolutions of the Board of Directors, excluding the aforementioned matters, that were opposed or reserved by any independent director with recorded or written statements:</b><br/>None.</p> <p><b>2. Implementation of Recusal by Directors in Case of Conflict of Interest</b></p> <p><b>(1) 27-2nd Board Meeting (June 18, 2024)</b><br/> <b>Director Name:</b> Chairman Ming-Shieh Lii<br/> <b>Agenda Item:</b> Discussion on the Chairman's remuneration<br/> <b>Reason for Recusal and Voting Status:</b> As the proposal concerned Chairman Ming-Shieh Li's own remuneration, he recused himself due to a conflict of interest and temporarily left the meeting. He did not participate in the discussion or voting. Director Su-Chiu Wu acted as the meeting chair in his place.<br/> <b>Resolution:</b> With Chairman Ming-Shieh Li recused, the acting chair Director Su-Chiu Wu consulted the remaining directors present. The proposal was approved without objection.</p> <p><b>Director Name:</b> Director Chwen-Jy, Chiu<br/> <b>Agenda Item:</b> Discussion on retirement pension for former Chairwoman Chun-Chih Chiu<br/> <b>Reason for Recusal and Voting Status:</b> As the proposal concerned Director Chun-Chih Chiu's own retirement pension, she recused herself due to a conflict of interest and temporarily left the meeting. She did not participate in the discussion or voting.<br/> <b>Resolution:</b> With Director Chun-Chih Chiu recused, the Chairman consulted the remaining directors present. The proposal was approved without objection.</p> <p><b>(2) 27-4th Board Meeting (September 24, 2024)</b><br/> <b>Director Name:</b> Director Chwen-Jy, Chiu<br/> <b>Agenda Item:</b> Discussion on remuneration for appointment of former Chairwoman as Senior Advisor<br/> <b>Reason for Recusal and Voting Status:</b> As Director Chun-Chih Chiu is the former Chairwoman, she recused herself due to a conflict of interest and temporarily left the meeting. She did not participate in the discussion or voting.<br/> <b>Resolution:</b> With Director Chun-Chih Chiu recused, the Chairman consulted the remaining directors present. The proposal was approved without objection.</p> <p><b>Director Name:</b> Director Su-Chiu Wu<br/> <b>Agenda Item:</b> Discussion on the establishment of Guidelines for the Appointment of Board Advisors<br/> <b>Reason for Recusal and Voting Status:</b> As Director Su-Chiu Wu serves as a Board Advisor to the Company, she recused herself due to a conflict of interest and temporarily left the meeting. She did not participate in the discussion or voting.<br/> <b>Resolution:</b> With Director Su-Chiu Wu recused, the Chairman consulted the remaining directors present. The proposal was approved without objection.</p> <p><b>(3) 27-5th Board Meeting (November 12, 2024)</b><br/> <b>Director Name:</b> Director Jack Hou<br/> <b>Agenda Item:</b> Proposed disposal of listed financial asset holdings<br/> <b>Reason for Recusal and Voting Status:</b> As Director Chih-Yuan Hou serves as the legal representative of Lingsheng Technology, he recused himself due to a conflict of interest and temporarily left the meeting. He did not participate in the discussion or voting.<br/> <b>Resolution:</b> With Director Chih-Yuan Hou recused, the Chairman consulted all remaining directors present. The proposal was approved without objection.</p> <p><b>Director Name:</b> Director Chwen-Jy, Chiu<br/> <b>Agenda Item:</b> Proposed disposal of all shares of Antai Innovation Technology (Xiamen) Co., Ltd. held by subsidiary Asia Electric Machinery PTE Ltd. for RMB 129 million<br/> <b>Reason for Recusal and Voting Status:</b> As Director Chun-Chih Chiu serves as a director of Antai Innovation Technology (Xiamen) Co., Ltd., she recused herself due to a conflict of interest and temporarily left the meeting. She did</p> |  |                   |                  |                     |                                |

not participate in the discussion or voting.

**Resolution:** With Director Chun-Chih Chiu recused, the Chairman consulted the remaining directors present. The proposal was approved without objection.

**(4) 27-6th Board Meeting (December 17, 2024)**

**Director Name:** Director Chwen-Jy, Chiu

**Agenda Item:** Proposed investment in EVK Company.

**Reason for Recusal and Voting Status:** As Director Chun-Chih Chiu serves as a director of Wuxi TECO and Jiangxi TECO, she recused herself due to a conflict of interest and temporarily left the meeting. She did not participate in the discussion or voting.

**Resolution:** With Director Chun-Chih Chiu recused, the Chairman consulted the remaining directors present. The proposal was approved without objection.

**Director Name:** Director Chwen-Jy, Chiu

**Agenda Item:** Intercompany loan arrangement among affiliated enterprises

**Reason for Recusal and Voting Status:** As Director Chun-Chih Chiu serves as a director of Motovario S.p.A, THI, and TEMx, she recused herself due to a conflict of interest and temporarily left the meeting. She did not participate in the discussion or voting.

**Resolution:** With Director Chun-Chih Chiu recused, the Chairman consulted the remaining directors present. The proposal was approved without objection.

**Director Name:** Director Chwen-Jy, Chiu

**Agenda Item:** Provision of financial guarantees for affiliated enterprises

**Reason for Recusal and Voting Status:** As Director Chun-Chih Chiu serves as a director of Motovario S.p.A, she recused herself due to a conflict of interest and temporarily left the meeting. She did not participate in the discussion or voting.

**Resolution:** With Director Chun-Chih Chiu recused, the Chairman consulted the remaining directors present. The proposal was approved without objection.

**3. Implementation of Board Performance Evaluation**

| Evaluation Frequency  | Evaluation Period<br>Evaluation Method | Evaluation Scope  | Evaluation Method  | Evaluation Content  |
|---|--|---|--|---|
| Annually<br>Implementation Once   | 2024.1.1~<br>2024.12.31                | Board of Directors  | Board Members<br>The "Board Performance Self-Evaluation Questionnaire"   | covering five major aspects: participation in the company's operations, enhancement of the quality of board decisions, board composition and structure, director selection and continuing education, and internal control, with a total of 45 evaluation indicators.  |
| Annually<br>Implementation Once   | 2024.1.1~<br>2024.12.31                | Individual Board Members  | Self-Evaluation by Directors<br>The "Individual Director Performance Self-Evaluation Questionnaire"  | covering six major aspects: understanding of the company's goals and missions, awareness of director responsibilities, participation in company operations, management and communication of internal relationships, professional competence and continuing education, and internal control, with a total of 23 evaluation indicators.   |
| Annually<br>Implementation Once   | 2024.1.1~<br>2024.12.31                | Functional Committee  | Self-Evaluation by Functional Committee Members<br>"Functional Committee Performance Self-Evaluation Questionnaire"  | Participation in the company's operations, understanding of the functional committee's responsibilities, enhancement of the quality of committee decisions, composition and member selection of the functional committee, and internal control.   |
| An external professional independent organization conducts the evaluation once every three years. | 2023.1.1~<br>2023.12.5                 | Operation of the Board of Directors and Its Functional Committees, Including the Audit Committee and the Compensation Committee | An external professional organization, the "Taiwan Corporate Governance Association," was commissioned to conduct the board performance evaluation.<br><br>November 2023:<br>A document review was conducted, covering internal regulations, board meeting minutes, and directors' responses to the evaluation questionnaire.<br><br>December 4 & 5, 2023: | 1. Board Professional Competency – including board composition and structure, director selection, and continuing education.<br>2. Board Decision-Making Effectiveness – including participation in company operations and enhancement of board decision quality.<br>3. Board Oversight of Internal Controls – the board's emphasis on and supervision of internal control mechanisms.<br>4. Board Commitment to Sustainability – the board's attitude toward sustainable business operations. |

## 2.2 Operation of Audit Committee

The Company established its **Audit Committee** on **June 15, 2012**, replacing the former supervisor system. The Committee is composed of **four independent directors** appointed by the Board of Directors. One independent director is elected by all committee members to serve as the convener and chairperson of meetings.

For details regarding the professional qualifications and experience of the committee members, please refer to **page 10: “Disclosure of Directors’ Professional Qualifications and Independence.”**

The operations of the Audit Committee are conducted in accordance with the Company’s **“Audit Committee Charter.”** The Committee’s scope of review includes: the Company’s financial statements; auditing and accounting policies and procedures; internal control systems; material asset or derivative transactions; fundraising or issuance of securities; appointment, dismissal, or compensation of the certified public accountant; and the appointment or dismissal of financial, accounting, or internal audit officers.

### Key Focus Areas in 2024

#### a. Reviewed financial reports

The Company’s Board of Directors prepared the 2023 financial statements (including the consolidated financial statements), which were audited and certified by CPA Yu-Long Wu and CPA Chien-Hung Chou of PwC Taiwan. These statements, along with the business report and the proposal for earnings distribution, were reviewed and approved by the 17th meeting of the 4th Audit Committee on March 12, 2024. The proposals were subsequently approved by the 21st meeting of the 26th Board of Directors on March 15, 2024, and have been submitted for approval at the 2024 Annual General Shareholders’ Meeting scheduled for May 24, 2024.

#### b. Assessed the effectiveness of the internal control system

The Company evaluated the design and implementation of its internal control system for the year 2023 in accordance with the assessment criteria set forth in the “Regulations Governing Establishment of Internal Control Systems by Public Companies” to determine its effectiveness.

The internal control self-assessments conducted by the Company’s internal units and subsidiaries have been reviewed and completed, with no material deficiencies identified in the design or implementation of the internal control system. The results were approved by the 17th meeting of the 4th Audit Committee on March 12, 2024, and subsequently approved by the 21st meeting of the 26th Board of Directors on March 15, 2024. The “Internal Control System Statement” for the year 2023 was then issued accordingly.

#### c. Reviewed the audit plan

The Audit Office formulated the **2025 Audit Plan** based on risk assessment results. The plan includes: routine audits of business units, audits of engineering projects, and audits of both overseas and domestic affiliated companies. The plan was reviewed and approved by the 5th

meeting of the 5th Audit Committee on December 17, 2024, and subsequently approved by the 6th meeting of the 27th Board of Directors on the same date.

| 4th Term Audit Committee (4 meetings held in 2024)   |  |                   |                  |  |   |
|--|--|-------------------|------------------|--|---|
| Position   | Name   | Actual Attendance | Proxy Attendance | (%) Attendance Rate  | Notes   |
| Convener & Chairperson   | Wei-Chi Liu  | 4                 | 0                | 100%   | Expected to attend 4 meetings   |
| Member   | Li-Chen Lin  | 3                 | 1                | 75%  | Expected to attend 4 meetings   |
| Member   | Shiang-Chung Chen  | 3                 | 1                | 75%  | Expected to attend 4 meetings   |
| Member   | Hsieh-Hsing Huang  | 4                 | 0                | 100%   | Expected to attend 4 meetings   |
| 5th Term Audit Committee (5 meetings held in 2024)   |  |                   |                  |  |   |
| Position   | Name   | Actual Attendance | Proxy Attendance | (%) Attendance Rate  | Notes   |
| Convener & Chairperson   | Hsieh-Hsing Huang  | 5                 | 0                | 100%   | Expected to attend 5 meetings   |
| Member   | Chao-Chin Tung   | 5                 | 0                | 100%   | Expected to attend 5 meetings   |
| Member   | Hui-Yiu Chen   | 5                 | 0                | 100%   | Expected to attend 5 meetings   |
| Member   | Mei-Chun Chao  | 5                 | 0                | 100%   | Expected to attend 5 meetings   |
| Other Matters to Be Disclosed:   |  |                   |                  |  |   |
| 1. If any of the following situations occur regarding the operation of the Audit Committee, the company shall disclose the date and term of the Board meeting, the proposal content, the resolution of the Audit Committee, and how the company handled the opinions of the Audit Committee: |  |                   |                  |  |   |
| (1) Matters listed under Article 14-5 of the Securities and Exchange Act – summarized in the table below.  |  |                   |                  |  |   |
| (2) Other Board resolutions not approved by the Audit Committee but approved by at least two-thirds of all directors – None.   |  |                   |                  |  |   |
| Board of Directors   | Proposal content and subsequent actions  |                   |                  | Matters specified in Article 14-5 of the Securities and Exchange Act | Matters that were not approved by the Audit Committee but were resolved with the consent of at least two-thirds of all directors. |
| 26-21 Board of Directors (2024.3.15)   | Completion of 2023 internal control self-assessment  |                   |                  | v  |   |
|  | 2023 Business Report and financial statements (individual and consolidated)                  |                   |                  | v  |   |
|  | 2023 earnings distribution proposal  |                   |                  | v  |   |
|  | Rotation and appointment of CPA; independence and suitability evaluation; fee resolution     |                   |                  | v  |   |
|  | Purchase of 10% equity in Tecobar from Eta Beheer (Netherlands)                              |                   |                  | v  |   |
|  | Audit Committee Resolution (March 12, 2024): All proposals approved by all attending members |                   |                  |  |   |
|  | Board resolution: Approved by all attending directors  |                   |                  |  |   |

| Board of Directors                         | Proposal content and subsequent actions   | Matters specified in Article 14-5 of the Securities and Exchange Act | Matters that were not approved by the Audit Committee but were resolved with the consent of at least two-thirds of all directors. |
|--|---|--|---|
| 26-22<br>Board of Directors<br>(2024.4.10) | Proposed merger with TECO Electro Devices   | v  |   |
|  | Disposal of financial assets (O-Bank and Innolux shares)  | v  |   |
|  | Transfer of land use rights in the Philippines (SBGP Phase 1) to Jin Bor Hui Technology   | v  |   |
|  | Audit Committee Resolution (April 8, 2024):<br>For the merger, the Audit Committee requested further information (mainland China tax, share deal vs. cash buyout, cost of delisting) before Board resolution<br>Other proposals approved unanimously<br>Board Resolution: Approved by all attending directors   |  |   |
|  |   |  |   |
| 26-23<br>Board of Directors<br>(2024.5.14) | 2024 Q1 consolidated financial statements   | v  |   |
|  | Audit Committee Resolution (May 10, 2024): Approved by all attending members<br>Board Resolution: Approved by all attending directors   |  |   |
|  |   |  |   |
| 27-3<br>Board of Directors<br>(2024.8.14)  | 2024 Q2 consolidated financial statements   | v  |   |
|  | Proposed Disposal of Listed Financial Asset Holdings.   | v  |   |
|  | Audit Committee Resolution (August 14, 2024): Approved by all attending members<br>Board Resolution: Approved by all attending directors  |  |   |
|  |   |  |   |
| 27-4<br>Board of Directors<br>(113.9.24)   | Proposed Investment in Shenchang Electric Co., Ltd  | v  |   |
|  | Resolution of the Audit Committee (September 24, 2024):<br>The proposal was approved as presented after the chairperson consulted all attending committee members. It will be submitted to the Board of Directors for resolution. The execution progress of the merger and acquisition shall be reported to the Board on a regular basis, or on an ad hoc basis if there are any deviations from the original estimates.<br>Board Resolution: Approved by all attending directors |  |   |
|  |   |  |   |
| 27-5<br>Board of Directors<br>(2024.11.12) | 2024 Q3 consolidated financial statements   | v  |   |
|  | Proposed Disposal of Listed Financial Asset Holdings.   | v  |   |
|  | Proposed disposal of all equity interests in Antai Innovation Technology (Xiamen) Co., Ltd., held by the subsidiary Asia Electric Machinery PTE Ltd., for a total consideration of RMB 129 million.   | v  |   |
|  | Audit Committee Resolution (November 12, 2024): Approved by all attending members<br>Board Resolution: Approved by all attending directors  |  |   |
|  |   |  |   |
| 27-6<br>Board of Directors<br>(2024.12.17) | Proposed Investment in EVK motor Co., Ltd.  | v  |   |
|  | Proposal for Renewal and Addition of Credit Lines with Financial Institutions for the Year 2025   | v  |   |
|  | Proposal for Intercompany Lending Among Affiliates  | v  |   |
|  | Proposal for Provision of Financial Guarantees and Endorsements to Affiliates   | v  |   |
|  | Proposal to Appoint Mr. Andy Liu as Chief Financial Officer of the Company  | v  |   |
|  | Proposal to Establish the "Sustainability Information Management Operating Guidelines"  | v  |   |
|  | Proposal to Amend the Provisions of the "Internal Audit Implementation Rules"   | v  |   |
|  | Audit Committee Resolution (December 17, 2024): Approved by all attending members<br>Board Resolution: Approved by all attending directors  |  |   |
|  |   |  |   |

## 2. Communication Between Independent Directors, Internal Audit Officers, and Certified Public Accountants

### (1) Methods of Communication:

The Company has established direct communication channels between independent directors, the internal audit officer, and the certified public accountants (CPAs). In accordance with regulatory requirements, independent directors regularly review the Company's financial and operational status and communicate directly with both management and governance units.

- a. The internal audit officer reports regularly at each quarterly Audit Committee meeting on the execution of audit activities, follow-up and improvements on audit findings, and the overall effectiveness of corrective measures. In addition to submitting written audit reports to independent directors on a monthly basis, the internal audit officer also delivers project-

specific reports based on the suggestions of individual independent directors.

- b. The CPAs report to the Audit Committee upon completion of the semi-annual and annual audit of the Company's financial statements, including those of domestic and overseas subsidiaries. These reports also cover other matters required by relevant regulations.

(2) Communication between independent directors and the internal audit officer was smooth and effective. A summary of key communication matters in 2024 is as follows:

| Audit Committee     | Discussion Topic   | Summary of Communication  |
|---------------------|--|---|
| 4-17<br>(2024.3.12) | Report on the execution of internal audit tasks for Q4 2023  | Acknowledged. No further comments.  |
|                     | Completion of the 2023 Internal Control Self-Assessment<br>( <i>Internal Control System Statement</i> )  | Approved by all attending members upon consultation by the chairperson. Submitted to the Board for resolution.                              |
| 4-20<br>(2024.5.10) | Report on the consolidated financial statements for Q1 2024  | Acknowledged. No further comments.  |
| 5-2<br>(2024.8.14)  | Report on the execution of internal audit tasks for Q2 2024  | Acknowledged. No further comments.  |
| 5-5<br>(2024.12.17) | Report on the execution of internal audit tasks for Q3 2024  | Acknowledged. No further comments.  |
|                     | 2025 Audit Plan Proposal   | Approved by all attending members upon consultation by the chairperson. Submitted to the Board for resolution.                              |
|                     | One-on-one Communication Between Independent Directors and the Internal Audit Officer<br>( <i>Conducted without the presence of general directors or management</i> ) <ul style="list-style-type: none"> <li>Topic: Audit plan for overseas affiliated companies</li> <li>Suggestion from Independent Directors: Increase the frequency of audits for overseas affiliates</li> </ul> | Response from Audit Office: Plans are in place to communicate with the audit accountants of each overseas affiliate at least once per year. |

(3) Communication between the independent directors and the Company's certified public accountants was smooth and effective, with no additional recommendations from the independent directors. A summary of key communication matters in 2024 is as follows:

| Audit Committee Meeting | Discussion Topic   | Summary of Communication   |
|-------------------------|--|--|
| 4-17<br>(2024.3.12)     | Report on the 2023 financial statements and consolidated financial statements                                      | Approved by all attending members upon consultation by the chairperson. Submitted to the Board for resolution. |
|                         | Scope of the annual audit, audit findings, impact of recent regulatory changes, and other matters of communication | Acknowledged. No further comments.   |
| 4-20<br>(2024.5.10)     | Report on the consolidated financial statements for Q1 2024  | Approved by all attending members upon consultation by the chairperson. Submitted to the Board for resolution. |

| Audit Committee Meeting  | Discussion Topic  | Summary of Communication   |
|--|---|--|
| 5-2<br>(2024.8.14)   | Report on the consolidated financial statements for Q2 2024   | Approved by all attending members upon consultation by the chairperson. Submitted to the Board for resolution. |
|  | Scope of financial review, review findings, and other communication matters   | Acknowledged. No further comments.   |
| One-on-one Communication Meeting (2024.11.7) (Conducted without the presence of general directors or management) | Topic: Q3 consolidated financial statements<br>Questions Raised by Independent Directors:<br><ul style="list-style-type: none"> <li>• Explanation of transactions involving non-controlling interests</li> <li>• Evaluation of goodwill impairment for affiliated companies</li> <li>• Tax filing methods for overseas withholding taxes</li> </ul> | CPA Response: Relevant information has been provided to the independent directors.                             |
| 5-4<br>(2024.11.12)  | Report on the consolidated financial statements for Q3 2024   | Approved by all attending members upon consultation by the chairperson. Submitted to the Board for resolution. |



## 2.3 Corporate Governance Practices and Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and Reasons Thereof.

| Evaluation Items  | Implementation Status |    |  | Differences from the Principles and the reasons thereof   |
|---|-----------------------|----|--|---|
|   | Yes                   | No | Explanation  |   |
| 1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles in accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?   | V                     |    | The Company established its Corporate Governance Best-Practice Principles in accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies," which were approved at the 13th meeting of the 21st Board of Directors on March 25, 2008. To align with international corporate governance trends and address emerging social and global concerns, the principles have been amended ten times between 2013 and 2023 through Board resolutions. The latest version is disclosed on the Market Observation Post System (MOPS) and the Company's official website.   | Consistent with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies. |
| 2. Shareholding Structure and Protection of Shareholders' Rights and Interests<br>(1) Has the Company established internal procedures for handling shareholders' proposals, inquiries, disputes, and litigation matters, and are these procedures duly implemented?<br>(2) Does the Company maintain a list of its major shareholders who have actual control over the Company, as well as the ultimate beneficial owners of these major shareholders?<br>(3) Has the Company established and implemented a risk control and firewall mechanism to manage its interactions with affiliated enterprises? | V                     |    | (1) The Company has a dedicated stock affairs unit responsible for handling shareholders' proposals and inquiries, while shareholder disputes and litigation matters are managed by the Legal Department. All related matters are processed in accordance with established internal procedures.<br><br>(2) The Company regularly maintains and updates the list of major shareholders with actual control over the Company, as well as the ultimate beneficial owners of such major shareholders.<br><br>(3) In accordance with the "Regulations for the Division of Authority and Responsibility in Managing Affiliated Enterprises" and the internal control policies regarding "Supervision and Management of Subsidiaries" and "Management of Related Party Transactions," the Company clearly defines the authority and responsibility for personnel, asset, and financial management between the Company and its affiliated enterprises. The Company also conducts regular audits of the | Consistent with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies. |

| Evaluation Items   | Implementation Status |    |   | Differences from the Principles and the reasons thereof   |
|--|-----------------------|----|---|---|
|  | Yes                   | No | Explanation   |   |
| (4) Has the Company established internal regulations to prohibit insiders from trading securities using material non-public information?   |                       |    | financial accounts and internal control systems of its affiliated enterprises to establish appropriate risk control and firewall mechanisms.<br>(4) The Company has established internal regulations, including the "Procedures for Handling Material Inside Information and Prevention of Insider Trading" and the "Code of Ethical Conduct for Directors and Managers," to prohibit insiders from trading securities using material non-public information.   |   |
| 3. Composition and Responsibilities of the Board of Directors<br>(1) Has the Board of Directors formulated a diversity policy, set specific management objectives, and implemented them effectively? | V                     |    | (1)The Company is committed to implementing a board diversity policy. The "Corporate Governance Best Practice Principles" set forth the Company's guidelines for board member diversity, which include but are not limited to the following two key dimensions:<br>a. Basic Attributes and Values: such as gender, age, nationality, ethnicity, and cultural background.<br>b. Professional Knowledge and Skills: including professional background (e.g., law, accounting, industry, finance, marketing, or technology), expertise, and industry experience.<br><b>Management Objectives:</b><br>The Board of Directors shall include at least one female director; Independent directors shall account for more than one-third of the total number of board seats; Directors who concurrently serve as company managers shall not exceed one-third of the total number of board seats; No more than two directors shall have a spousal or second-degree kinship relationship with each other.<br><b>Implementation and Results:</b><br>At the 2024 Annual General Meeting (held on May 24, 2024), the Company elected a total of 11 directors, including 4 independent directors. The board members possess diverse and complementary industry experience as well as professional expertise in finance, accounting, and related fields. | Consistent with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies. |

| Evaluation Items   | Implementation Status |    |  | Differences from the Principles and the reasons thereof |
|--|-----------------------|----|--|---|
|  | Yes                   | No | Explanation  |   |
| <p>(2) Has the company, in addition to the legally required establishment of the Compensation Committee and the Audit Committee, voluntarily established any other functional committees?</p> <p>(3) Has the company established a method for evaluating the performance of the Board of Directors and its assessment procedures, conducted regular annual performance evaluations, reported the results to the Board,</p> |                       |    | <p>The Board includes 3 female directors, increasing female representation from 18.18% to 27.27%. Independent directors continue to make up 36.36% of the Board. Among the independent directors, three have served for less than three years, and one has served between three to six years. These results align with the Company's board diversity policy and management objectives. Board members actively participated in meetings, with an actual attendance rate of 99% in 2024, effectively fulfilling their oversight responsibilities and gaining a clear understanding of the Company's operational plans.</p> <p>(2) To establish a sound corporate governance system, enhance management functions, and promote the fulfillment of corporate social responsibility and sustainable development, the Board of Directors approved the establishment of the Corporate Governance and Sustainability Committee at the 3rd meeting of the 25th Board (held on August 13, 2018). At the 2nd meeting of the 27th Board (held on June 18, 2024), the Board resolved to adjust the governance matters and scope of responsibilities of the Corporate Governance and Sustainability Committee, and approved the establishment of two new committees: the Nomination Committee and the Strategy Committee (replacing the original R&amp;D and Innovation Committee, which was abolished). For further details, please refer to Note 1: Information on the Operation of Other Functional Committees.</p> <p>(3) To strengthen corporate governance, clearly define performance goals, and enhance the effectiveness and efficiency of the Board of Directors, the Company adopted the "Board Performance Evaluation Procedures" in accordance with Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. The procedures were approved by resolution at the 5th meeting of the 24th Board</p> |   |

| Evaluation Items  | Implementation Status |    |   | Differences from the Principles and the reasons thereof |
|---|-----------------------|----|---|---|
|   | Yes                   | No | Explanation   |   |
| and utilized the results as a reference for determining individual directors' compensation and re-nomination? |                       |    | <p>(held on November 13, 2015). Since 2015, at the end of each fiscal year, the Board Secretariat has collected information related to board activities, distributed self-assessment questionnaires, and compiled the evaluation results into a report, which is submitted to the Board for review and improvement.</p> <p>An external evaluation is conducted every three years by an independent professional institution or a team of external experts and scholars, who prepare an external analysis report assessing the implementation of the Board's performance evaluation.</p> <p>At the 20th meeting of the 25th Board (held on November 13, 2020), the Board approved amendments to the "Board Performance Evaluation Procedures." The key revisions included: Introducing individual self-assessment for board members, Establishing guidelines for external performance evaluations conducted by professional institutions, and Assigning the Compensation Committee to periodically review the performance evaluation indicators and use the results as a basis for remuneration decisions.</p> <p>In 2024, the Board Secretariat conducted performance evaluations using the following self-assessment tools: the Board Performance Evaluation Questionnaire, the Individual Director Self-Assessment Questionnaire, and the Functional Committee Performance Evaluation Questionnaire. The evaluation results for the Board of Directors, individual board members, the Audit Committee, the Compensation Committee, the Corporate Governance and Sustainability Committee, the Nomination Committee, and the Strategy Committee were all rated as <b>"Excellent"</b>. The 2024 Board Performance Evaluation Report was submitted to the 8th meeting of the 27th Board of Directors (held on March 14, 2025). All evaluation criteria were met, indicating strong board operational efficiency and effective functioning of the committees.</p> |   |

| Evaluation Items | Implementation Status |    |  | Differences from the Principles and the reasons thereof |
|------------------|-----------------------|----|--|---|
|                  | Yes                   | No | Explanation  |   |
|                  |                       |    | <p>For the 2023 fiscal year, the Company engaged an external professional institution, The Taiwan Institute of Ethical Business and Forensics (TIEBF), to conduct the Board Performance Evaluation.</p> <p>TIEBF has established a dedicated Corporate Governance Committee to promote and carry out board evaluation services. The evaluation was performed by scholars and experts with long-standing focus in the field of corporate governance, ensuring a professional assessment conducted in accordance with international standards.</p> <p><b>Evaluation Team:</b><br/> Dr. Ching-Ping Shao – Chairperson of TIEBF; Distinguished Professor, College of Law, National Taiwan University<br/> Dr. Yang-Tzong Tsai – Honorary Professor, Department of Accounting, National Taiwan University<br/> Dr. Yueh-Ping Yang – Associate Professor, Department of Law, National Taiwan University</p> <p>An independence statement was provided by all evaluators in the final report.</p> <p><b>Evaluation Period:</b> January 1, 2023 to December 5, 2023</p> <p><b>Scope of Evaluation:</b><br/> The evaluation covered the performance and operations of the Board of Directors, as well as its functional committees, including the Audit Committee and the Compensation Committee.</p> <p><b>Methodology:</b><br/> In November 2023, a document review was conducted, including internal policies, board meeting minutes, and completed self-assessment questionnaires from directors; On December 4 and 5, 2023, in-person interviews were conducted with members of the Board.</p> <p><b>Evaluation Content and Results</b><br/> <b>Board of Directors</b><br/> a. Professional Competence of the Board: The composition of the Board reflects the Company's shareholder structure. Board members possess diverse backgrounds across various professional fields, including industry</p> |   |

| Evaluation Items | Implementation Status |    |  | Differences from the Principles and the reasons thereof |
|------------------|-----------------------|----|--|---|
|                  | Yes                   | No | Explanation  |   |
|                  |                       |    | <p>and finance, enabling them to provide well-rounded and diversified perspectives on Company affairs.</p> <p>b. Effectiveness of Board Decision-Making: Board members are provided with ample opportunities for discussion during meetings. Their participation in the Company's operations and decision-making processes is active and effective.</p> <p>c. Board Oversight of Internal Control: The evaluated company has established risk management policies and adopts a systematic approach to managing risks, enabling board members to effectively grasp group-wide information. This strengthens the Board's ability to oversee and manage corporate risks.</p> <p>d. Commitment to Sustainability: The evaluated company has established a Corporate Governance and Sustainability Committee, which regularly reports to the Board of Directors on the implementation of sustainability strategies. This enables the Board to stay informed about the Company's sustainability development and to continue promoting and overseeing relevant initiatives.</p> <p><b>Functional Committees</b><br/> <b>Audit Committee:</b> The independent directors of the evaluated company are provided with sufficient information on agenda items. Through close communication with relevant responsible personnel, they are able to more effectively oversee the Company's internal control and internal audit processes, and offer appropriate improvement suggestions.<br/> <b>Compensation Committee:</b> The independent directors of the evaluated company engage in thorough discussions and are supported by clearly defined evaluation criteria. This enables them to provide informed recommendations on compensation strategies and reach consensus on related decisions.</p> |   |

| Evaluation Items | Implementation Status |    |   | Differences from the Principles and the reasons thereof |
|------------------|-----------------------|----|---|---|
|                  | Yes                   | No | Explanation   |   |
|                  |                       |    | <p><b>Recommendations for Improvement:</b></p> <p>a. Enhance the frequency and depth of communication between management and board members: It is recommended that, depending on the complexity of each proposal, management should provide timely briefings to board members on the background and context of agenda items.</p> <p>b. Continue to strengthen integrated risk assessment and management mechanisms: It is recommended to deepen discussions on topics such as business strategy deployment and changes in the industry ecosystem, and to provide more comprehensive explanations on integrated risk management assessments and their actual implementation.</p> <p><b>Improvement Plan:</b></p> <p>a. The Company's management team will provide timely briefings to board members on the background of agenda items and summarize the comments and responses raised by directors prior to meetings. This will help incorporate past experience into future decision-making evaluations.</p> <p>b. The Company's risk management scope, organizational structure, and risk management operations for the year 2023 were reported to the 12th meeting of the 26th Board of Directors (held on December 22, 2023). In addition to assessing internal control risk, financial risk, strategic and operational risk, compliance risk, information security risk, sustainability risk, and quality risk, the Company expanded its risk categories to include supply chain risk, occupational health and safety risk, human resources risk, macroeconomic risk, geopolitical risk, and disaster risk.</p> <p>Management practices and improvement plans for each risk category were presented. Going forward, the Company will also incorporate timely discussions on business deployment strategies and changes in the industry ecosystem.</p> |   |

| Evaluation Items  | Implementation Status |    |   | Differences from the Principles and the reasons thereof |
|---|-----------------------|----|---|---|
|   | Yes                   | No | Explanation   |   |
| (4) Has the company regularly evaluated the independence of the certifying CPA? |                       |    | <p>The 2023 Board Performance Evaluation Report was submitted to the 21st meeting of the 26th Board of Directors (held on March 15, 2024). The results of the annual board performance evaluations are provided to the Compensation Committee and the Nomination Committee as a reference for determining individual directors' remuneration and considering their reappointment.</p> <p>(4) The Company adopted the "Regulations for the Selection and Evaluation of Certified Public Accountants" by resolution of the 19th meeting of the 23rd Board of Directors (held on December 22, 2014). In accordance with these regulations, the Company's Finance and Accounting Department conducts an annual preliminary assessment of the independence and suitability of the external CPA. The results are submitted to the Audit Committee for review and, upon approval, are further submitted to the Board of Directors for final resolution. The Company requires PwC Taiwan to provide a Statement of Independence from the signing CPA. In addition, in accordance with the "Audit Quality Indicators (AQI) Disclosure Framework and Template" issued by the Financial Supervisory Commission (FSC), PwC provides assessment reports on both firm-level and engagement-level audit quality indicators. The firm and the signing CPA demonstrated performance indicators—such as audit experience and engagement involvement—above the industry average. Moreover, the audit process incorporates digital technologies to enhance audit efficiency and ensure audit quality.</p> <p>The Company referred to the above-mentioned Audit Quality Indicator (AQI) assessment report and, in accordance with the "CPA Selection and Evaluation Procedures – CPA Evaluation Form", reviewed the CPAs' independence requirements, operational independence, and overall suitability (for details, please refer to <i>Note 2</i>).</p> <p><b>Evaluation Result:</b><br/>No circumstances were identified that would impair the independence or</p> |   |



| Evaluation Items   | Implementation Status |    |   | Differences from the Principles and the reasons thereof   |
|--|-----------------------|----|---|---|
|  | Yes                   | No | Explanation   |   |
|  |                       |    | <p>suitability of CPA Hsu, Sheng-Chung and CPA Tu, Chan-Yuan. Both were deemed fully qualified to serve as the Company's signing CPAs.</p> <p>The evaluation was reviewed and approved at the 18th meeting of the 4th Audit Committee (held on March 12, 2024) and the 21st meeting of the 26th Board of Directors (held on March 15, 2024).</p>  |   |
| 4. Has the TWSE/TPEX listed company appointed an adequate number of qualified corporate governance personnel and designated a corporate governance officer responsible for handling corporate governance affairs (including but not limited to providing directors and supervisors with necessary information for performing their duties, assisting directors and supervisors in complying with applicable laws and regulations, handling matters related to board and shareholders' meetings in accordance with the law, and preparing meeting minutes for such meetings)? | V                     |    | <p>In accordance with Article 3-1 of the Corporate Governance Best Practice Principles, the Company established a Corporate Governance Center in July 2015, staffed with nine dedicated personnel responsible for handling corporate governance-related affairs.</p> <p>Pursuant to the Regulations Governing the Exercise of Powers by Boards of Directors of Listed Companies, the appointment of Mr. Shih-Hsiung Chien, Director of the Corporate Governance Center, as the Company's dedicated Corporate Governance Officer, was approved at the 7th meeting of the 25th Board of Directors (held on May 13, 2019). Mr. Chien has more than three years of relevant managerial experience in a public company and is registered as an appointed managerial officer in accordance with the Company's Articles of Incorporation.</p> <p>His key responsibilities include:</p> <ol style="list-style-type: none"> <li>(1) Handling matters related to Board and Shareholders' Meetings in accordance with applicable laws and regulations.</li> <li>(2) Preparing minutes for Board and Shareholders' Meetings.</li> <li>(3) Assisting directors with onboarding and continuing education.</li> <li>(4) Providing directors with the necessary information to perform their duties.</li> <li>(5) Assisting directors in complying with laws and regulations.</li> <li>(6) Reporting to the Board of Directors on the compliance status of independent directors' qualifications during nomination, appointment, and tenure.</li> <li>(7) Handling matters related to changes in the composition of the Board of Directors.</li> <li>(8) Carrying out other duties as stipulated in the Company's Articles of Incorporation or contractual agreements.</li> </ol> | Consistent with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies. |

| Evaluation Items  | Implementation Status |    |  | Differences from the Principles and the reasons thereof  |
|---|-----------------------|----|--|--|
|   | Yes                   | No | Explanation  |  |
|   |                       |    | In accordance with Article 36-3 of the "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets," Mr. Shih-Hsiung Chien selected and completed training courses relevant to his professional duties. In 2024, he completed 18 hours of continuing education, and the completion was reported to the Market Observation Post System (MOPS) on December 31, 2024.   |  |
| 5. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), and set up a dedicated stakeholder section on its official website to appropriately respond to key corporate social responsibility (CSR) issues of concern to stakeholders? | V                     |    | <p>The Company places great importance on stakeholder concerns and communication channels. It maintains open and effective lines of communication with a wide range of stakeholders, including shareholders, employees, customers, suppliers, local communities, non-governmental organizations (NGOs), and government agencies.</p> <p>Information is disclosed regularly or on an as-needed basis, and the Company communicates directly with stakeholders to ensure that their legitimate rights and interests are respected and protected. This reflects the Company's commitment to transparent and ethical corporate governance.</p> <p>The stakeholder engagement activities for 2024 were reported to the 6th meeting of the 27th Board of Directors (held on December 17, 2024).<br/>(Please refer to Note 3: Stakeholder Concerns and Communication Channels.)</p> <p>A dedicated section titled "Corporate Social Responsibility / TECO Sustainability Commitment / Stakeholder Engagement" has been established on the Company's official website. Designated personnel are responsible for responding to key corporate social responsibility (CSR) issues raised by stakeholders.</p> | Consistent with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies |
| 6. Has the Company appointed a professional stock affairs agency to handle matters related to the shareholders' meetings?   | V                     |    | <p>The Company has appointed a professional stock affairs agency to handle matters related to shareholders' meetings.</p> <p>Stock Transfer Agent:<br/>Taishin International Bank – Stock Affairs Department<br/>Tel: +886-2-2504-8125<br/>Address: B1, No. 96, Section 1, Jianguo North Road, Zhongshan District, Taipei City, Taiwan</p>   | Consistent with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies |

| Evaluation Items  | Implementation Status |    |  | Differences from the Principles and the reasons thereof   |
|---|-----------------------|----|--|---|
|   | Yes                   | No | Explanation  |   |
| <p>7. Information Disclosure</p> <p>(1) Has the Company established an official website to disclose financial, business, and corporate governance information?</p> <p>(2) Has the Company adopted other methods of information disclosure (such as establishing an English website, appointing designated personnel to collect and disclose information, implementing a spokesperson system, and uploading investor conference materials to the Company's website)?</p> <p>(3) Has the company announced and filed its annual financial report within two months after the end of the fiscal year, and announced and filed its first, second, and third quarter financial reports, as well as monthly operating results, ahead of the regulatory deadlines?</p> | V                     |    | <p>(1) The Company has established an official website to disclose information on its financial performance, business operations, and corporate governance. The website address is: <a href="http://www.teco.com.tw">www.teco.com.tw</a></p> <p>(2) The Company has established an English website (<a href="https://www.teco.com.tw/en">https://www.teco.com.tw/en</a>). In accordance with the Company's News Release Policy, designated personnel are responsible for collecting and disclosing corporate information. If any department intends to release news, it must first be approved by the President and then communicated to the Public Relations Department, which will coordinate with the spokesperson for official disclosure. Furthermore, the Company has clearly defined the roles and responsibilities of its spokespersons under the Spokesperson Policy, ensuring that information is disclosed publicly and fairly to all investors and media at the same time, thereby fully implementing the spokesperson system.</p> <p>(3) In accordance with Article 36 of the Securities and Exchange Act and other relevant regulations, the Company announces and files its financial and operational reports within the prescribed deadlines: annual financial reports within 75 days, first, second, and third quarter financial reports within 45 days, and monthly operating results by the 10th of each month. Due to the large number of consolidated entities within the Group—over one hundred—it is not currently feasible to announce and file the annual financial report within two months after the end of the fiscal year. The 2024 annual financial statements were announced and filed on March 15, 2025.</p> | <p>(1) Consistent with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</p> <p>(2) Consistent with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</p> <p>(3) There is a slight deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, but the Company remains in compliance with the Securities and Exchange Act.</p> |
| 8. Does the Company have any other important information that may help  | V                     |    | (1) To safeguard employee rights and interests, the Company has established a labor union and holds regular labor-   | Consistent with the Corporate Governance  |

| Evaluation Items   | Implementation Status |    |  | Differences from the Principles and the reasons thereof |
|--|-----------------------|----|--|---|
|  | Yes                   | No | Explanation  |   |
| stakeholders better understand its corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relationships, protection of stakeholder rights, director and supervisor training, implementation of risk management policies and risk metrics, customer policy implementation, and the purchase of liability insurance for directors and supervisors)? |                       |    | <p>management meetings to actively foster communication between employees and management. Each quarter, the Company organizes quarterly meetings at headquarters and morning assemblies at each plant, providing senior executives with opportunities to engage directly with employees, clearly communicate the Company's current performance and challenges, and publicly recognize outstanding employees for their achievements.</p> <p>(2) Since 1964, the Company has established an Employee Welfare Committee to promote various welfare initiatives. The Committee also plans a series of family care and support policies aimed at helping employees improve family relationships, enhance personal health and capabilities, and ultimately boost job performance.</p> <p>(3) The Company has established a dedicated department responsible for regularly disclosing material operational information, thereby enhancing information transparency. It has also set up a feedback mechanism to allow investors to share suggestions regarding the Company's development. In addition, the Company actively participates in investor conferences to help investors stay informed about its operational status and strategic plans.</p> <p>(4) The Company conducts at least two visits or communications per year with each supplier on average. Additionally, the Company has promoted the development of an e-Procurement platform, which not only establishes a unified list of qualified distributors across the Group, but also enhances communication channels between TECO and its global suppliers.</p> <p>(5) To protect the rights and interests of stakeholders, the Company has assigned dedicated personnel and established designated sections to respond to inquiries from shareholders and stakeholders. Communication can be made directly via phone, fax, or email. In addition, the Company has set up a whistleblower mailbox to encourage</p> | Best-Practice Principles for TWSE/TPEX Listed Companies |

| Evaluation Items | Implementation Status |    |   | Differences from the Principles and the reasons thereof |
|------------------|-----------------------|----|---|---|
|                  | Yes                   | No | Explanation   |   |
|                  |                       |    | <p>employees to report any illegal or unethical conduct.</p> <p>(6) The Company is committed to establishing a sound risk management system. By adhering to its existing organizational management structure and internal control cycle, the Company proactively addresses and manages risks arising from its operations, while ensuring compliance with all relevant laws and regulations. Through the implementation of an audit system, the Company provides reasonable assurance of the continued effectiveness of its internal controls. In 2024, the audit team completed all planned audit tasks. The results indicated that the design and execution of internal controls were effective, and that all environmental indicators remained within low-risk levels.</p> <p>(7) The Company is dedicated to providing customers with high-quality, cost-effective products. It also seeks to understand customer expectations regarding the Company and its products through a variety of channels, including customer service hotlines, forums, site visits, after-sales service follow-ups, telephone interviews, the official website, and media platforms. These efforts aim to ensure that the Company's products and services continue to meet customer needs and expectations.</p> <p>(8) Since 1999, the Company has purchased directors' liability insurance during each board term to cover compensation liabilities that directors may be legally obligated to bear in the course of performing their duties. This is intended to reduce and diversify the risk of significant damage to the Company and its shareholders resulting from directors' errors or omissions. The Company reported the details of its directors' liability insurance—including coverage amount (US\$10 million), coverage scope (all directors, managerial officers, and members of functional committees), premium rates, and coverage period (for the full years of 2024 and 2025)—at the 19th meeting of the 26th Board of Directors (held on December 22, 2023) and the 7th meeting</p> |   |

| Evaluation Items   | Implementation Status |    |   | Differences from the Principles and the reasons thereof  |
|--|-----------------------|----|---|--|
|  | Yes                   | No | Explanation   |  |
|  |                       |    | of the 27th Board of Directors (held on February 19, 2025).   |  |
| 9. Please describe the improvements made based on the most recent Corporate Governance Evaluation Results published by the Corporate Governance Center of the Taiwan Stock Exchange, and specify the priority areas and measures to be strengthened for items that have not yet been improved. | V                     |    | <p>On April 30, 2024, the Taiwan Stock Exchange announced the results of the 10th Corporate Governance Evaluation for the year 2023. The Company was ranked in the top 5% of all evaluated companies.</p> <p><b>Improvements Implemented:</b><br/>In 2024, the Company continued to promote the installation of solar power systems. A total of 5.31 MW of new solar power capacity was added across several locations, including TECO Hukou Plant, TECO Guanyin Plant 2, T-Express Sanchong Facility, and the Taichung Green Energy Rooftop. These installations are expected to generate approximately 6.36 million kWh annually, achieving an estimated carbon reduction of 3,141 tCO<sub>2</sub>e (based on an emission factor of 0.494). The total investment in solar power system equipment amounted to approximately NT\$229 million.</p> <p><b>Priority Areas for Enhancement and Measures:</b><br/>The Company will continue to strengthen the disclosure of policies linking senior executive compensation to ESG-related performance evaluations.</p> | Consistent with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies |

## Note 1: Operation of Corporate Governance and Sustainability Committee

### (1) Corporate Governance and Sustainability Committee

To establish a sound governance framework, enhance management functions, and promote the implementation of corporate social responsibility and sustainable operations, the Company established the Corporate Governance and Sustainability Committee in August 2018. The Committee comprises no fewer than three directors, as resolved by the Board of Directors, and a convener and meeting chairperson are elected from among the members.

The Committee operates in accordance with the Company's Corporate Governance and Sustainability Committee Charter, with responsibilities including the review and assessment of the Company's corporate governance structure and practices, as well as the supervision of corporate social responsibility and sustainability initiatives. The Committee convenes at least twice a year. The meeting frequency and member attendance are as follows:

| a. In FY2024, the 2nd Corporate Governance and Sustainability Committee convened two meetings. The attendance details are as follows: |                   |                   |                     |  |
|---|-------------------|-------------------|---------------------|--|
| Position  | Name              | Meetings Attended | (%) Attendance Rate | Professional Qualifications and Experience               |
| Convener & Chairperson  | Li-Chen Lin       | 2                 | 100%                | Legal, Business Management, ESG Expertise                |
| Member  | Hsieh-Hsing Huang | 2                 | 100%                | Accounting and Renewable Energy Expertise                |
| Member  | Shiang-Chung Chen | 2                 | 100%                | Expertise in Renewable Energy and Business Management    |
| Member  | Chwen-Jy Chiu     | 2                 | 100%                | Investment and Emerging Technologies Expertise           |
| Member  | Show-Shoun Chou   | 2                 | 100%                | Business Management and Government Strategy Expertise    |
| b. In FY2024, the 3rd Corporate Governance and Sustainability Committee convened one meeting. The attendance details are as follows:  |                   |                   |                     |  |
| Position  | Name              | Meetings Attended | (%) Attendance Rate | Professional Qualifications and Experience               |
| Convener & Chairperson  | Chwen-Jy Chiu     | 1                 | 100%                | Expertise in Finance, ESG, and Business Management       |
| Member  | Su- Chiu Wu       | 1                 | 100%                | Expertise in Finance, Banking, and Renewable Energy      |
| Member  | Hui-Yiu Chen      | 1                 | 100%                | Expertise in Investment and Emerging Technologies        |
| Member  | Mei-Chun Chao     | 1                 | 100%                | Expertise in Law, Intellectual Property, and Energy      |
| Member  | Show-Shoun Chou   | 1                 | 100%                | Expertise in Business Management and Government Strategy |

c. Summary of Key Resolutions and Deliberations:

| Corporate Governance and Sustainability Committee | Agenda Item   | Resolution  |
|---|---|---|
| 2-7<br>(2024.1.24)                                | 1. FY2024 Work Plans of the Company's ESG Promotion Office, Corporate Governance Center, Compliance and Legal Affairs Office, and Information Security Committee. | <p>1. Key Focus Areas of the ESG Promotion Office: Environmental (E): Promote a 50% emissions reduction over 10 years; plan for RE30 renewable energy adoption; Social (S): Advance DEI (Diversity, Equity, and Inclusion) initiatives; support social care programs; promote environmental and ecological awareness; Governance (G): Strengthen green supply chain management; enhance ESG information transparency.</p> <p>2. Key Focus Areas of the Corporate Governance Center: Strengthen investor relations and communication; Enhance board functionality and effectiveness; Improve information transparency; Ensure strong performance in corporate governance evaluations</p> <p>3. Key Focus Areas of the Compliance and Legal Affairs Office: Intellectual property management and protection; Personal data protection; Compliance with securities and exchange regulations; Implementation of ethical business practices</p> <p>4. Key Focus Areas of the Information Security Committee: Track and verify the handling of abnormal incidents each week; Hold quarterly cybersecurity review meetings with vendors (e.g., firewall, IPS, backup service providers); Implement an information security monitoring and reporting mechanism; Gradually restrict internet browsing access and regulate USB usage policies</p> <p>The proposal was approved without objection after consultation by the Chair with all attending committee members. The Board Secretariat was requested to follow up on the recommendations provided by the members.</p> |
|   | 2. Amendment to the Company's "Director Candidate Nomination Criteria."   | <p>The key additions to the director candidate nomination criteria are as follows:</p> <p>1. Candidates should possess diverse professional backgrounds, such as experience in business, legal, finance, accounting, or other areas relevant to the Company's operations (e.g., law, accounting, industry expertise, finance, marketing, technology, cybersecurity, risk management, or climate change), along with appropriate professional skills and industry experience.</p> <p>2. Level of Engagement: Candidates who have previously served as directors of the Company or its subsidiaries should dedicate sufficient time to board participation. Their attendance rate (in person or by proxy) at board meetings over the past three years should preferably be 85% or</p>   |



|                   |   |  |
|-------------------|---|--|
|                   |   | <p>higher, and they must have completed the required training hours in accordance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies.”</p> <p>3. The board shall include at least one director of a different gender. In addition, the number of directors who are employees of the Company, its parent, subsidiaries, or affiliates shall not exceed one-third of the total number of board seats.</p> <p>4. Independent directors shall comprise at least one-third of the total number of board seats, and no independent director shall serve more than three consecutive terms.</p> <p>After consultation by the Chair with all attending committee members, the proposal was approved with the exception of a revision to the standard stating that the attendance rate (in person or by proxy) should preferably be 85% or higher; all other provisions were approved without objection.</p> |
| 2-8<br>(2024.4.8) | 1. 2024 Proxy Voting Guidelines Report.   | The Company's current practices are in full compliance with the 2024 proxy voting guidelines of ISS and Glass Lewis.<br>The report was noted.  |
|                   | 2. Nomination of Candidates for the Company's 27th Term of Directors and Independent Directors.   | The proposal was approved without objection after consultation by the Chair with all attending committee members and will be submitted to the Board of Directors for resolution.   |
| 3-1<br>(2024.8.7) | 1. Progress Report on the Implementation of the FY2024 First-Half Work Plans of the Company's ESG Promotion Office, Corporate Governance Center, Compliance and Legal Affairs Office, and Information Security Committee. | The report was noted.  |
|                   | 2. Information Security Incident Handling Report.   | The report was noted.  |
|                   | 3. Proposal for the Preparation of the Company's 2023 Sustainability Report.  | The proposal was approved without objection after consultation by the Chair with all attending committee members and will be further submitted to the Board of Directors for resolution.   |

## (2) Nomination Committee

To enhance the functionality of the Board of Directors and strengthen the Company's management mechanisms, the Nomination Committee was established in June 2024. The Committee is composed of no fewer than three directors appointed by the Board, with a majority required to be independent directors. One member is elected by the Committee to serve as the convener and chairperson.

The Committee operates in accordance with the Company's Nomination Committee Charter, and is responsible for establishing the criteria for the professional qualifications, skills, experience, gender diversity, and independence required of board members and senior executives. Based on these established criteria, the Committee identifies, reviews, and nominates candidates for directors, independent directors, and senior management positions.

The Nomination Committee convenes at least once per year. The meeting frequency and member attendance are as follows:

| In 2024, the 1st Nomination Committee convened three meetings. The attendance details are as follows: |                   |                  |                     |                     |  |
|---|-------------------|------------------|---------------------|---------------------|--|
| Position  | Name              | Meeting Attended | Attendance by Proxy | (%) Attendance Rate | Professional Qualifications and Experience         |
| Convener & Chairperson  | Ming-Shieh Li     | 3                | 0                   | 100%                | Expertise in Finance and Business Management       |
| Member  | Chao-Chin Tung    | 3                | 0                   | 100%                | Expertise in Finance and Technology                |
| Member  | Hsieh-Hsing Huang | 3                | 0                   | 100%                | Expertise in Accounting and Renewable Energy       |
| Member  | Hui-Yiu Chen      | 2                | 1                   | 67%                 | Expertise in Investment and Emerging Technologies  |
| Member  | Chwen-Jy Chiu     | 3                | 0                   | 100%                | Expertise in Finance, ESG, and Business Management |

#### Summary of Key Resolutions and Deliberations:

| Nomination Committee | Agenda Item  | Resolution   |
|----------------------|--|--|
| 1-1<br>(2024.8.13)   | 1. Proposed appointment of Mr. Heng-Wei Chen as Vice President of the Company's Strategic Development Center.        | The proposal was approved without objection after consultation by the Chair with all attending committee members. Mr. Heng-Wei Chen is proposed to attend the Board meeting as a non-voting participant to present the report. |
| 1-2<br>(2024. 9.10)  | 1. Proposed promotion of Mr. Kuang-En Chin as Assistant Vice President of the Company's Production and Sales Center. | The proposal was approved without objection after consultation by the Chair with all attending committee members.  |
| 1-3<br>(2024.12.2)   | 1. It is proposed to promote Mr. Wang Rong-Bang to Regional General Manager of the Americas Region                   | The proposal was approved without objection after consultation by the Chair with all attending committee members.  |
|                      | 2. It is proposed to promote Mr. Tsai Shang-Yu to Regional General Manager of the China Region                       | The proposal was approved without objection after consultation by the Chair with all attending committee members.  |
|                      | 3. It is proposed to promote Mr. Liu An-Bing to Associate Vice President of the Finance and Administration Center    | The proposal was approved without objection after consultation by the Chair with all attending committee members.  |
|                      | 4. It is proposed to appoint Ms. Liao Yi-Hui as Associate Vice President of the Corporate Planning Center.           | The proposal was approved without objection after consultation by the Chair with all attending committee members.  |
|                      | 5. It is proposed to appoint Mr. Jao Da-Ren as Chief Technology Officer of the Office of the CTO.                    | The proposal was approved without objection after consultation by the Chair with all attending committee members.  |

### (3) Strategy Committee

To strengthen the Company's operational strategy development and enhance innovation-driven R&D, the Company established the "Strategy Committee" in June 2024. The Committee comprises at least three members, who may be directors or external experts, as resolved by the Board of Directors. The Chairperson of the Board serves as the convener and the chair of the Committee.

To strengthen the Company's operational strategy development and enhance innovation-driven R&D, the Company established the "Strategy Committee" in June 2024. The Committee comprises at least three members, who may be directors or external experts, as resolved by the Board of Directors. The Chairperson of the Board serves as the convener and the chair of the Committee.

In 2024, the 1st Strategy Committee held three meetings. Attendance details are as follows:

| Position               | Name            | Actual Attendance | Attendance by Proxy | (%) Attendance Rate | Professional Qualifications and Experience                |
|------------------------|-----------------|-------------------|---------------------|---------------------|---|
| Chairperson & Convener | Ming-Shieh Li   | 3                 | 0                   | 100%                | Expertise in finance and business management              |
| Member                 | Jong-Chin Shen  | 3                 | 0                   | 100%                | Expertise in industrial policy and intelligent automation |
| Member                 | Su-Chiu Wu      | 3                 | 0                   | 100%                | Expertise in financial management and new energy          |
| Member                 | Show-Shoun Chou | 2                 | 1                   | 67%                 | Expertise in business management and government strategy  |
| Member                 | Chwen-Jy Chiu   | 3                 | 0                   | 100%                | Expertise in finance, ESG, and business management        |

#### Summary of Key Resolutions:

| Strategy Committee  | Agenda Item   | Resolution  |
|---------------------|---|---|
| 1-1<br>(2024.8.2)   | 1. Strategic plan and resource allocation for the Company over the next three years | The proposal was approved without objection after consultation by the Chair with all attending committee members. |
| 1-2<br>(2024. 9.16) | 1. Proposed investment in Shen Chang Electric Co., Ltd.                             | The proposal was approved without objection after consultation by the Chair with all attending committee members. |
| 1-3<br>(2024.12.17) | 1. Proposed investment in EVK Inc.  | The proposal was approved without objection after consultation by the Chair with all attending committee members. |
|                     | 2. Rationalization and optimization of TECO Group's affiliated investments."        | The proposal was approved without objection after consultation by the Chair with all attending committee members. |

**Note 2: Assessment Form of the Signing Certified Public Accountant**

| 1. Operational Independence Review |  |   |  |
|------------------------------------|--|---|--|
|                                    | Evaluation Item  | Evaluation Result   | In Compliance with Independence Requirements |
| 01                                 | Does the CPA, their spouse, or minor children have any investment or financial interest in the company?  | No  | V  |
| 02                                 | Does the CPA, their spouse, or minor children have any lending or borrowing relationship with the company? (Excluding normal dealings with financial institutions.)  | No  | V  |
| 03                                 | Has the CPA or any audit team member served as a director, manager, or held any position with significant influence on the audit engagement within the past two years?                                     | No  | V  |
| 04                                 | Has the CPA or audit team member promoted or brokered any securities issued by the company?  | No  | V  |
| 05                                 | Aside from legally permitted services, has the CPA or audit team member represented the company in legal matters or disputes?  | No  | V  |
| 06                                 | Does the CPA or audit team member have any marital, lineal, or second-degree kinship relationship with the company's directors, managers, or personnel with significant influence on the audit engagement? | No  | V  |
| 07                                 | Has any former co-practicing CPA taken a position with significant influence at the company within one year after leaving the firm?  | No  | V  |
| 08                                 | Has any former co-practicing CPA taken a position with significant influence at the company within one year after leaving the firm?  | No  | V  |
| 09                                 | Is the CPA currently employed by the company or its auditees as a salaried employee, director, or supervisor (audit committee member)?   | No  | V  |
| 2. Operational Independence Review |  |   |  |
|                                    | Evaluation Item  | Evaluation Result   | In Compliance with Independence Requirements |
| 01                                 | Has the CPA refrained from accepting assignments where they have a direct or material indirect interest that could impair objectivity?   | N/A<br>The CPA is appointed for audit/review of financial statements. |  |
| 02                                 | When providing audit, review, or special examination services, does the CPA maintain both substantive and formal independence?   | Yes   | V  |
| 03                                 | Do audit team members, other co-practicing CPAs, CPA firm partners, affiliated firms, and alliances also maintain independence from the company?   | Yes   | V  |

| 04                                | Does the CPA demonstrate integrity and diligence in performing professional services?   | Yes  | V                 |
|-----------------------------------|---|--|-------------------|
| 05                                | When performing services, does the CPA maintain objectivity and avoid bias or conflicts that could impair professional judgment?                          | Yes  | V                 |
| Fitness and Qualifications Review |   |  |                   |
| Evaluation Item                   |   | Evaluation Details   | Evaluation Result |
| 01                                | Has the CPA received any disciplinary actions in the past two years? Has the CPA firm been involved in any major litigation?                              | According to CPA disciplinary records, Mr. Hsu Sheng-Chung and Mr. Tu Chan-Yuan have not been subject to any disciplinary action. PwC has adopted standardized audit criteria and International Standards on Auditing (ISA) for internal quality control reviews. Both CPAs have passed such reviews with no deficiencies. Their audit quality meets professional standards.   | Satisfactory      |
| 02                                | Does the CPA firm have sufficient scale, resources, and regional coverage to provide audit services?  | PwC Taiwan (PricewaterhouseCoopers Taiwan) is part of the largest global professional services network with 743 offices in 158 countries and over 250,000 professionals. PwC is a leading service provider in the UK, China, Germany, Australia, South Korea, ASEAN, and the Middle East. It holds the top position in the Asia-Pacific region. Among Global Fortune 500 companies, 86% (429 companies) are PwC clients. | Satisfactory      |
| 03                                | Does the CPA firm have clear quality control procedures to ensure financial reporting quality?  | The appointed CPA firm has established robust quality control policies to ensure effective implementation. These procedures comply with Statement of Quality Control Standards No. 1, and internal departments such as ARM (Assurance Risk Management) and ACS (Accounting Consultant Service) are responsible for reviewing listed companies' financial statements.   | Satisfactory      |
| 04                                | Does the CPA firm promptly notify the board of any significant issues related to risk management, corporate governance, accounting, or internal controls? | The appointed CPAs have consistently communicated audit findings promptly to management and the audit committee. Major issues were discussed in advance.   | Satisfactory      |

### Note 3: Stakeholder Engagement and Communication

| Stakeholder  | Key Concerns   | Communication Channels / Frequency   | Outcomes / Achievements:   |
|--------------|--|--|--|
| Shareholders | Business development, Financial transparency, Risk management, Corporate governance, Environmental protection                                      | <ul style="list-style-type: none"> <li>• Market Observation Post System (MOPS)</li> <li>• Annual shareholders' meeting (at least once a year)</li> <li>• 4 online investor conferences annually</li> <li>• Participation in local and international investor forums</li> <li>• Investor visits and brokerage meetings</li> <li>• Dedicated IR hotline/email (handled promptly)</li> <li>• Contact: Director Chien (IR) <a href="mailto:ir@teco.com.tw">ir@teco.com.tw</a></li> </ul>   | <ul style="list-style-type: none"> <li>• Selected as a component of the DJSI and TWSI indices</li> <li>• Monthly revenue, quarterly reports, and 47 bilingual MOPS disclosures</li> <li>• 4 investor meetings with bilingual video links posted</li> <li>• Participated in 8 investor forums</li> <li>• 96 investor visits (26 from overseas), 21 broker visits</li> </ul>   |
| Employees    | Business strategy and operations, Labor relations, Employee rights, Training and career development, Workplace environment, Employee communication | <ul style="list-style-type: none"> <li>• Labor-management meetings (quarterly)</li> <li>• Union meetings (semi-annually)</li> <li>• Catering meetings (quarterly)</li> <li>• Employee quarterly meetings</li> <li>• Occupational Safety and Health Committee (quarterly)</li> <li>• Employee satisfaction survey (annually)</li> <li>• E-bulletin updates</li> <li>• Whistleblower/complaint mailbox: <a href="mailto:HRP@teco.com.tw">HRP@teco.com.tw</a></li> <li>• Contact: Director Lin (HR) <a href="mailto:cplin@teco.com.tw">cplin@teco.com.tw</a></li> </ul> | <ul style="list-style-type: none"> <li>• Labor-Management Meetings: A total of 16 meetings were held across the Nangang site and other factories in 2024.</li> <li>• Union Forums: Held twice a year, chaired by the Chairman, President, factory heads, and HR executives, with participation from union directors and supervisors — 2 meetings in total.</li> <li>• Cafeteria Meetings: A total of 12 meetings were held across the Nangang site and other factories in 2024.</li> <li>• Employee Quarterly Meetings: A total of 8 meetings were held across the Nangang site and other factories in 2024, including 4 in Nangang conducted via communication software to enable all employees to participate online.</li> <li>• Employee Satisfaction Survey: Conducted to understand feedback from employees and supervisors.</li> <li>• Unlawful Conduct/Complaints: A total of 5 cases (1 substantiated, 2 unsubstantiated, and 2 under investigation).</li> <li>• Electronic Bulletin Board: Used to irregularly announce various employee welfare updates, labor union committee information, important company news, training programs, and annual performance management notices.</li> </ul> |

| Stakeholder            | Key Concerns  | Communication Channels / Frequency   | Outcomes / Achievements:   |
|------------------------|---|--|--|
| Customers              | Product and service labeling, Customer health and safety, Product quality, Marketing communications, Customer satisfaction surveys, Green products  | <ul style="list-style-type: none"> <li>• Customer satisfaction surveys (1–4 times/year)</li> <li>• Customer service hotline (as needed)</li> <li>• Distributor meetings (1–4 times/year)</li> <li>• After-sales follow-ups and interviews</li> <li>• Website/media updates (as needed)</li> <li>• Contact: Spokesperson Chien speaker@teco.com.tw</li> </ul> | <ul style="list-style-type: none"> <li>• Customer Satisfaction Surveys: Analysis and follow-up actions conducted 7 times throughout the year.</li> <li>• Quality Control Audits: <ul style="list-style-type: none"> <li>- External system audits conducted 5 times (from October to November 2024)</li> <li>- Internal audits conducted 9 times</li> <li>- Process audits conducted 97 times</li> <li>- Product audits conducted 42 times</li> </ul> </li> <li>• Press Conferences: 4 events held.</li> <li>• Exhibitions Participated: 7 events, including the Smart City Summit &amp; Expo, Smart Mobility Expo, Taipei International Food Show, 2024 Net Zero Emissions Technology Competition @Taiwan, International Energy Week, Taiwan Expo in Indonesia, and Thailand Electronics &amp; Smart Manufacturing Expo.</li> <li>• Press Releases on Official Website: 38 published articles.</li> <li>• Social Media Engagement: 97 Facebook posts and 31 YouTube videos.</li> <li>• 3rd Green Brain Creative Competition for Elementary and Junior High School Students: Promoting energy-saving awareness at a younger age.</li> </ul> |
| Suppliers              | Green supply chain management, Supplier human rights assessments, Operational performance, Order management, Quality control, Production technology | <ul style="list-style-type: none"> <li>• Supplier evaluation: 70 annually</li> <li>• Quarterly supplier assessments</li> <li>• GHG inventory guidance (as needed)</li> <li>• E-procurement platform (as needed)</li> <li>• Contact: Director Lin (Procurement) dora@teco.com.tw</li> </ul>   | <ul style="list-style-type: none"> <li>• On-site risk evaluations of key suppliers</li> <li>• 100% CSR commitment sign-off from major suppliers</li> <li>• Participated in MOEA's Net-Zero Transformation Project (11 suppliers involved, 4 training sessions held)</li> </ul>   |
| <b>Local Community</b> | Occupational Safety and Health Environmental Management   | <ul style="list-style-type: none"> <li>• Industrial Park Service Center: Irregular basis</li> <li>• Industrial Park Regional Joint Defense Meetings: Once per quarter</li> </ul>   | <ul style="list-style-type: none"> <li>• No violations of air pollution or waste management regulations, and no community-impacting incidents occurred.</li> </ul>   |

| Stakeholder                  | Key Concerns   | Communication Channels / Frequency  | Outcomes / Achievements:  |
|------------------------------|--|---|---|
|                              | Social Engagement<br>Volunteer Service   | <ul style="list-style-type: none"> <li>• Communication Mailbox on Company Website: Irregular basis</li> <li>• Volunteer Activities: Held quarterly</li> <li>• Contact Person: (PR) Manager Chiang – pr@teco.com.tw</li> </ul>   | <ul style="list-style-type: none"> <li>• Participated in regional joint defense initiatives to enhance disaster prevention collaboration among companies and prevent incidents affecting community safety and the environment.</li> <li>• Conducted energy-saving education programs for the community and local schools.</li> <li>• A total of 582 employee participations in public welfare activities were recorded, with 1,134 volunteer service hours contributed.</li> </ul>  |
| Civil Organizations and NGOs | Environmental Protection<br>Social Welfare<br>Labor Conditions   | <ul style="list-style-type: none"> <li>• Actively participate in forums and seminars organized by various civic organizations and academic institutions.</li> <li>• Non-financial Information Disclosure: The Company publishes an annual Sustainability Report to disclose specific initiatives and outcomes in the areas of Environmental (E), Social (S), and Governance (G) performance.</li> <li>• Contact Person: (IR) Director Chien – ir@teco.com.tw</li> </ul>                               | <ul style="list-style-type: none"> <li>• Participated in 22 industry association forums, with a total of 50 employee attendances.</li> <li>• Publishes an annual Sustainability Report and has consecutively received the Taiwan Corporate Sustainability Awards – Platinum Award for 11 years.</li> <li>• Greenhouse Gas Inventory: The Company undergoes annual verification of its GHG inventory in accordance with BSI (British Standards Institution) ISO 14064-1 and has achieved a “reasonable level” of assurance.</li> </ul> |
| Government Agencies          | Regulatory Compliance<br>Occupational Safety and Health<br>Greenhouse Gas (GHG) Reduction<br>Environmental Protection<br>Energy Management | <ul style="list-style-type: none"> <li>• Comply with the requirements of competent authorities and submit regular filings in accordance with regulations.</li> <li>• Participate in forums, regulatory hearings, and official correspondence organized by competent authorities on an irregular basis.</li> <li>• Cooperate with regulatory supervision and inspections conducted by competent authorities.</li> <li>• Contact Person: (Spokesperson) Director Chien – speaker@teco.com.tw</li> </ul> | <ul style="list-style-type: none"> <li>• In accordance with OHSAS 18001 and CNS 15506 (Taiwan Occupational Safety and Health Management System), the Company has established an occupational safety and health management system to systematically promote OSH practices and ensure compliance with regulations and effective implementation of the system.</li> </ul>  |



## 2.4 Operation of the Compensation Committee

To establish a sound compensation system for directors and managerial officers, the Company established the Compensation Committee in August 2011. The members of the committee are appointed by resolution of the Board of Directors.

The committee shall consist of no fewer than three members, with a majority being independent directors. A convener and chairperson is elected from among the independent directors by all committee members.

The committee operates in accordance with the Company's "Compensation Committee Charter."

Its duties include: formulating and regularly reviewing the policies, systems, standards, and structures related to the performance evaluation and remuneration of directors and managerial officers; periodically assessing and determining the remuneration packages of directors and managerial officers

### 2.4.1 Compensation Committee Members' Information

| Role                 | Name              | Professional Qualifications and Experience   | Independence Disclosure  | Qualification Criteria  |
|----------------------|-------------------|--|--|---|
|                      |                   |  |  | Number of Other Public Companies Served on a Remuneration Committee |
| Independent Director | Chao-Chin Tung    | Please refer to the "Board Members' Professional Qualifications and Independence Disclosure" on page 13. | In accordance with the Company's Articles of Incorporation and Corporate Governance Best Practice Principles, all directors are elected via a candidate nomination system. At the time of nomination and selection, the Company obtained written statements, employment history, proof of current employment, and family relationship declarations from each candidate to verify the independence of the individual, their spouse, and relatives within the third degree of kinship. All four independent directors were confirmed, both two years prior to their appointment and during their tenure, to meet the qualification requirements stipulated by the FSC's "Regulations Governing Appointment of Independent Directors and Related Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act. Furthermore, they have been granted the authority to fully participate in decision-making and express opinions independently pursuant to Article 14-3 of the Act. | 1   |
| Independent Director | Hsieh-Hsing Huang |  |  | 1   |
| Independent Director | Hui-Yiu Chen      |  |  | 4   |
| Independent Director | Mei-Chun Chao     |  |  | 1   |

## 2.4.2 Operation of the Compensation Committee

a. The Company's Compensation Committee consists of four (4) members.

b. Term of Current Committee Members:

The current term of the Remuneration Committee members is from May 31, 2024 to May 23, 2027. In the most recent fiscal year, the Compensation Committee held six (6) meetings. The qualifications and attendance of each member are as follows:

In the fifth term of the Remuneration Committee, two (2) meetings were held in fiscal year 2024. The operation details are as follows:

| Position               | Name              | Meetings Attended | Proxy Attendance | (%) Attendance Rate | Remarks  |
|------------------------|-------------------|-------------------|------------------|---------------------|--|
| Convener & Chairperson | Shiang-Chung Chen | 2                 | 0                | 100%                | Former term (term ended on May 31, 2024)<br>Expected to attend: 2 meetings |
| Member                 | Wei-Chi Liu       | 2                 | 0                | 100%                | Former term (term ended on May 31, 2024)<br>Expected to attend: 2 meetings |
| Member                 | Kuan-Yuan Cheng   | 2                 | 0                | 100%                | Former term (term ended on May 31, 2024)<br>Expected to attend: 2 meetings |
| Member                 | Hsieh-Hsing Huang | 2                 | 0                | 100%                | Former term (term ended on May 31, 2024)<br>Expected to attend: 2 meetings |
| Member                 | Li-Chen Lin       | 2                 | 0                | 100%                | Former term (term ended on May 31, 2024)<br>Expected to attend: 2 meetings |

In the sixth term of the Remuneration Committee, four (4) meetings **were held in** fiscal year 2024. The operation details are as follows:

| Position               | Name              | Actual Attendance | Attendance by Proxy | (%) Attendance Rate | Remarks  |
|------------------------|-------------------|-------------------|---------------------|---------------------|--|
| Convener & Chairperson | Chao-Chin Tung    | 4                 | 0                   | 100%                | <ul style="list-style-type: none"> <li>Newly appointed (elected on May 31, 2024)</li> <li>Expected to attend 4 meetings</li> </ul> |
| Member                 | Hsieh-Hsing Huang | 4                 | 0                   | 100%                | <ul style="list-style-type: none"> <li>Newly appointed (elected on May 31, 2024)</li> <li>Expected to attend 4 meetings</li> </ul> |
| Member                 | Hui-Yiu Chen      | 3                 | 1                   | 75%                 | <ul style="list-style-type: none"> <li>Newly appointed (elected on May 31, 2024)</li> <li>Expected to attend 4 meetings</li> </ul> |
| Member                 | Mei-Chun Chao     | 4                 | 0                   | 100%                | <ul style="list-style-type: none"> <li>Newly appointed (elected on May 31, 2024)</li> <li>Expected to attend 4 meetings</li> </ul> |

Other Matters to Be Disclosed:

1. If the Board of Directors does not adopt or modifies the recommendations of the Compensation Committee, it shall disclose the date of the Board meeting, term, proposal content, resolution result, and how the Company handled the Committee's opinion (e.g., if the Board-approved remuneration exceeds the Committee's recommendation, the differences and reasons shall be stated): Not applicable.
2. If any Compensation Committee member expresses dissenting or qualified opinions on resolutions, and such opinions are recorded or stated in writing, the Company shall disclose the meeting date, term, proposal content, all members' opinions, and how the Company addressed those opinions: Not applicable.
3. A summary of key communication items and resolutions in 2024 is as follows:

| Compensation Committee | Matters Communicated  | Outcome of Communication  |
|------------------------|---|---|
| 5-9<br>(2024.3.7)      | Proposal for Amendments to the Organizational Charter of the Compensation Committee             | Acknowledged.   |
|                        | Proposal for the Distribution of Directors' Remuneration for FY2023                             | Approved and submitted to the Board of Directors for resolution.  |
|                        | Discussion on the Distribution of Employees' Remuneration for Fiscal Year 2023                  | Approved and submitted to the Board of Directors for resolution.  |
| 5-10<br>(2024.4.15)    | Report on the Distribution of Long-Term Incentive Bonuses                                       | Acknowledged.   |
| 6-1<br>(2024.6.11)     | Discussion on the Chairman's Remuneration   | Approved and submitted to the Board of Directors for resolution.  |
|                        | Discussion on the Retirement Pension for Former Chairperson Ms. Chiu Chun-Chih                  | Approved and submitted to the Board of Directors for resolution.  |
|                        | Discussion on the Retirement and Post-Service Benefits Plan for the Chairperson                 | Approved with amendments and submitted to the Board of Directors for resolution.                                |
| 6-2<br>(2024.9.10)     | Report on the Distribution of Employee Remuneration to Managerial Officers for Fiscal Year 2023 | Acknowledged.   |
|                        | Discussion on the Remuneration for Appointed Managerial Officers                                | Approved and submitted to the Board of Directors for resolution.  |
|                        | Discussion on the Remuneration for Appointing the Former Chairperson as Senior Advisor          | Approved with amendments and submitted to the Board of Directors for resolution.                                |
|                        | Discussion on the Guidelines for the Appointment of Board Advisors                              | Approved and submitted to the Board of Directors for resolution.  |
| 6-3<br>(2024.11.7)     | Discussion on the Remuneration for Appointed Managerial Officers                                | Approved and submitted to the Board of Directors for resolution.  |
| 6-4<br>(2024.12.17)    | Performance Evaluation Report for Managerial Officers for Fiscal Year 2024                      | Acknowledged.   |
|                        | Year-End Bonus Distribution Report for Fiscal Year 2024   | Acknowledged.   |
|                        | Proposal for the Employee Stock Ownership Trust (ESOT) Plan                                     | Approved and the suspension of the subsidy mechanism will be reported to the Board of Directors for resolution. |

## 2.5 Implementation Status of Sustainable Development Initiatives and Differences from the “Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies,” with Explanations

| Initiatives   | Implementation Status |    |   | Differences from the Principles and the reasons thereof                                 |
|---|-----------------------|----|---|---|
|   | Yes                   | No | Explanation   |   |
| 1. Has the Company established a governance structure for promoting sustainable development, appointed dedicated (or concurrent) personnel or units to implement sustainability initiatives, authorized senior management by the Board of Directors to handle related matters, and ensured the Board's oversight of sustainability efforts? | V                     |    | <p>a. Establishment of a Dedicated Unit for Promoting Sustainable Development<br/>In accordance with the Company's sustainability policy, the Board of Directors serves as the highest level of risk management oversight. Under the Board, five functional committees have been established: the Audit Committee, the Corporate Governance and Sustainability Committee, the Compensation Committee, the Nomination Committee, and the Strategy Committee.<br/>The Corporate Governance and Sustainability Committee consists of no fewer than three directors, with a convener and chairperson elected from among the members. The committee is responsible for overseeing sustainability, regulatory compliance, and information security risks, and convenes meetings on a regular basis.</p> <p>b. In 2022, the Company established an ESG Promotion Office and appointed a full-time Sustainability Officer to lead the implementation of sustainability initiatives. To facilitate company-wide coordination and execution, a cross-functional team was assembled, comprising representatives from each business unit and manufacturing site, along with staff departments such as Occupational Safety and Health, Human Resources, and Finance.<br/>The ESG Promotion Office reports directly to the Chairman on a regular basis. It is responsible for tracking the progress of TECO's corporate sustainability goals and policy implementation; collecting and assessing climate-related and sustainability risks and opportunities; identifying material sustainability issues relevant to operations and stakeholder concerns; formulating response strategies and action plans; preparing relevant budgets; and planning and executing annual initiatives. The Office also monitors implementation</p> | Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX |

| Initiatives | Implementation Status |    |  | Differences from the Principles and the reasons thereof |
|-------------|-----------------------|----|--|---|
|             | Yes                   | No | Explanation  |   |
|             |                       |    | <p>performance to ensure that sustainability strategies are effectively and thoroughly integrated into the Company's day-to-day operations.</p> <p>c. The status of sustainability development initiatives for 2024 has been reported to the Corporate Governance and Sustainability Committee. The Board of Directors' oversight and recommendations regarding sustainability development are as follows:</p> <p>(a). Environmental Aspect (E):</p> <p>i. It is recommended to enhance the disclosure of greenhouse gas (GHG) emission data in the Sustainability Report — currently, third-party external verification has been commissioned.</p> <p>ii. The current coverage scope is broader than that originally defined under the "50% reduction in ten years" target. It is recommended to explain the reason for the change in coverage and to confirm that the emission reduction efforts remain on the originally planned trajectory. The expansion in scope aligns with the FSC's current regulatory requirement for 100% disclosure and remains consistent with the Company's decarbonization roadmap.</p> <p>iii. It is recommended to develop a preparatory action plan for the required disclosure of greenhouse gas (GHG) inventories for all consolidated subsidiaries starting in 2026. The Company has discussed IFRS S1 and S2 disclosure requirements with the Finance Department and has engaged external resources to provide advisory and diagnostic support.</p> <p>(b) Social Aspect (S):</p> <p>i. TECO provides annual sponsorship to the TECO Technology Foundation for its various events and competitions. It is recommended to review the outcomes of these programs and explore opportunities for further collaboration and value creation.</p> <p>ii. The TECO Technology Foundation co-organized an</p> |   |

| Initiatives  | Implementation Status |    |  | Differences from the Principles and the reasons thereof                                 |
|--|-----------------------|----|--|---|
|  | Yes                   | No | Explanation  |   |
|  |                       |    | <p>international competition on net-zero carbon technologies with National Taiwan University (NTU), inviting Pacific Alliance universities to participate and exchange ideas. The platform's visibility and impact have been significantly elevated. It is recommended to consider increasing the sponsorship budget for related activities.</p> <p>iii. As an international company, TECO is encouraged to provide more opportunities for women in employment and career advancement in response to global trends.</p> <p>(c) Governance Aspect (G):</p> <p>i. It is recommended to adopt more diverse and youth-oriented social media platforms and tools, based on different themes, to promote the Company's positive image.</p> <p>ii. Strengthen investor communication with the primary goal of enhancing institutional investor recognition. It is recommended to track the shareholding trends of both domestic and international institutional investors going forward.</p> <p>iii. External communication regarding the development of green energy-related businesses can be strengthened. Presenting the proportion of revenue derived from green energy, along with industry comparisons, could highlight the Company's unique positioning.</p> <p>d. The Sustainability Report for fiscal year 2024 is scheduled to be submitted to the Board of Directors for approval and published by August 2025.</p> |   |
| 2. Has the Company conducted risk assessments on environmental, social, and governance (ESG) issues related to its operations based on the principle of materiality, and established corresponding risk management policies or strategies? | V                     |    | <p>a. TECO updates its sustainability topics based on international sustainability standards and trends, the Company's business objectives, and material issues identified by peer and benchmark companies. Each topic is prioritized and analyzed from two dimensions: external key stakeholders and internal management. This process helps identify diverse perspectives and define strategic directions for sustainability management.</p>   | Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX |

| Initiatives | Implementation Status |    |  | Differences from the Principles and the reasons thereof |
|-------------|-----------------------|----|--|---|
|             | Yes                   | No | Explanation  |   |
|             |                       |    | <p>The Company also assesses risks related to transformation failure in sustainability actions and considers factors of double materiality. Internal management mechanisms are established to ensure target achievement. The process for materiality assessment and sustainability goal-setting is conducted annually.</p> <p>b. In 2024, the scope of materiality analysis covered TECO's facilities in Taiwan, Mainland China, and the United States. A total of 215 questionnaires were collected, with responses distributed as follows: Taiwan 71%, Mainland China 8%, and other regions 21%. Among 16 relevant topics, the top ten high-impact material issues identified were: (a) Climate action and achieving net-zero emissions; (b) Use of renewable energy; (c) Regulatory compliance; (d) Waste recycling and resource regeneration; (e) Control of raw material sourcing; (f) Corporate governance; (g) Occupational safety; (h) Pollution prevention and management; (i) Labor-management communication; (j) Supply chain management measures</p> <p>c. TECO is committed to establishing a comprehensive risk management system. The Audit Committee and the Corporate Governance and Sustainability Committee serve as the Company's highest-level risk oversight bodies, each responsible for different categories of risk. This structure ensures clear and professional division of responsibilities across various dimensions of risk control, with regular reporting to the Board of Directors.</p> <p>In addition, the Company has established an Audit Office that reports directly to the Board of Directors. This office is responsible for monitoring and auditing the overall risk management mechanism. Through internal audit procedures, the Company ensures the effectiveness of its risk control measures and the appropriate management of potential risks.</p> <p>d. In accordance with Article 44 of the "Regulations Governing the Establishment of Internal Control Systems by Public Companies," the Company has established a Risk Management Policy and Procedures.</p> |   |

| Initiatives  | Implementation Status |    |   | Differences from the Principles and the reasons thereof                                 |
|--|-----------------------|----|---|---|
|  | Yes                   | No | Explanation   |   |
| 3. Environmental Issues<br>a. Has the Company established an appropriate environmental management system based on the characteristics of its industry? | V                     |    | Production-based facilities have obtained international certifications such as ISO 9001 and TS16949 based on their respective business attributes, and have also strengthened the implementation of ISO 14001, ISO 45001, and capabilities for identifying hazardous substances during the original design phase. TECO Electric & Machinery Co., Ltd. (headquarters) and 11 production sites have fully implemented the ISO 14001 Environmental Management System and passed third-party certification, achieving a 100% coverage rate. Certified sites include: TECO Electric & Machinery: Chungli Plant, Guanyin Plant, Hukou Plant; Tesen Electric & Machinery; TECO-Westinghouse; Taian Wuxi; Wuxi TECO; Wuxi Precision; Jiangxi TECO Air Conditioning Equipment; Jiangxi TECO; TECO Vietnam; Wuxi Teco Electro Devices; Motovario  | Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX |
| b. Has the Company made efforts to improve energy efficiency and utilize recycled materials with lower environmental impact?                           | V                     |    | <p>a. Energy Efficiency: In 2024, the total energy consumption of the Group was 375,227 GJ, with a coverage rate of 84.34%. The energy intensity was 1.88 MWh per million NTD in revenue.</p> <p>b. Renewable Energy Generation: In 2024, TECO completed the installation of 5.3 MW of solar power capacity at its facilities in the United States and China, bringing the Company's cumulative global installed capacity to 15.046 MW. In 2025, TECO plans to expand its renewable energy installations in Taiwan, Mainland China, and the United States, with the goal of achieving 30% of total electricity consumption from self-generated renewable energy by 2030.</p> <p>c. Use of Recycled Materials in Motors: TECO reuses silicon steel scrap through melting processes to manufacture motor casings, with recycled iron content exceeding 90%.</p> <p>d. Use of Eco-Friendly Refrigerants: TECO continues to promote the replacement of R410A with the more environmentally friendly refrigerant R32. In 2024, R32 accounted for 60.15% of the Company's total refrigerant usage (including residential, commercial, and chiller systems). Notably, 100% of residential air conditioning units have already adopted R32 refrigerant.</p> | Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX |



| Initiatives   | Implementation Status |    |  | Differences from the Principles and the reasons thereof                                 |
|---|-----------------------|----|--|---|
|   | Yes                   | No | Explanation  |   |
| 3. Has the Company assessed the potential current and future risks and opportunities of climate change on its business, and taken corresponding response measures?  | V                     |    | <p>e. To enhance carbon management effectiveness and foster internal innovation and transformation, TECO has implemented an internal carbon pricing mechanism to support the achievement of short- and medium-term emission reduction targets and net-zero emissions by 2050. Under this mechanism, each business group is allocated an annual carbon emission allowance and required to budget for corresponding carbon-related expenses. In addition, business groups may apply for Carbon Fund subsidies for projects in the following categories, encouraging more active implementation of energy-saving and carbon-reduction strategies to strengthen the Company's overall competitiveness: Energy management; Development and application of renewable energy; Low-carbon product research and innovation</p> <p>f. TECO is actively promoting the development of self-owned power generation facilities worldwide. As of 2024, the Company had achieved a cumulative global installed capacity of 15.046 MW, moving closer to its Group-wide goal of sourcing 30% of total electricity consumption from renewable energy by 2030.</p> <p>g. For more details on climate change governance, please refer to p.85</p> | Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX |
| 4. Has the Company compiled statistics on its greenhouse gas emissions, water consumption, and total waste generation over the past two years, and established policies for GHG reduction, water conservation, or other waste management initiatives? | V                     |    | <p>a. Greenhouse Gas Emissions: TECO conducts greenhouse gas (GHG) emissions inventories (covering Scope 1 and Scope 2) across its domestic and overseas affiliates and subsidiaries, including operations in Taiwan, Mainland China, Vietnam, Northeast Asia, Southeast Asia, the United States, and Italy. Over the years, the coverage of emission data has been progressively expanded to enhance management scope. TECO's various manufacturing sites and sales offices have planned for their GHG inventories to be verified in accordance with the ISO 14064-1 (GHG Inventory) standard to ensure the accuracy of the reported data.</p> <p>b. In 2024, in accordance with the FSC's regulatory requirements, TECO conducted a greenhouse gas inventory covering 100% of all affiliated companies and subsidiaries included in the</p>  | Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX |

| Initiatives  | Implementation Status |    |  | Differences from the Principles and the reasons thereof      |
|--|-----------------------|----|--|--|
|  | Yes                   | No | Explanation  |  |
|  |                       |    | <p>consolidated financial statements. The total emissions were as follows:</p> <ul style="list-style-type: none"> <li>• Scope 1 (direct emissions): approximately 25,317 metric tons of CO<sub>2</sub>e/year</li> <li>• Scope 2 (energy indirect emissions): approximately 47,367 metric tons of CO<sub>2</sub>e/year</li> </ul> <p>Third-party verification bodies:</p> <ul style="list-style-type: none"> <li>• Taiwan: BSI (British Standards Institution)</li> <li>• Mainland China and Vietnam: CQC (China Quality Certification Center)</li> <li>• United States: SGS (Taiwan SGS)</li> <li>• Italy: TÜV Rheinland</li> </ul> <p>Regional emission factors were based on the most recent figures announced by local energy authorities. The global warming potential (GWP) values referenced are from IPCC Assessment Report 6 (AR6).</p> <p>c. Water Consumption: TECO set a 2024 target to reduce annual water consumption by 5% year over year, with a target value of 365.75 thousand cubic meters (Mm<sup>3</sup>). The actual total water consumption in 2024 was 317.02 Mm<sup>3</sup>, indicating that the reduction target was achieved.</p> <p>d. Waste Management: TECO set a 2024 target to reduce waste generation by 5% annually.</p> <ul style="list-style-type: none"> <li>• Non-hazardous waste: The total volume generated was 14,874.50 metric tons, with a recycling and reuse rate of 96.96%. The amount processed was 451.53 metric tons, including 691.24 metric tons of recovered waste heat.</li> <li>• Hazardous waste: The target for 2024 was 292 metric tons, and the actual amount generated was approximately 291.48 metric tons, indicating that the target was achieved.</li> </ul> <p>The above comprehensive inventory information will be primarily disclosed in the 2025 Sustainability Report.</p> |  |
| <p>4. Social Issues</p> <p>a. Has the Company established relevant management policies and procedures in</p> | V                     |    | <p>TECO Electric &amp; Machinery respects and supports the labor standards set forth in the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour</p>   | <p>Consistent with the the Corporate Sustainability Best</p> |

| Initiatives   | Implementation Status |    |   | Differences from the Principles and the reasons thereof                                  |
|---|-----------------------|----|---|--|
|   | Yes                   | No | Explanation   |  |
| accordance with applicable laws and international human rights conventions?   |                       |    | <p>Organization (ILO) Conventions. The Company has publicly issued the TECO Human Rights Policy Declaration, committing to ensuring that all individuals within and outside the organization are treated with equality and dignity.</p> <p>TECO has established a human rights due diligence process, conducting annual assessments to identify human rights risks, impacted parties, sources of risk, and to formulate corresponding action strategies. Mitigation measures include ensuring a safe and healthy working environment, prohibiting forced labor and child labor, eliminating discrimination, and upholding freedom of association and collective bargaining rights.</p> <p>In addition, TECO promotes an internal DEI (Diversity, Equity, and Inclusion) program to foster a modern workplace culture through education and awareness. In 2024, the Company received several recognitions, including the “Gold Award for DEI Vision” from Womany, the “Silver Award for Gender Equality Certification” from Taipei City Government, and the “DEI-Friendly Employer Award for Multigenerational Inclusion.”</p> | Practice Principles for TWSE/TPEX  |
| b. Has the Company established and implemented reasonable employee welfare measures (including compensation, leave, and other benefits), and appropriately reflected operational performance or results in employee remuneration? | V                     |    | <p>a. Sharing of Business Results:</p> <ul style="list-style-type: none"> <li>● Performance-Based Incentives: TECO has implemented a performance management system to align employee compensation with the Company's business performance, thereby enhancing employees' sense of mission. According to the Company's Articles of Incorporation, up to 10% of the annual profit may be allocated for employee remuneration. In addition, a certain percentage of operating profit is distributed as year-end bonuses under the “Year-End Bonus Evaluation Guidelines.”</li> <li>● Employee Stock Ownership Trust (ESOT): To foster employee engagement and support financial planning, since 2023 all employees have been eligible to join the ESOT based on the Employee Stock Ownership Association regulations. The Company provides matching contributions to encourage long-term shareholding, reinforcing a partnership model where employees are also shareholders.</li> </ul>  | Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX. |

| Initiatives | Implementation Status |    |  | Differences from the Principles and the reasons thereof |
|-------------|-----------------------|----|--|---|
|             | Yes                   | No | Explanation  |   |
|             |                       |    | <ul style="list-style-type: none"> <li>● Long-Term Incentive Program for Managers:<br/>Starting in 2023, managerial-level employees set three-year performance targets based on their roles and are granted long-term incentive bonuses. Bonus amounts are determined by the achievement of these targets and individual KPI scores. For those involved in sustainability projects, KPIs are linked to relevant ESG indicators. Furthermore, to promote gender equality and diversity, KPIs are also designed to support inclusive hiring and development practices aimed at increasing the representation of women in the workforce.</li> <li>● Since 2020, TECO has implemented an Employee Retention Shareholding Program, under which managerial-level employees receive Company shares annually at no cost through a stock trust arrangement.</li> </ul> <p>b. Employee Welfare Measures</p> <ul style="list-style-type: none"> <li>● Comprehensive and Above-Regulatory Leave Policy:<br/>To support work-life balance and ensure effective leave management, TECO provides leave entitlements that exceed statutory requirements. In addition to legally mandated leave, the Company monitors the utilization rate of annual leave across departments and incorporates this metric into managers' annual performance evaluations. <ul style="list-style-type: none"> <li>i. Volunteer Leave: To encourage employee participation in social welfare activities and fulfill the Company's corporate citizenship responsibilities, TECO offers three days of fully paid volunteer leave per year. Participation in volunteer activities under this leave policy does not affect employees' performance evaluations.</li> <li>ii. Welfare Leave:<br/>The Company provides three days of paid welfare leave per year to help employees maintain a healthy balance between work and family life.</li> <li>iii. Birthday Leave:<br/>Recognizing that birthdays are special personal occasions, the Company offers a paid birthday leave day that can be</li> </ul> </li> </ul> |   |

| Initiatives   | Implementation Status |    |  | Differences from the Principles and the reasons thereof                                 |
|---|-----------------------|----|--|---|
|   | Yes                   | No | Explanation  |   |
|   |                       |    | <p>flexibly scheduled within the employee's birth month, allowing them to fully enjoy their celebration as a gesture of appreciation and goodwill from the Company.</p> <p>iv. Prenatal Checkup Leave:<br/>During pregnancy, employees are entitled to ten days of fully paid prenatal checkup leave, exceeding the current legal requirement of seven days.</p> <p>v. Convalescent Leave:<br/>To ensure employees can rest and recover fully when ill, the Company provides paid convalescent leave equivalent to the number of days hospitalized, which can be taken after discharge.</p> <ul style="list-style-type: none"> <li>● Wedding Gift Allowance:<br/>When an employee or their child gets married, the Company provides supervisors with a subsidy to offer a congratulatory gift.</li> <li>● Bereavement Assistance:<br/>To express care and sympathy, when an employee or their family member passes away, the Company provides supervisors with a subsidy to offer condolence payments, memorial banners, and floral arrangements.</li> <li>● Employee Dormitories:<br/>Free dormitory accommodations are provided to employees working at plant locations. A Dormitory Self-Governance Committee, formed by resident employees, collects a modest monthly management fee to cover the cleaning and maintenance of shared facilities, as well as to support various recreational activities for residents.</li> </ul> |   |
| C. Has the Company provided a safe and healthy working environment for its employees and conduct regular occupational safety and health education and training? | V                     |    | <p>The Company also organizes environmental, health, and safety (EHS) training sessions and quiz-based incentive activities to encourage full employee participation through engaging and educational formats. These initiatives help enhance employees' knowledge of EHS-related topics and strengthen their safety awareness. In addition, the Company works with external experts to conduct on-site audits to further improve the practical performance of its EHS implementation.</p> <ul style="list-style-type: none"> <li>● Disabling Injury Frequency Rate : 2.57</li> </ul>  | Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX |

| Initiatives   | Implementation Status |    |  | Differences from the Principles and the reasons thereof                                 |
|---|-----------------------|----|--|---|
|   | Yes                   | No | Explanation  |   |
|   |                       |    | <ul style="list-style-type: none"> <li>● Disabling Injury Severity Rate :118</li> <li>● Occupational Injury Statistics: A total of 24 cases were reported in 2024, including 7 cases in Taiwan facilities, 11 cases in Mainland China, 5 cases in Italy, and 1 case in the United States.</li> <li>● Through incident investigation and analysis, the Company conducts reviews and implements improvements, including reassessing the safety of facilities and equipment. Employees are also reminded to wear appropriate personal protective equipment (PPE) and follow standard operating procedures to strengthen occupational safety and health awareness and ensure a safe working environment.</li> </ul> <p>Each year, the Company ensures the inspection and reporting of fire safety systems, and conducts semi-annual fire drills focusing on high-risk equipment and areas within its facilities. In 2024, a total of one equipment-related fire incident was reported.</p> <ul style="list-style-type: none"> <li>● At Wuxi TECO, combustible materials were accidentally introduced into a baking oven, causing resin to ignite upon contact with an open flame. No property damage was reported, and the equipment was found to be operating normally after inspection.</li> <li>● The Company enforces occupational safety inspections at its factories, covering safety aspects such as on-site conditions, high-risk operations, fire prevention, equipment, electrical systems, and building safety.</li> </ul> <p>In terms of environmental protection, the inspection mechanism also includes categories such as air, water, waste, hazardous substances, and noise to ensure comprehensive compliance and risk control.</p> <ul style="list-style-type: none"> <li>● Complete verification information will be primarily disclosed in the Sustainability Report.</li> </ul> |   |
| d. Has the company established an effective career competency development training program for employees? | V                     |    | <ul style="list-style-type: none"> <li>● Mentor Program :<br/>To strengthen succession planning and organizational capabilities at the mid- to senior-management level, TECO identifies high-potential successors and assigns senior executives as mentors based on results from 360-degree</li> </ul>   | Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX |

| Initiatives | Implementation Status |    |   | Differences from the Principles and the reasons thereof |
|-------------|-----------------------|----|---|---|
|             | Yes                   | No | Explanation   |   |
|             |                       |    | <p>leadership competency assessments and individual development needs. These mentors share personal experiences, management insights, and provide advice and guidance to accelerate the comprehensive growth of mentees. In addition, a group of promising mid-level managers is selected to form a succession development team, mentored directly by the President. Through the President's guidance, members are trained to develop senior-level strategic thinking. Mentees from different business units also engage in peer learning and cross-functional collaboration, exploring development opportunities, initiating and executing cross-departmental projects, and connecting with external resources to broaden their perspectives.</p> <p>In 2024, 12 high-potential mid-level talents were selected to join the Mentor Program, receiving direct mentorship from the President. A total of five mentoring sessions were conducted throughout the year, accumulating 75 hours of coaching aimed at cultivating senior executive-level thinking among the participants.</p> <ul style="list-style-type: none"> <li>● Key Talent Development Program:<br/>Key talents refer to high-potential employees below the managerial level who are identified for focused development. To enhance talent cultivation and retention, the review and selection cycle for key talents has been adjusted from once every two years to once a year.</li> </ul> <p>Following the selection process, each key talent's development progress and retention are incorporated into the department's Key Performance Indicators (KPIs). Department heads work collaboratively with each identified talent to establish a personalized Individual Development Plan (IDP), aligning the individual's growth trajectory with the Company's strategic direction.</p> <p>Through this process, key talents receive structured training and development, which helps strengthen talent retention and drives organizational growth.</p> <p>In 2024, among the 44 key talents identified, 23 employees</p> |   |

| Initiatives | Implementation Status |    |   | Differences from the Principles and the reasons thereof |
|-------------|-----------------------|----|---|---|
|             | Yes                   | No | Explanation   |   |
|             |                       |    | <p>were promoted during the program period, resulting in a promotion rate of 52.2%.<br/>This included 2 employees promoted to Job Grade 9, and 5 employees who transitioned from non-managerial to managerial positions.</p> <ul style="list-style-type: none"> <li>● Digital Transformation and Digital Talent Development               <ul style="list-style-type: none"> <li>a. Digitalization of Knowledge and Learning<br/>In recent years, the Company has made significant progress in promoting the digitalization of knowledge and learning. We have launched a new learning platform, TECO e-Academy, and established a more robust foundation for digital learning by implementing a blended learning model that integrates both online and offline training.<br/>The platform's scope of application continues to expand, with an increasing variety of online courses introduced, making it a key driver of internal knowledge sharing, learning and development, and cultural shaping within the Company.<br/>In 2024, online learning hours totaled 12,427 hours, accounting for 38% of the Company's total learning hours.</li> <li>b. Digital Seed Talent Development Program<br/>To respond to the rapid advancement of digital transformation, the Company officially implemented the Microsoft 365 (M365) collaboration platform in 2023.<br/>In addition to providing basic tool training for all employees, the Company also selected digital seed talents from various business units to receive focused training in using M365 tools to drive process automation, data visualization, and other capabilities. These efforts aim to further enhance the overall effectiveness of the Company's digital transformation.<br/>In 2024, a total of 58 digital seed talents were trained. The training covered topics such as introductory and advanced RPA, Power BI, and AI Builder, with a cumulative total of 2,430 training hours completed.</li> </ul> </li> </ul> |   |



| Initiatives | Implementation Status |    |   | Differences from the Principles and the reasons thereof |
|-------------|-----------------------|----|---|---|
|             | Yes                   | No | Explanation   |   |
|             |                       |    | <p>c. Digital Competition</p> <p>To promote the practical adoption of M365 applications, the Company organized an internal digital project competition. Participating teams went through a complete process—from proposal submission, coaching, and implementation to final results sharing. Leveraging M365 tools, the teams successfully developed a range of practical solutions, including a product integration system, an attendance geo-check-in system, and a materials requisition system. These outcomes have facilitated the broader adoption of M365 tools across the Company, while also improving work efficiency and optimizing existing processes.</p> <p>In 2024, the digital competition received a total of 40 project proposals, among which 11 were selected by the judges for outstanding performance. Based on the projected impact of all submitted proposals, the initiatives are expected to result in approximately NT\$4 million in cost savings.</p> <ul style="list-style-type: none"> <li>● Management Associate Training Program<br/>To cultivate leadership and management capabilities among future management, the Company offers a series of training programs each year for high-potential employees, including basic and intermediate-level Management Associate training. Employees nominated for future supervisory roles are required to complete the relevant training courses before becoming eligible for promotion, ensuring that all supervisors possess the essential leadership and managerial competencies.</li> <li>● Professional Competency Development<br/>Each year, the Company develops new internal instructors and enhances the teaching and knowledge transfer capabilities of existing ones. Through these internal trainers within each department, key professional skills and know-how are passed down via in-house training programs, on-the-job training (OJT), and other instructional methods.</li> </ul> <p>In addition, factories hold annual skills certification programs to enhance the Company's technical standards, develop employee</p> |   |

| Initiatives  | Implementation Status |    |   | Differences from the Principles and the reasons thereof                                  |
|--|-----------------------|----|---|--|
|  | Yes                   | No | Explanation   |  |
|  |                       |    | <p>potential, cultivate multi-skilled workers, and recognize employees with outstanding technical capabilities.</p> <p>In 2024, one session of internal instructor training was conducted, with 24 participants completing the program and becoming certified internal instructors. The total training hours reached 168 hours.</p> <p>As part of the Company's digital knowledge transfer efforts, 13 training videos were produced, with a total of 214 views and 38.4 learning hours recorded.</p> <p>Additionally, 71 employees passed the skills certification, and a total of NT\$65,300 in incentive bonuses was awarded.</p>  |  |
| e. Has the Company complied with relevant laws and international standards regarding customer health and safety, customer privacy, marketing, and product labeling, and has it established related policies and grievance mechanisms to protect consumer or customer rights and interests? | V                     |    | <p>Integrating environmental protection, energy efficiency, and low-carbon design has become a prevailing trend in product development. In addition to complying with international efficiency rating standards, TECO motors continue to support energy conservation and carbon reduction by promoting the adoption of IE4 high-efficiency motors for equipment upgrades. The Company also offers customers electrification-integrated solutions and energy-saving and carbon-reduction programs.</p> <p>In compliance with national CNS regulations, TECO's home appliances and air conditioning products are developed with a focus on inverter technology and high energy efficiency, aiming to achieve both energy conservation and environmental protection. These products incorporate R32 eco-friendly refrigerants and environmentally friendly plastics, and have obtained both energy-saving and green product labels, serving as indicators for sustainable product marketing. This not only helps safeguard consumer health and safety but also contributes to carbon reduction and environmental sustainability.</p> <p>The Company has established a dedicated service hotline for home appliance and air conditioning products (operated by A-OK Technical Service Co., Ltd.) to provide consumers with channels for repair requests and complaints. All service requests are accompanied by a privacy policy statement to ensure the protection of consumer rights and personal information.</p> <p>Privacy Protection and Personal Data Management</p> | Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX. |

| Initiatives  | Implementation Status |    |   | Differences from the Principles and the reasons thereof                                 |
|--|-----------------------|----|---|---|
|  | Yes                   | No | Explanation   |   |
|  |                       |    | The Company has established a Personal Data File Security Maintenance Plan and Handling Procedures, with the Chairman serving as the highest-level authority. Each department has appointed personal data protection officers responsible for implementing personal data management tasks. Through internal audits, data inventory reviews, risk prevention measures, and training programs, the Company ensures the proper protection of customer personal information.  |   |
| f. Has the Company established a supplier management policy requiring suppliers to comply with relevant standards on environmental protection, occupational health and safety, and labor and human rights, and what is the status of its implementation?                                       | V                     |    | TECO has integrated standards related to economic, social, and environmental aspects into its sustainable supply chain management policy. To ensure that suppliers fulfill their corporate social responsibility (CSR), the Company not only uses a supplier evaluation mechanism that emphasizes competitive quality, delivery, and technical capability, but also incorporates ESG scoring criteria into the evaluation process. These criteria cover environmental protection, occupational health and safety, and labor and human rights.<br>TECO has developed a Supplier ESG Evaluation Form, promoted local procurement strategies, and strengthened supplier oversight through signed declarations and commitments, including the Restricted/Substance-Free Guarantee, Conflict-Free Minerals Declaration, Supplier Code of Conduct, and the Human Rights and Environmental Sustainability Commitment Letter. | Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX |
| 5. Does the Company follow internationally recognized reporting standards or guidelines in preparing its sustainability report or other reports disclosing non-financial information? Has the aforementioned report been assured or verified by an independent third-party assurance provider? | V                     |    | <ul style="list-style-type: none"> <li>The overall content and structure of the Sustainability Report are prepared in accordance with the GRI Standards 2021, as issued by the Global Sustainability Standards Board (GSSB), using the appropriate reporting option. Environmental topics, including greenhouse gas inventory disclosures, follow the framework and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In addition, sustainability issues with material financial impact in the industry are disclosed in alignment with the standards of the Sustainability Accounting Standards Board (SASB).</li> <li>The Sustainability Report has been assured for accuracy by BSI in accordance with the AA1000 Assurance Standard (AA1000AS)</li> </ul>  | Consistent with the the Corporate Sustainability Best Practice Principles for TWSE/TPEX |

| Initiatives   | Implementation Status |    |  | Differences from the Principles and the reasons thereof |
|---|-----------------------|----|--|---|
|   | Yes                   | No | Explanation                            |   |
|   |                       |    | v3), Type 1, Moderate Level Assurance. |   |
| <p>6. If the Company has established its own sustainability guidelines in accordance with the “Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies,” please describe their implementation and any differences from the said Principles:<br/> The Company has established a “Sustainability Best Practice Guidelines,” which apply to the overall business operations of the Company and its group enterprises. The Company aspires to actively align its business operations with international sustainability trends, and, through its role as a responsible corporate citizen, contribute to national economic development, improve the quality of life for employees, communities, and society, and foster a sustainability-driven competitive advantage. There is no difference in the implementation outcome.</p>   |                       |    |  |   |
| <p>7. Other material information helpful for understanding the Company’s implementation of sustainable development practices:</p> <ul style="list-style-type: none"> <li>● Since 2022, TECO has established an ESG Promotion Office, which reports regularly to the Chairman on the execution and progress of the Company’s sustainability goals and policy implementation. TECO has committed to its “50% carbon reduction in 10 years” initiative, aiming to achieve a 50% reduction in carbon emissions by 2030, with the ultimate goal of reaching net-zero emissions by 2050.</li> <li>● In 2023, the Company established the Innovative Energy Storage Operation &amp; Development Division to integrate resources and pursue business opportunities in virtual power plants (VPPs) and microgrids, in line with the liberalization of the power market.</li> <li>● TECO has been selected for five consecutive years in the Dow Jones Sustainability Emerging Markets Index (DJSI), consistently receiving international recognition for its sustainability performance. In 2024 (Year 113), the Company ranked second globally in the electrical and electronic equipment industry group, and was also included in the S&amp;P Global 2025 Sustainability Yearbook, placing it among the Top 1% of companies worldwide.</li> <li>● In 2024, TECO generated a total of 1,038 renewable energy certificates (RECs) through on-site solar power generation for self-use. The Company aims to achieve 30% of its total power consumption from renewable generation capacity by 2030.</li> <li>● The TECO Technology Foundation has long been dedicated to the preservation and promotion of Indigenous cultures. Through its ongoing “Exclamation Mark – Indigenous Sustainable Education Program,” the Foundation actively supports the conservation of Taiwan’s unique cultural heritage while promoting social inclusion and sustainability.</li> <li>● The Company promotes Diversity, Equity, and Inclusion (DEI) internally.</li> </ul> <p>Complete information will be primarily disclosed in the Sustainability Report.</p> |                       |    |  |   |

## 1. Climate-Related Information Implementation Status

| Item  | Implementation Status   |
|---|---|
| 1. Describe the Board's and management's oversight and governance of climate-related risks and opportunities. | <p>The Company's sustainability initiatives for 2024 have been reported to the Corporate Governance and Sustainability Committee. The Board of Directors' oversight and recommendations on sustainability development for 2024 are as follows:</p> <p>Environmental Aspect (E):</p> <ul style="list-style-type: none"> <li>(1) It is recommended to enhance the disclosure of greenhouse gas (GHG) emissions data in the sustainability report – currently verified by an independent third party.</li> <li>(2) The current coverage scope is broader than that defined under the previously set “50% emission reduction in ten years” target. It is recommended to explain the reason for the change in coverage and to confirm that the emission reduction efforts remain on the originally planned trajectory—aligned with the FSC's current regulatory requirement of 100% disclosure, in line with the company's carbon reduction roadmap.</li> <li>(3). It is recommended to prepare a work plan for the required disclosure of greenhouse gas inventories for all consolidated subsidiaries starting in 2026. Discussions have been held with the Finance Department regarding disclosure under IFRS S1 and S2, and external resources have been engaged to assist with guidance and diagnostics.</li> </ul> <p>Social Aspect (S):</p> <ul style="list-style-type: none"> <li>(1) TECO Corporation annually sponsors various events and competitions organized by the TECO Technology Foundation. It is suggested to leverage the outcomes of these events to explore and create further collaboration opportunities.</li> <li>(2) The TECO Technology Foundation co-hosted an international Net Zero Carbon Technology competition with National Taiwan University, inviting participation and exchange with schools from the Pacific Alliance. The event significantly elevated the platform's visibility and impact; it is recommended to consider increasing the budget to support similar initiatives.</li> <li>(3) As an international company, TECO is encouraged to align with global trends by providing greater employment and promotion opportunities for women.</li> </ul> <p>Governance Aspect (G):</p> <ul style="list-style-type: none"> <li>(1) To strengthen the company's public image, it is advised to utilize a broader range of social media platforms and tools—particularly those favored by younger demographics—tailored to diverse thematic campaigns.</li> <li>(2) Strengthen communication with investors, with the primary goal of enhancing recognition and support from institutional investors. It is recommended to track the shareholding trends of both domestic and international institutional investors in the future.</li> <li>(3) It is suggested to enhance external communication regarding the development of green energy-related businesses. Presenting the proportion of revenue generated from green energy as a key metric—and comparing it with industry peers—can serve as a distinctive highlight.</li> </ul> <p>The 2024 Sustainability Report, scheduled for release in 2025, is</p> |

| Item  | Implementation Status  |
|---|--|
|   | expected to be submitted to the Board of Directors for approval and subsequently published before August 2025.   |
| 2. Describe how the identified climate-related risks and opportunities impact the company's business, strategy, and financial planning over the short, medium, and long term. | <p>The primary climate risks identified by TECO include: carbon pricing mechanisms and carbon tariffs impacting operations and the supply chain; extreme weather events affecting the production environment and workforce; and the pressure to accelerate low-carbon product transformation. These risks have direct implications for the company's business operations.</p> <ul style="list-style-type: none"> <li>● Short term: Rising costs of critical materials, increased pressure on supply chain management, and shifting market demand.</li> <li>● Medium term: Product upgrades and market restructuring, rising energy costs, and declining labor productivity.</li> <li>● Long term: Carbon Border Adjustment Mechanism (CBAM) and the risks associated with industry transformation.</li> </ul> <p>In terms of strategic impact</p> <ul style="list-style-type: none"> <li>● Short term: Implementation of an internal carbon pricing mechanism and enhanced supply chain management.</li> <li>● Medium term: Global capacity planning and energy transition strategies.</li> <li>● Long term: Technological innovation, with a strong focus on developing low-carbon technologies such as electric vehicle power modules and IE5 motors, as well as advancing circular economy models.</li> </ul> <p>In terms of financial impact:</p> <ul style="list-style-type: none"> <li>● Short term: Capacity relocation investments — TECO has made investments in Vietnam, India, and Mexico to mitigate geopolitical risks through geographic diversification.</li> <li>● Medium term: Increased R&amp;D expenditures — additional investment in research and development to meet net-zero emission requirements.</li> <li>● Long term: Investment risks associated with industry transformation — failure to transition in a timely manner may result in product obsolescence due to carbon footprint concerns.</li> </ul> <p>The key environmental opportunities identified by TECO include: the expansion of the low-carbon product market, the application of renewable energy and energy storage technologies, and the development of green supply chains.</p> <p>In terms of business impact:</p> <ul style="list-style-type: none"> <li>● Short term: Growth in the electric vehicle market, along with government subsidies and green standards.</li> <li>● Medium term: Increasing corporate demand for carbon reduction; TECO's deployment of solar and energy storage systems helps reduce operational energy costs.</li> <li>● Long term: Global energy transition, and expansion of smart grid and green building markets.</li> </ul> <p>In terms of strategic impact:</p> <ul style="list-style-type: none"> <li>● Short term: Market-driven product development and adoption of green standards across the supply chain.</li> <li>● Medium term: Expansion into global markets and investments in renewable energy.</li> <li>● Long term: Establishing leadership in low-carbon technologies and advancing circular economy models.</li> </ul> |

| Item  | Implementation Status   |
|---|---|
|   | <p>In terms of financial impact:</p> <ul style="list-style-type: none"> <li>● Short term: New revenue streams from low-carbon products and government subsidies — certain markets offer incentives for low-carbon products, enhancing profitability.</li> <li>● Medium term: Returns on renewable energy investments and carbon trading opportunities — leveraging internal carbon pricing mechanisms to reduce future carbon tax burdens.</li> <li>● Long term: Establishing a leading brand in the low-carbon market, with potential revenue from carbon reduction technology licensing and patents.</li> </ul>   |
| <p>3. Describe the financial impacts of extreme weather events and transition activities.</p>   | <p>Financial Impacts Faced by TECO Due to Extreme Weather Events and Transition Activities</p> <p>1. Financial Impacts of Extreme Weather Events</p> <ul style="list-style-type: none"> <li>● Impact of Carbon Pricing Mechanisms: The EU Carbon Border Adjustment Mechanism (CBAM) and U.S. carbon regulations have led to increased costs for key materials such as steel and aluminum, potentially affecting exports to the U.S. market.</li> <li>● Operational Risks: Extreme weather events such as typhoons and floods may disrupt production and supply chains, resulting in higher maintenance and insurance costs.</li> <li>● Rising Energy Costs: Carbon pricing and demand for low-carbon equipment have increased energy expenditures and capital investment needs at production sites.</li> </ul> <p>2. Transition Actions and Financial Strategies</p> <ul style="list-style-type: none"> <li>● Product and Market Transformation: Upgrading motor efficiency, promoting low-carbon technologies, and expanding into energy storage and renewable energy equipment to reshape the company's revenue structure.</li> <li>● Supply Chain Management: Requiring suppliers to provide carbon footprint data and optimizing procurement strategies to reduce the financial impact of high-carbon materials.</li> </ul> <p>3. Financial Planning and Future Outlook</p> <ul style="list-style-type: none"> <li>● Implementation of Internal Carbon Pricing: Linking emission reduction performance to incentives through an internal carbon pricing mechanism.</li> <li>● Long-term Carbon Cost Assessment: Continuously evaluating carbon-related costs to enable flexible resource allocation and strategic adjustments.</li> </ul> |
| <p>4. Describe how the identification, assessment, and management of climate-related risks are integrated into the overall risk management framework.</p> | <p>TECO continuously updates its sustainability issues based on international sustainability standards and trends, the company's operational goals, and material topics identified in peer and benchmark companies. Through double materiality analysis, TECO identifies potential transition failure risks.</p> <p>The ESG Promotion Office is responsible for validating the content of each issue and detailing the top ten core topics, including their scope of impact, underlying causes, assessment methods, associated risks, and corresponding management strategies.</p> <p>In addition, the company references the "Risk Assessment and Analysis Report" provided by the Finance Department to define key areas for climate risk and sustainability management. The effectiveness of risk management execution by each responsible unit is continuously monitored, and the results are disclosed in the sustainability report to ensure transparency and traceability. The</p>   |

| Item   | Implementation Status  |
|--|--|
|  | process of identifying material topics and setting sustainability goals is conducted annually to ensure that sustainability strategies are aligned with the company's development direction and to continuously optimize risk response and management mechanisms.  |
| 5. If scenario analysis is applied to assess the company's resilience to climate change risks, the selected scenarios, parameters, assumptions, analytical factors, and key financial impacts should be clearly disclosed. | <p>TECO has adopted the GCAM 6.0 model, combined with the IEA 2050 Net Zero Emissions (NZE) scenario, to estimate decarbonization costs. This scenario was selected because it aligns with TECO's declared goal of achieving net-zero emissions by 2050. It is also consistent with the requirements of the Science Based Targets initiative (SBTi), making it an effective tool for assessing the company's capacity and challenges in responding to climate change.</p> <p>1. Key parameters and assumptions are as follows:</p> <ul style="list-style-type: none"> <li>• Policy Factors: It is projected that global governments will strengthen carbon pricing, carbon taxes, and emissions regulations. National climate policies will influence both energy costs and corporate operating expenses. The transition to a low-carbon economy is expected to accelerate, driving increased demand for renewable energy.</li> <li>• Regional Variables: Differences in energy resource availability across TECO's major locations (such as China, Southeast Asia, and the United States) affect the cost and feasibility of implementing decarbonization measures.</li> <li>• Technological Development: Advancements in high-efficiency equipment and low-carbon energy technologies are expected to reduce TECO's energy transition costs; however, the pace of technological progress remains uncertain.</li> </ul> <p>2. Key Analytical Factors:</p> <ul style="list-style-type: none"> <li>• Financial Risks: Rising carbon prices will increase operating costs for the company; volatility in energy markets may affect raw material and transportation expenses.</li> <li>• Operational Risks: Changes in policies and regulations may impact market access and compliance costs, while high temperatures and extreme weather events can affect productivity and supply chain stability.</li> </ul> <p>3. Key Financial Impacts:</p> <ul style="list-style-type: none"> <li>• IEA 2050 Net Zero (NZE) Scenario: Carbon prices are expected to rise significantly, driving companies to accelerate their energy transition strategies.</li> <li>• IEA Announced Pledges Scenario (APS): The estimated decarbonization cost by 2030 is NT\$30.64 million. Although the pressure to reduce emissions is relatively lower under this scenario, continued investment in energy transition technologies remains necessary.</li> <li>• RCP 2.6 &amp; RCP 6.0 Labor Impact: Additional resources will be required to address employee health and improve working conditions due to climate-related stressors.</li> </ul> |
| 6. If there is a transition plan in place to address and manage climate-related risks, please describe the plan, along with the indicators and targets   | In terms of emissions reduction, TECO has announced its "50% Reduction in 10 Years" target, aiming to achieve a 50% reduction in operational carbon emissions by 2030. The implementation scope has been expanded to include overseas facilities, ensuring that the entire group contributes to the decarbonization effort. Key actions  |



| Item  | Implementation Status  |
|---|--|
| used to identify and manage physical and transition risks.  | <p>include energy-saving and emission-reduction initiatives at production sites and the deployment of a digital GHG data management system to enhance data processing efficiency. This system upgrades the current annual GHG inventory to a monthly emissions performance tracking process.</p> <p>On the product side, TECO has completed the development of IE5 premium efficiency motors—the highest standard in energy efficiency—and has adopted environmentally friendly refrigerants across all small-scale air conditioners. In addition, the company plans to establish its own global power generation facilities, with the goal of achieving 30% in-house power generation capacity.</p>   |
| 7. If internal carbon pricing is used as a planning tool, the basis for determining the carbon price should be disclosed.   | <p>Since 2023, TECO has officially implemented an internal carbon pricing mechanism. Each business group's general manager is assigned an annual emissions allowance, which is incorporated into the budgeting process. Business units are required to allocate actual budgets to cover their annual carbon emissions. If emissions exceed the target, the excess results in additional budgetary costs, directly impacting the business group's performance evaluation and bonus allocation.</p> <p>TECO's internal carbon price is set at NT\$1,600 per metric ton (approximately USD 50). The pricing was determined based on a comprehensive review of global carbon pricing schemes, research reports from the Taiwan Institute of Economic Research, benchmark practices from leading domestic companies, and the estimated cost of carbon reduction investments at TECO's production sites.</p> <p>Each year, the responsible departments collect internal and external data to review and recalculate the internal carbon price. A formal meeting is then convened to discuss and approve the carbon fee for the following year, which serves as a reference for all business groups in their annual planning and budgeting processes.</p> |
| 8. If climate-related targets have been set, the company should disclose the covered activities, greenhouse gas emission scopes, planning timeline, and annual progress toward the targets. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet these targets, the sources and quantities of the offsets or RECs should also be disclosed. | <p>TECO has set a target to reduce Scope 1 and Scope 2 greenhouse gas emissions by 50% by 2030. As of 2024, the company has achieved a cumulative reduction of 38.6% toward this goal.</p> <p>To meet its reduction target through concrete actions, TECO has implemented on-site solar power generation. In 2024, this effort resulted in the issuance of 1,038 Renewable Energy Certificates (RECs) through self-generated and self-consumed solar energy.</p>   |
| 9. Greenhouse gas inventory and assurance status, along with reduction targets, strategies, and concrete action plans (to be additionally reported in Sections 1-1 and 1-2).  | <p>TECO Group's GHG Inventory Classification and Regulatory Schedule:</p> <p>To comply with the Financial Supervisory Commission's "Sustainability Roadmap for TWSE and TPEX Listed Companies," TECO has developed a disclosure schedule for greenhouse gas (GHG) inventory based on the operational nature, materiality, and production value of subsidiaries included in the consolidated financial statements. These subsidiaries are categorized into four groups and required to complete GHG inventory tasks within the designated timelines.</p>  |

| Item | Implementation Status  |
|------|--|
|      | <p>The inventory covers Scope 1 (direct emissions) and Scope 2 (indirect emissions from energy use), and disclosure is carried out in phases, aligned with the scope of the company's consolidated financial reporting.</p> <ul style="list-style-type: none"> <li>• Category A: Global major production sites</li> <li>• Category B: Listed and OTC-listed subsidiaries</li> <li>• Category C: Sales headquarters in Mainland China, Southeast Asia, and Oceania, as well as system integration and sales service companies under each business group</li> <li>• Category D: Subsidiaries under the global sales network, subsidiaries of listed companies, financial investment holding companies, and asset development and management companies</li> </ul> |

## 1-1 Greenhouse Gas Inventory and Assurance Status of the Company in the Most Recent Two Years

### 1-1-1 Greenhouse Gas Inventory Information

Disclose the greenhouse gas emissions (in metric tons CO<sub>2</sub>e), emission intensity (in metric tons CO<sub>2</sub>e per NT\$ million), and data coverage scope for the past two years.

|  | 2023              | 2024              |
|--|-------------------|-------------------|
|  | Coverage Rate (%) | Coverage Rate (%) |
| Scope 1 (metric tons CO <sub>2</sub> e)                          | 14,914            | 12,968            |
| Scope 2 (metric tons CO <sub>2</sub> e)                          | 47,424            | 42,381            |
| Emission Intensity (metric tons CO <sub>2</sub> e / TWD million) | 1.24              | 1.00              |
| Coverage Rate (%)  | 84.6              | 84.3              |

Note: When the disclosure coverage is 100%, Scope 1 emissions amount to 25,318 metric tons CO<sub>2</sub>e and Scope 2 emissions amount to 47,367 metric tons CO<sub>2</sub>e.

- The regulated scope (84.3%) covers TECO Group's core businesses in electromechanical, home appliances, and engineering, including: TECO Electric & Machinery, Tesen Electric & Machinery, TECO-Westinghouse, Taian Wuxi, Wuxi TECO, Wuxi Precision, Jiangxi TECO Air Conditioning Equipment, Jiangxi TECO, TECO Vietnam, Wuxi Teco Electro Devices, TECOBAR, TECO Malaysia, TECO Johor Bahru, TECO Singapore Sales, Motovario, and other manufacturing bases and major sales operations under substantial control.
- Non-core businesses include logistics, software, telecommunications, human resources, real estate development, and property management, which have been incorporated into management starting in 2024.

"Complete assurance information will be disclosed in the Sustainability Report."

## 1-1-2 Greenhouse Gas Assurance Information

Disclose the assurance status for the most recent two years as of the date of publication of the annual report, including the scope of assurance, the assurance provider, the assurance standards applied, and the assurance conclusions/opinions.

As of the reporting date, TECO's current GHG inventory sites undergo third-party external verification in accordance with ISO 14064 standards to ensure the accuracy of the inventory data.

Third-party assurance providers include:

- Taiwan: BSI (British Standards Institution)
- Mainland China & Vietnam: CQC (China Quality Certification Centre)
- United States: SGS Taiwan
- Italy: TÜV Rheinland

Emission factors for electricity are based on the annual coefficients published by local energy authorities. The global warming potential values used are from the IPCC Sixth Assessment Report (AR6).

The scope of verification covers TECO Group's core businesses in electromechanical, home appliances, and engineering, including TECO Electric & Machinery, Tesen Electric & Machinery, TECO-Westinghouse, Taian Wuxi, Wuxi TECO, Wuxi Precision, Jiangxi TECO Air Conditioning Equipment, Jiangxi TECO, TECO Vietnam, Motovario, TECOBAR, and other major manufacturing and sales operations under substantial control.

Non-core businesses, such as logistics, software, telecommunications, human resources, real estate development, and property management, have been included in the management scope starting from 2024.

"Complete assurance information will be disclosed in the Sustainability Report."

## 1-2 Greenhouse Gas Emission Reduction Targets, Strategies, and Concrete Action Plans

Disclose the GHG emissions base year and its data, emission reduction targets, strategies, concrete action plans, and the progress made toward achieving the targets.

TECO has set 2021 as the base year for its greenhouse gas (GHG) emission reduction targets. In that year, Scope 1 and Scope 2 emissions totaled 90,116 metric tons CO<sub>2</sub>e, with a coverage rate of 89.5%.

Progress toward this target over the past three years is as follows:

- 2022: 76,543 metric tons CO<sub>2</sub>e (coverage rate: 82.7%), achieving 15.0% of the reduction goal.
- 2023: 62,338 metric tons CO<sub>2</sub>e (coverage rate: 84.6%), cumulative achievement 30.8%.
- 2024: 55,350 metric tons CO<sub>2</sub>e (coverage rate: 84.3%), cumulative achievement 38.6%.

Global digital GHG inventory system: To ensure effective management and timely tracking of emissions performance across all global production sites, TECO has implemented an internal digital GHG inventory system. This platform enables real-time monitoring of monthly emissions at both domestic and overseas locations,

supporting the Group headquarters with fast and integrated data reporting. The system improves communication efficiency and enables the company to:

- Identify GHG emission trends
- Set and adjust decarbonization targets
- Locate major emission hotspots
- Develop and evaluate carbon reduction strategies

The system is currently deployed across TECO's operations in Taiwan and overseas subsidiaries and affiliates.

- **Internal Carbon Pricing System:** Beginning in 2023, TECO fully implemented an internal carbon pricing mechanism, setting the internal carbon price at NT\$1,600 per metric ton. Each business group's general manager is allocated an annual emissions allowance and must budget accordingly to cover their emissions. If actual emissions exceed the assigned target, the excess emissions incur additional costs, which directly impact the business group's performance evaluation and bonus structure. To enhance the overall effectiveness of carbon management and incentivize innovation in pursuit of mid-term reduction goals and the 2050 net-zero target, TECO further introduced the Internal Carbon Fee Allocation and Management Guidelines in 2024. These guidelines formalize the internal carbon fee system and enable the creation of an internal carbon fund, financed by carbon fee payments, to support decarbonization investments within business units. This fund serves as a financial resource for proposals focused on:

- Operational energy management
- Renewable energy development and application
- Low-carbon product and service innovation

Currently, the internal carbon pricing mechanism and carbon fund system are implemented across the three main business groups of TECO Electric & Machinery Co., Ltd.

- **Supply Chain Emission Reduction Initiatives:** TECO has launched supply chain decarbonization initiatives by integrating GHG emissions reduction risk assessments into its internal supplier evaluation and management system. Externally, the company participates in the Ministry of Economic Affairs' Net-Zero Transformation Program for the Manufacturing Sector, collaborating with the Taiwan Institute of Economic Research, National Yunlin University of Science and Technology, and 11 supplier partners to form a "1+N Carbon Management Demonstration Team."

This initiative promotes both supply chain GHG inventory and product carbon footprint assessments. Starting in 2024, these efforts have been incorporated into related KPI management. TECO will continue to provide supplier training and guidance on carbon accounting and reduction practices, and monitor the effectiveness of implementation. These efforts aim to enhance the sustainability capabilities of suppliers.

(Current implementation scope: Taiwan-based supply chain)

## 2.6 Implementation of Ethical Business Practices and Explanation of Any Differences from the Listed Companies' Ethical Corporate Management Best Practice Principles

The Company primarily follows the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" to fulfill its commitment to ethical business practices.

| Assessment Item  | Implementation Status |    |   | Differences from the Principles and the reasons thereof                   |
|--|-----------------------|----|---|---|
|  | Yes                   | No | Summary Description   |   |
| <p>1. Establishment of Ethical Corporate Management Policies and Programs</p> <p>a. Has the company established an integrity management policy approved by the board of directors, and clearly outlined the policy, practices, and commitments to implement it in its bylaws and external documents? Additionally, have the board of directors and senior management shown a proactive commitment to ensuring the policy is effectively carried out?</p> | V                     |    | <p>a. "Integrity management, the implementation of corporate governance, fulfilling social responsibility, and pursuing sustainable operations" are the core values of the company. On August 14, 2014, the Board of Directors passed a resolution to establish the "Ethical Corporate Management Best Practice Principles," which was amended on December 23, 2016, and November 12, 2019. Additionally, on March 20, 2015, the Board of Directors approved the revision of the "Code of Ethical Conduct for Directors and Managers." In addition to the establishment of the "Ethical Corporate Management Best Practice Principles" and the "Code of Ethical Conduct for Directors and Managers," which clearly outline the policies for integrity management, all members of the Board of Directors and management personnel have signed a declaration of integrity, demonstrating a proactive commitment to the implementation of integrity management policies. These documents, including the "Ethical Corporate Management Best Practice Principles" and the "Code of Ethical Conduct for Directors and Managers," are publicly disclosed on the company website. Furthermore, on August 13, 2018, the Board of Directors established the "Corporate Governance and Sustainability Committee Charter" to form the "Corporate Governance and Sustainability Committee," which consists of three or more directors, with at least half being independent directors. The chairperson and meeting convener are to be selected from the independent directors. In consideration of the need to add other functional committees and effectively assign director responsibilities, the committee charter was amended on June 18, 2024, to allow the members to</p> | Consistent with the Ethical Corporate Management Best Practice Principles |

| Assessment Item  | Implementation Status |    |  | Differences from the Principles and the reasons thereof |
|--|-----------------------|----|--|---|
|  | Yes                   | No | Summary Description  |   |
| <p>b. Has the company established a mechanism for assessing the risk of unethical conduct, regularly analyzing and evaluating business activities within its operations that carry a higher risk of such conduct, and formulated preventive measures accordingly, covering at a minimum the preventive actions outlined in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?</p> <p>c. Has the company clearly defined in its program for preventing</p> |                       |    | <p>elect one of their own to serve as the convener and chairperson. The committee is tasked with tracking the implementation of corporate governance, corporate social responsibility, and integrity management initiatives.</p> <p>b. On November 12, 2019, the Board of Directors of the company passed a resolution to amend the "Ethical Corporate Management Best Practice Principles," explicitly outlining an evaluation mechanism for business activities that assess the risks of dishonest conduct. The scope of this mechanism includes the prevention of behaviors as outlined in Article 7, Paragraph 2, of the "Ethical Corporate Management Best Practice Principles for Listed Companies," including: (1) bribery and accepting bribes; (2) providing illegal political donations; (3) improper charitable donations or sponsorships; (4) offering or accepting unreasonable gifts, hospitality, or other improper benefits; (5) infringing on trade secrets, trademarks, patents, copyrights, and other intellectual property rights; (6) engaging in unfair competition; and (7) causing direct or indirect harm to consumers or other stakeholders' rights, health, and safety during the research, procurement, manufacturing, provision, or sale of products and services. The company has established an annual "Integrity Risk Assessment Mechanism" implemented by the Legal &amp; Compliance Division. Each department conducts an annual analysis of risks related to dishonest conduct, with preventive measures and plans. After reviewing the materials, the Legal &amp; Compliance Division submits a review report, and the audit department further monitors and audits the company's integrity risks. Furthermore, the company has established a "Procedures for Ethical Management and Guidelines for Conduct," as well as a reporting system to further prevent dishonest behavior by company members during business operations, as explained in section c. below.</p> <p>c. On November 16, 2017, the company established the "Procedures for Ethical Management and Guidelines for</p> |   |

| Assessment Item  | Implementation Status |    |   | Differences from the Principles and the reasons thereof                   |
|--|-----------------------|----|---|---|
|  | Yes                   | No | Summary Description   |   |
| unethical conduct the operating procedures, code of conduct, disciplinary measures for violations, and grievance mechanisms, and does it effectively implement and regularly review and revise the said program? |                       |    | Conduct," which clearly states that employees must not, either directly or indirectly, offer, promise, request, or accept any improper benefits or engage in other dishonest behaviors that violate integrity, laws, or fiduciary duties in order to gain or maintain benefits. To encourage employees to maintain awareness of integrity behavior, the company not only disseminates the relevant ethical standards on the internal website but also promotes the signing of the "Integrity Declaration" by all directors and employees, with a signing rate of 100% in 2024. Additionally, all major global affiliates are required to sign the "Corporate Integrity Management Commitment Letter," achieving a 100% completion rate. Various methods, such as educational courses and quarterly meetings, are used to advocate for the integrity behavior system that employees should follow. The company also issued an integrity management questionnaire to suppliers with accumulative transactions exceeding NT\$300 million in the Smart Energy Business Group from 2018 to 2023. Furthermore, to ensure compliance with legal and professional ethical standards, the company has established a "Bylaws to report cases of illegal and unethical conduct," creating both internal and external whistleblowing channels and handling systems. The "Legal & Compliance Division," which reports directly to the Board of Directors, is the dedicated unit responsible for implementing and reviewing the integrity management policies and preventive measures. The most recent review was conducted and approved by the Board of Directors on March 17, 2020. |   |
| 2. Implementation of Ethical Corporate Management<br>a. Has the company evaluated the integrity records of its counterparties and included integrity-related clauses in the contracts signed with them?          | V                     |    | a. When conducting business activities, the company considers the integrity records of its trading counterparts before entering into transactions. The "Legal & Compliance Division," which is under the Board of Directors, incorporates integrity behavior clauses into the company's various standard contracts, requiring trading counterparts, including suppliers and distributors, to strictly adhere to the   | Consistent with the Ethical Corporate Management Best Practice Principles |

| Assessment Item  | Implementation Status |    |  | Differences from the Principles and the reasons thereof |
|--|-----------------------|----|--|---|
|  | Yes                   | No | Summary Description  |   |
| <p>b. Has the company established a dedicated unit under the Board of Directors to promote ethical corporate management, and does it report at least once a year to the Board on the implementation of ethical corporate management policies, prevention programs for unethical conduct, and related supervision?</p> <p>c. Has the company established a conflict of interest prevention policy, provided appropriate reporting channels, and ensured effective implementation?</p> <p>d. Has the company established effective accounting and internal control systems to implement ethical corporate management, and has the internal audit unit developed audit plans based on assessments of unethical conduct risks to audit the</p> |                       |    | <p>integrity clauses. If any party is found to engage in dishonest behavior, the company may unconditionally terminate or rescind the contract at any time. On June 10, 2021, the company also revised the "Human Rights and Environmental Sustainability Commitment Letter," requiring business partners to sign a declaration of sustainable development. Priority is given to trading counterparts who have signed the commitment to integrity management.</p> <p>b. The company has established the "Legal &amp; Compliance Division" under the Board of Directors as the dedicated unit responsible for formulating and promoting integrity management policies and preventive measures. The department reported its annual work plan and progress at the meetings of the "Corporate Governance and Sustainability Committee" on January 24 and August 7, 2024. It also regularly reports to the Board of Directors annually, with the most recent report presented on December 17, 2024.</p> <p>c. The company has established the "Procedures for Ethical Management and Guidelines for Conduct" and the "Code of Ethical Conduct for Directors and Managers," which explicitly state that all employees must not accept benefits to avoid sacrificing the company's interests for personal gain. If any violation of the integrity regulations is discovered, it may be reported according to the company's "Bylaws to report cases of illegal and unethical conduct." The person being reported is also provided with the opportunity to present their statement or appeal.</p> <p>d. To ensure the implementation of integrity management, the accuracy of accounting and financial processes, and the effectiveness of internal controls, the company has established an "Audit Committee" to oversee the "Financial and Management Center," which is responsible for dynamically managing financial risks. Additionally, the "Audit Team" evaluates compliance with laws and regulations, the COSO internal control framework, and the company's</p> |   |



| Assessment Item  | Implementation Status |    |  | Differences from the Principles and the reasons thereof |
|--|-----------------------|----|--|---|
|  | Yes                   | No | Summary Description  |   |
| <p>compliance with the prevention programs, or has the company engaged external auditors to perform such audits?</p> <p>e. Does the company regularly conduct internal and external training sessions on ethical corporate management?</p> |                       |    | <p>strategic goals, as well as past audit experiences, to assess risks at all organizational levels and propose the audit plan for the following year. This audit plan is presented for approval at the Audit Committee meeting (on December 17, 2024) and the Board of Directors meeting (on December 17, 2024). In the fourth quarter of each year, the company begins internal control self-assessment operations for each business group and major affiliates. The results of the self-assessment are compiled in the first quarter of the following year and reported to the Audit Committee and Board of Directors. This process evaluates the management's control of overall internal and external risks, the management of business group operational risks, and the effectiveness of the internal control system's design and execution. Furthermore, through the annual internal control self-assessment, each business group of Teco Electric &amp; Machinery Co., Ltd. must evaluate the effectiveness of its internal control system's design and implementation.</p> <p>e. Teco regularly conducts internal training courses for new employees and newly appointed managers, while also promoting the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" and other related integrity management standards. Additionally, at least once a year, education and advocacy on relevant laws and regulations are provided for directors, managers, and employees. In 2024, the company conducted education and advocacy for current directors, managers, and employees on topics such as integrity management, personal data inventory training, the prohibition of insider trading—control regulations and case studies, an introduction to the Ministry of Economic Affairs' Intellectual Property Office trademark search system, TIPS general employee training on ubiquitous trademarks and patents, patent search and analysis, and TIPS responsible personnel training. A total of 1,501 person-times were trained, accumulating more than 850.4 hours. In</p> |   |

| Assessment Item  | Implementation Status |    |   | Differences from the Principles and the reasons thereof                   |
|--|-----------------------|----|---|---|
|  | Yes                   | No | Summary Description   |   |
|  |                       |    | addition to having all employees sign the "Integrity Declaration" (with a 100% signing rate in 2024), the company also complies with the "Insider Trading Prevention Management" regulations, conducting at least one education session on insider trading procedures and relevant laws for directors, supervisors, managers, and employees annually. Education and advocacy for newly appointed directors and managers are arranged timely, and for new employees, it is promoted during pre-job training by the human resources department. After the course, a quiz is conducted to assess learning, and the course presentation and video files are placed in the internal employee system. Employees are required to read the internal regulations carefully and pass the quiz.  |   |
| <p>3. The operation of the company's whistleblowing system</p> <p>a. Has the company established a specific whistleblowing and reward system, as well as created convenient channels for whistleblowing? Additionally, has the company assigned appropriate personnel to handle the complaints regarding the reported individuals?</p> <p>b. Has the company established standard operating procedures for investigating whistleblowing matters, the subsequent actions to be taken after the investigation is completed, and relevant confidentiality mechanisms?</p> | V                     |    | <p>a. The company has established the "Bylaws to report cases of illegal and unethical conduct." Employees who discover any situation that appears to violate professional ethics may raise an alert at any time. The company has set up a whistleblowing mailbox (integrity@teco.com.tw), a hotline, and an integrity reporting platform for employees, external parties, and vendors to directly report any improper business practices related to financial, legal, and integrity issues. The handling unit is the Internal Audit Team under the Board of Directors, and the Internal Audit Team is responsible for processing these reports.</p> <p>b. The "Bylaws to report cases of illegal and unethical conduct" Articles 3 and 4 outline the whistleblowing channels and procedures, the standard operating procedures for investigating reported matters, and the subsequent actions to be taken after the investigation is completed. Article 4, Section 5 specifies the confidentiality mechanisms, ensuring that the identities and contents related to the whistleblower or individuals involved in the investigation are handled confidentially and cautiously according to the procedure.</p> | Consistent with the Ethical Corporate Management Best Practice Principles |

| Assessment Item  | Implementation Status |    |  | Differences from the Principles and the reasons thereof                   |
|--|-----------------------|----|--|---|
|  | Yes                   | No | Summary Description  |   |
| c. Has the company taken measures to protect whistleblowers from being subjected to improper treatment or retaliation as a result of their whistleblowing?   |                       |    | c. The "Bylaws to report cases of illegal and unethical conduct" Article 4, Section 5 clearly defines a whistleblower protection mechanism. The company ensures protection for the whistleblower or any individuals involved in the investigation, strictly prohibiting any form of unfair treatment or retaliation against those who report in good faith or assist in the investigation.   |   |
| 4. Strengthening Information Disclosure<br>a. Has the company disclosed the contents of its "Ethical Corporate Management Best Practice Principles" and the progress of its implementation on its website and the Market Observation Post System (MOPS)?   | V                     |    | a. The company has placed integrity management-related regulations and promotional information on its internal website for employees to access at any time. On Teco Electric's external website ( <a href="https://www.teco.com.tw">https://www.teco.com.tw</a> ), the annual report is available under the "Investor Relations" section (also available on the Market Observation Post System), and detailed information about the company's governance, management team, organizational internal regulations, and corporate social responsibility is available under the "About Teco" and "Corporate Social Responsibility" sections. These disclosures include relevant policies, rules, and regulations related to integrity management. | Consistent with the Ethical Corporate Management Best Practice Principles |
| 5. If the company has established its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for Listed Companies," please describe the operation and any differences from the prescribed code:<br>The company has established its own Ethical Corporate Management Best Practice Principles, which has been published on the company's website. The company's operations and the prescribed code are in compliance with the provisions of the "Ethical Corporate Management Best Practice Principles for Listed Companies."  |                       |    |  |   |
| 6. Other important information that helps understand the company's integrity management operations (e.g., the company's review and revision of its Ethical Corporate Management Best Practice Principles, etc.):<br>The company complies with the Company Act, Securities Exchange Act, relevant regulations for listed companies, and applicable laws as the foundation for implementing integrity management. The company prohibits any dishonest behavior in its external business dealings. On November 12, 2019, the company revised the "Ethical Corporate Management Best Practice Principles"; on March 17, 2020, the "Procedures for Ethical Management and Guidelines for Conduct" was amended; on June 10, 2021, the "Human Rights and Environmental Sustainability Commitment Letter" was revised; on April 24, 2022, the "Supplier Code of Conduct" was announced; and on September 14, 2022, the "Teco Electric Group Trade Secret Protection Policy" was revised. |                       |    |  |   |

2.7 Other important information that can enhance the understanding of the company's governance operations may also be disclosed:

1. The company's important information is disclosed on the Market Observation Post System (MOPS) in accordance with the regulations of the competent authorities.

2. The status of directors' continuing education

| Title         | Name  | Date       | Organizer  | Course Name   | Duration |
|---------------|---|------------|--|---|----------|
| Chairman      | Ming-Shieh Li   | 2024.8.14  | Chinese Association for Corporate Governance         | Trends in Smart Manufacturing and the Application of Digital Technology in Management               | 3 hours  |
|               |   | 2024.12.17 | Cross-Strait Business Development Foundation         | The Present and Future of Energy Service Technologies (ESCO)  | 3 hours  |
| Vice Chairman | Ho Yuan International Investment Co., Ltd.<br>Representative : Su Chiu Wu | 2024.8.14  | Chinese Association for Corporate Governance         | Trends in Smart Manufacturing and the Application of Digital Technology in Management               | 3 hours  |
|               |   | 2024.12.17 | Cross-Strait Business Development Foundation         | The Present and Future of Energy Service Technologies (ESCO)  | 3 hours  |
| Director      | Tung Kuang Investment Co., Ltd.<br>Representative : Chwen-Jy Chiu         | 2024.1.25  | Taiwan Sustainable Energy Research Foundation        | 35th TCCS Council Meeting and CEO Forum   | 2 hours  |
|               |   | 2024.4.25  | Taiwan Sustainable Energy Research Foundation        | 36th TCCS Council Meeting and CEO Forum   | 2 hours  |
|               |   | 2024.7.18  | Taiwan Sustainable Energy Research Foundation        | 37th TCCS Council Meeting and CEO Forum   | 2 hours  |
|               |   | 2024.8.14  | Chinese Association for Corporate Governance         | Trends in Smart Manufacturing and the Application of Digital Technology in Management               | 3 hours  |
| Director      | Jong-Chin Shen  | 2024.7.31  | Financial Legal and Crime Prevention Center          | Common Deficiencies and Penalty Cases in the Financial Industry and Prevention of Sexual Harassment | 3 hours  |
|               |   | 2024.8.13  | Taipei Financial Research and Development Foundation | Corporate Governance Course   | 6 hours  |
|               |   | 2024.8.14  | Chinese Association for Corporate Governance         | Trends in Smart Manufacturing and the Application of Digital Technology in Management               | 3 hours  |

| Title                | Name   | Date       | Organizer  | Course Name  | Duration |
|----------------------|--|------------|--|--|----------|
|                      |  | 2024.12.17 | Cross-Strait Business Development Foundation         | The Present and Future of Energy Service Technologies (ESCO)                                     | 3 hours  |
| Director             | Tong Ho Global Investment Co., Ltd.<br>Representative : Cheng-Tsung Huang      | 2024.8.14  | Chinese Association for Corporate Governance         | Trends in Smart Manufacturing and the Application of Digital Technology in Management            | 3 hours  |
|                      |  | 2024.12.17 | Cross-Strait Business Development Foundation         | The Present and Future of Energy Service Technologies (ESCO)                                     | 3 hours  |
| Director             | Ho Yuan International Investment Co., Ltd.<br>Representative : Show-Shoun Chou | 2024.8.14  | Chinese Association for Corporate Governance         | Trends in Smart Manufacturing and the Application of Digital Technology in Management            | 3 hours  |
|                      |  | 2024.12.25 | Securities and Futures Market Development Foundation | Seminar on Expanding the Asian Asset Management Landscape Using Derivatives for Listed Companies | 3 hours  |
| Director             | Creative Sensor Inc.<br>Representative : Jack Hou                              | 2024.5.8   | Chinese Association for Corporate Governance         | ESG-related Legal Issues to Consider for the Board of Directors                                  | 3 hours  |
|                      |  | 2024.8.5   | Chinese Association for Corporate Governance         | Development Trends of Sustainability Reporting   | 3 hours  |
| Independent Director | Hsieh-Hsing Huang  | 2024.8.14  | Chinese Association for Corporate Governance         | Trends in Smart Manufacturing and the Application of Digital Technology in Management            | 3 hours  |
|                      |  | 2024.12.17 | Cross-Strait Business Development Foundation         | The Present and Future of Energy Service Technologies (ESCO)                                     | 3 hours  |
| Independent Director | Chao-Chin Tung   | 2024.8.14  | Chinese Association for Corporate Governance         | Trends in Smart Manufacturing and the Application of Digital Technology in Management            | 3 hours  |
|                      |  | 2024.12.17 | Cross-Strait Business Development Foundation         | The Present and Future of Energy Service Technologies (ESCO)                                     | 3 hours  |
| Independent Director | Hui-Yiu Chen   | 2024.4.29  | Taiwan Directors Association                         | International Carbon Management Practices and Future Trends in Sustainability Reporting          | 3 hours  |
|                      |  | 2024.9.26  | Chinese Association for Corporate Governance         | Cybersecurity Threats and Supervision Trends   | 3 hours  |
| Independent Director | Mei-Chun Chao  | 2024.8.14  | Chinese Association for Corporate Governance         | Trends in Smart Manufacturing and the Application of Digital Technology in Management            | 3 hours  |

| Title | Name | Date       | Organizer                                    | Course Name  | Duration |
|-------|------|------------|--|--|----------|
|       |      | 2024.12.17 | Cross-Strait Business Development Foundation | The Present and Future of Energy Service Technologies (ESCO) | 3 hours  |

### 3. Status of Managers' Continuing Education

| Title  | Name              | Date       | Organizer                                    | Course Name   | Duration |
|--|-------------------|------------|--|---|----------|
| President  | Thomas Fann       | 2024.8.14  | Chinese Association for Corporate Governance | Trends in Smart Manufacturing and the Application of Digital Technology in Management | 3 hours  |
|  |                   | 2024.12.17 | Cross-Strait Business Development Foundation | The Present and Future of Energy Service Technologies (ESCO)                          | 3 hours  |
| Vice President   | Scott Chen        | 2024.12.17 | Cross-Strait Business Development Foundation | The Present and Future of Energy Service Technologies (ESCO)                          | 3 hours  |
| Business Group President                                 | Feiyuan Kao       | 2024.8.14  | Chinese Association for Corporate Governance | Trends in Smart Manufacturing and the Application of Digital Technology in Management | 3 hours  |
|  |                   | 2024.12.17 | Cross-Strait Business Development Foundation | The Present and Future of Energy Service Technologies (ESCO)                          | 3 hours  |
| Business Group President                                 | Sung-Pin Chang    | 2024.8.14  | Chinese Association for Corporate Governance | Trends in Smart Manufacturing and the Application of Digital Technology in Management | 3 hours  |
| Business Group President                                 | Chi-Tseng Peng    | 2024.8.14  | Chinese Association for Corporate Governance | Trends in Smart Manufacturing and the Application of Digital Technology in Management | 3 hours  |
|  |                   | 2024.12.17 | Cross-Strait Business Development Foundation | The Present and Future of Energy Service Technologies (ESCO)                          | 3 hours  |
| Financial and Management Center Assistant Vice President | Andy Liu          | 2024.8.14  | Chinese Association for Corporate Governance | Trends in Smart Manufacturing and the Application of Digital Technology in Management | 3 hours  |
|  |                   | 2024.12.17 | Cross-Strait Business Development Foundation | The Present and Future of Energy Service Technologies (ESCO)                          | 3 hours  |
| Corporate Governance Officer                             | Shih-Hsiung Chien | 2024.8.14  | Chinese Association for Corporate Governance | Trends in Smart Manufacturing and the Application of Digital Technology in Management | 3 hours  |
|  |                   | 2024.9.12  | Taiwan Investor Relations Association        | Four Key Principles Every Shareholder Activism Should Learn                           | 3 hours  |

| Title            | Name     | Date       | Organizer  | Course Name   | Duration |
|------------------|----------|------------|--|---|----------|
|                  |          | 2024.10.1  | Chinese Independent Directors Association            | 2024 Environmental and Economic Win-Win: Taiwan's ESG Practices                                       | 3 hours  |
|                  |          | 2024.10.8  | Taiwan Stock Exchange                                | 2024 WIW Forum: Digital Finance and Sustainable Finance Concerto in the AI Boom                       | 3 hours  |
|                  |          | 2024.12.17 | Taipei Bar Association                               | 2024 Corporate Governance Forum: New Challenges for Corporate Governance Supervisors                  | 3 hours  |
|                  |          | 2024.12.25 | Securities and Futures Market Development Foundation | Listed Companies: Expanding the Asian Asset Management Landscape with Derivatives                     | 3 hours  |
| Accounting Chief | Tommy Wu | 2024.10.1  | Chinese Institute of Certified Public Accountants    | Revision of Internal Control System Guidelines and Practical Compliance with Financial Reporting Laws | 6 hours  |
|                  |          | 2024.12.26 | Chinese Institute of Certified Public Accountants    | Robotic Process Automation (RPA) to Enhance Internal Control Effectiveness                            | 6 hours  |

#### 4. Succession Planning for Board Members and Key Management:

The structure of the company's Board of Directors is determined based on the company's business development scale and the shareholding situation of its major shareholders, while also considering practical operational needs. To establish a good governance system, the company established the "Corporate Governance and Sustainability Committee" on August 13, 2018, which is responsible for nominating candidates for directors and independent directors, as well as strengthening the functions of the Board of Directors. On June 18, 2024, the company established a "Nomination Committee," which is now responsible for setting the standards for the professional knowledge, skills, experience, gender diversity, and independence required for board members and senior managers. Based on these established selection standards, the committee identifies, reviews, and nominates candidates for directors, independent directors, and senior managers.

The company implements the board member diversification policy in accordance with the "Corporate Governance Best Practice Principles." At the 2024 Annual Shareholders' Meeting (May 24, 2024), the company elected 11 directors (including 4 independent directors), with diverse and complementary industry experience and expertise in finance, accounting, and other fields. The proportion of independent directors increased to 36.36%, and the number of female directors increased to 3, making up 27.27%.

Regarding the succession plan for the Board of Directors, the company cultivates senior managers to enter the board and familiarize them with board operations and the business of the group's units. Through job rotations, the company deepens their industry experience. Currently, the group has several

senior management talents, so the company has a rich talent pool to select from for future board positions. In addition to considering diversification, no more than one-third of the board seats will be held by directors who also serve as managers of the company. The company will also focus on gender equality and ensure that directors have the knowledge, skills, and qualifications required to perform their duties. The 26th Chairman, Ms. Chwen-Jy Chiu, joined the Teco management team in 1997, holding positions such as Finance Director, Home Appliances Department Assistant Vice President, Deputy President, and President, and joined the Board of Directors in 2006. She served as the Chairman from 2015 to May 2024. The current 27th Chairman, Mr. Ming-Shieh Li, joined the Teco Group on May 24, 2024. He has previously held roles such as Chairman of China Trust Commercial Bank, Director of the Mainland Affairs Council, Director of the Taipei City Bank Association, Chief Executive Officer of China Guangfa Bank, and Chairman of Citibank Taiwan, with extensive experience in multinational financial management. With the complementary nature of core and emerging green energy products, he combines Teco's global industry chain to expand revenue growth and create greater value for shareholders, employees, and society.

The succession plan for key management is designed to meet the company's strategic development goals. When a key management position becomes vacant due to the company's strategic layout, priority is given to selecting candidates from the succession talent pool. The details of the succession plan and its operation are as follows:

1. Succession Candidates: The succession plan for key management is focused on nurturing candidates for managerial positions, Assistant Vice President, business group president, and President.
2. Selection Criteria: In addition to work ability and performance, succession candidates must demonstrate the company's five core values: ambition, customer orientation, teamwork, integrity, and innovation, as well as have broad and inclusive leadership traits, along with management ability and thinking.
3. Methods:
  - Talent Pool: Supervisors above the department head level are included in the succession talent pool for key management.
  - Selection Process: Through talent evaluation and reviews, the company regularly assesses and inventories the readiness of the talent pool and tailors individual career development plans for short, medium, and long-term succession needs of the group. In 2022, the company completed talent evaluations and selected 5 supervisors for medium- and long-term development planning.
  - Development: Mentorship system, job rotation, management training, and personal development plans.

President Mr. Thomas Fann joined the Teco Group on April 7, 2022, bringing extensive international experience and a complete industry background. He is also a mentor at the National Taiwan University Innovation Center. Before



joining Teco, he served as President of Ford Lio Ho Motors, President of Jiangling Motors Group and Executive Committee Chairman of Ford Motor Group, Assistant to Chairman of Foxconn Interconnect Technology Limited, and President of the American Chamber of Commerce in Taiwan. His work experience spans locations in Taipei, Mainland China, North America, and Europe. Mr. Fann is focused on the development of senior successor talent, and in 2022, he regularly mentored 5 supervisors in individual development plans and arranged cross-company job rotations within the group. In 2023, three supervisors were assigned for rotation in the United States and Mainland China, and starting from 2023, they began participating in the group's senior management decision-making meetings to cultivate global decision-making capabilities and improve strategic thinking. On April 7, 2024, Mr. Feiyuan Kao will take over as the company's President. He has held various roles including Manager of the Factory Automation Division, Assistant Vice President of Wuxi Teco, Assistant Vice President of the Green Energy Electric Motor Research and Development Business Unit, and President of Green Mechatronic Solution Business Group. With solid experience in domestic and international business rotations and outstanding operational management performance (in 2023, Green Mechatronic Solution Business Group achieved a NT\$5.5 billion revenue, contributing over 80% of the company's profits), Mr. Kao is committed to building a resilient global supply chain for small motors. (Established TECO Vietnam plant in 2019, launched EV powertrain production line of Zhongli plant in 2021, and established new plants in Mexico and India in 2023)

## **2.8 Status of Internal Control System Implementation:**

### **1. Internal Control System Statement**

#### **Teco Electric & Machinery Co., Ltd. Internal Control System Statement**

Date: March 14, 2025

Based on the results of the self-assessment, the internal control system of our company for fiscal year 2024 is hereby declared as follows:

1. The company acknowledges that the establishment, implementation, and maintenance of the internal control system are the responsibilities of the board of directors and management. The company has established such a system. Its purpose is to achieve the effectiveness and efficiency of operations (including profitability, performance, and asset security), provide reliable, timely, transparent, and compliant reporting, and ensure compliance with relevant regulations and laws, providing reasonable assurance.
2. The internal control system has inherent limitations. Regardless of how well-designed it is, an effective internal control system can only provide reasonable assurance for the achievement of the above three objectives. Moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the company's internal control system has a mechanism for self-monitoring, and any deficiencies identified will be rectified promptly by the company.
3. Our company evaluates the effectiveness of the internal control system based on the criteria outlined in the "Guidelines for Establishing Internal Control Systems for Publicly Traded Companies" (hereinafter referred to as the "Guidelines"). These criteria are used to assess the design and implementation effectiveness of the internal control system. The criteria adopted in the "Guidelines" categorize the internal control system into five components based on the management control process: 1. Control Environment, 2. Risk Assessment, 3. Control Activities, 4. Information and Communication, and 5. Monitoring. Each component includes several elements. Please refer to the provisions of the "Guidelines" for the specific details of these elements.
4. Our company has already adopted the internal control system assessment criteria mentioned above to evaluate the effectiveness of the design and implementation of the internal control system.
5. Based on the inspection results mentioned above, our company believes that the internal control system (including supervision and management of subsidiaries) as of December 31, 2024, effectively ensures the achievement of operational effectiveness and efficiency goals, reliable, timely, transparent reporting, and compliance with relevant regulations and laws. The design and implementation of the internal control system are effective and can reasonably ensure the achievement of the above objectives.
6. This statement will serve as the main content of our company's annual report and public disclosure document, which will be made available to the public. Any false or concealed information in the above public content may incur legal liabilities under the Securities and Exchange Act, including Articles 20, 32, 171, and 174.
7. This statement has been approved by the board of directors of our company on March 14, 2025. There were 11 directors present or represented by proxy, all of whom fully agreed with the contents of this statement.

Teco Electric & Machinery Co., Ltd.  
Chairman: Morris Li  
President: Thomas Fann

2. If the company has entrusted an accountant to review the internal controls, the accountant's review report should be disclosed: None.

## 2.9 Important Resolutions of the Shareholders' Meeting and Board of Directors in the Most Recent Year and up to the Date of the Annual Report Printing:

### 1. Important Resolutions of the Shareholders' Meeting and Board of Directors:

2024/02/20: The Board of Directors resolved to convene the Annual Shareholders' Meeting on 2024/05/24, to be held at 11 Antong Road, Zhongli District, Taoyuan City (the company's Zhongli factory). The period for suspension of stock transfers is from 2024/03/26 to 2024/05/24.

2024/03/15:

1. The Board of Directors approved the 2023 Financial Report, which includes consolidated revenue of NT\$59,393,661 thousand, net profit of NT\$6,332,032 thousand, net profit attributable to the parent company of NT\$5,830,061 thousand, and basic earnings per share of NT\$2.76.
2. The Board of Directors resolved to distribute a cash dividend of NT\$2.2 per share, totaling NT\$4,705,353 thousand in dividends.

2024/04/10: The Board of Directors resolved to merge with TECO Electro Devices Co., Ltd., a subsidiary in which the company holds 59.56% of shares, to expand overall economies of scale and efficiency, enhance business revenue sources, and improve industry competitiveness. Following further discussions, the board agreed to set 2024/08/31 as the merger record date.

2024/05/14:

1. The Board of Directors resolved to set 2024/06/24 as the ex-dividend date and 2024/07/15 as the dividend payout date, totaling NT\$4,705,353 thousand in cash dividends (NT\$2.2 per share).
2. The first-quarter consolidated financial report of 2024 was presented to the Board, showing cumulative revenue of NT\$13,729,598 thousand, net profit of NT\$1,286,957 thousand, net profit attributable to the parent company of NT\$1,159,139 thousand, and basic earnings per share of NT\$0.55.

2024/05/24: Important resolutions of the Shareholders' Meeting:

1. Approval of the 2023 Business Report and Financial Statements (proposed by the Board of Directors).
2. Approval of the 2023 Earnings Distribution (proposed by the Board of Directors).
3. Election of the 27th Board of Directors (including independent directors) (proposed by the Board of Directors).
4. Approval of the removal of non-compete restrictions for the 27th Board of Directors (including independent directors) (proposed by the Board of Directors).

2024/05/31: The first meeting of the 27th Board of Directors elected Ming-Shieh Li as the new Chairman.

- 2024/08/14: The second-quarter consolidated financial report of 2024 was presented to the Board, showing cumulative revenue of NT\$28,255,525 thousand, net profit of NT\$3,048,368 thousand, net profit attributable to the parent company of NT\$2,806,090 thousand, and basic earnings per share of NT\$1.33.
- 2024/09/24: The Board of Directors approved an investment of NT\$548,330 thousand to acquire 23,840,416 shares (57.2% of the company's issued shares) of Shen Chang Electric Co., Ltd.
- 2024/11/12: The third-quarter consolidated financial report of 2024 was presented to the Board, showing cumulative revenue of NT\$41,712,869 thousand, net profit of NT\$4,951,696 thousand, net profit attributable to the parent company of NT\$4,576,095 thousand, and basic earnings per share of NT\$2.17.
- 2024/12/17:
1. The Board elected Su Chiu Wu as the new Vice Chairman.
  2. The Board approved Andy Liu, Assistant Vice President of the Financial and Management Center, as the new Chief Financial Officer, effective from 2025/01/01.
- 2025/02/19: The Board of Directors resolved to convene the Annual Shareholders' Meeting on 2025/06/03, to be held at the Taipei Biotech Park Multifunctional Conference Hall, No. 508, Section 7, Zhongxiao East Road, Nangang District, Taipei City. The period for suspension of stock transfers is from 2025/04/05 to 2025/06/03.
- 2025/03/14:
1. The Board approved the 2023 Financial Report, which includes consolidated revenue of NT\$55,234,746 thousand, net profit of NT\$6,251,281 thousand, net profit attributable to the parent company of NT\$5,767,637 thousand, and basic earnings per share of NT\$2.73.
  2. The Board resolved to distribute a cash dividend of NT\$2.2 per share, totaling NT\$4,705,353 thousand in dividends.
  3. The Board approved an investment of MYR 70,000 thousand to acquire 1,500,000 shares (80% of the company's issued shares) of NCL Energy Sdn Bhd.
  4. The Board approved Gao Feiyuan as the new General Manager and Chief Information Security Officer, effective from 2025/04/07.
  5. The Board approved Dora Lin as the new Internal Audit Chief, effective from 2025/03/15.
  6. The Board resolved to buy back treasury shares for the 17th time, with the purpose of transferring shares to employees. The buyback period is from 2025/03/17 to 2025/05/16, with a target of 5,000,000 shares.
  7. The Board resolved to include the following in the 2025 Annual Shareholders' Meeting agenda: a report on the "Buyback of Treasury Shares" and discussions on amendments to the "Procedures for Acquiring or Disposing of Assets" and "Procedures for Endorsement and Guarantee"

2. Implementation of Resolutions from the 2024 Annual Shareholders' Meeting (held on 2024/05/24):

| Serial No. | Resolution Item   | Implementation Status   |
|------------|---|---|
| 1.         | Ratification of the 2023 Business Report and Financial Statements (proposed by the Board of Directors)      | ※ The votes in favor accounted for 96.11% of the total voting rights of the shareholders present, and the resolution was passed as proposed.  |
| 2.         | Ratification of the 2023 Earnings Distribution (proposed by the Board of Directors)                         | 1. The votes in favor accounted for 96.18% of the total voting rights of the shareholders present, and the resolution was passed as proposed.<br>2. The Board of Directors resolved on 2024/05/14 to set the ex-dividend date as 2024/06/24, and the cash dividend was paid on 2024/07/15, totaling NT\$4,705,353 thousand in cash dividends (NT\$2.2 per share). |
| 3.         | Election of the 27th Board of Directors (proposed by the Board of Directors)                                | 1. Eleven directors (including 4 independent directors) were elected for a 3-year term, from 2024/05/24 to 2027/05/23.<br>2. The new directors' appointment was approved by the Ministry of Economic Affairs on 2024/06/25, with official approval letter No. 11330098670.  |
| 4.         | Removal of non-competence restrictions for the 27th Board of Directors (proposed by the Board of Directors) | ※ The votes in favor accounted for 94.54% of the total voting rights of the shareholders present, and the resolution was passed as proposed.  |

2.10 In the most recent year and up to the date of the annual report printing, if any director or supervisor expressed disagreement with any important resolution passed by the Board of Directors, and there is a record or written statement, the main content is: None.

### 3. Information on Fees Paid to Certified Public Accountants

#### 3.1 Accountant Information

| Name of accounting firm         | CPA names        |               | Auditing period | Note |
|---------------------------------|------------------|---------------|-----------------|------|
| Pricewaterhouse Coopers, Taiwan | Hsu, Sheng-Chung | Tu, Chan-Yuan | 2024            |      |

#### 3.2 Table of Brackets for CPA Fees

Unit: NT\$ thousand

| Name of accounting firm | CPA names        | Auditing period | Auditing fee | Non-auditing fee | Total  | Note |
|-------------------------|------------------|-----------------|--------------|------------------|--------|------|
| Pricewaterhouse Coopers | Hsu, Sheng-Chung | 2024/1/1~12/31  | 13,380       | -                | 13,380 |      |
|                         | Tu, Chan-Yuan    |                 |              |                  |        |      |
| Pricewaterhouse Coopers | Hsu, Li-Chen     | 2024/1/1~12/31  | -            | 2,011            | 2,011  | Note |
|                         | Huang, Ching-Yen |                 |              |                  |        |      |
| Pricewaterhouse Coopers | Li, Yi-Hua       | 2024/1/1~12/31  | -            | 3,200            | 3,200  | Note |

Note: The above-mentioned non-audit fee is mainly for three-tiered TP documentation review, tax administrative relief and inventory scrapping, etc.

3.3 In case of switching accounting firms and the audit fees for the new accounting firm being lower than the previous year's audit fees: No such situation.

3.4 In case of a decrease of more than 10% in audit fees compared to the previous year: No such situation.

**4. Information on Replacement of Accountants: Not applicable.**

**5. Information on Whether the Chairman, President or Other Managers Have Worked for CPA Firms or Related Entities in the Past Year: None.**

## 6. Share Transfer and Pledge Changes of Directors, Managers, and Shareholders Holding More Than 10% of Shares in the Most Recent Year and up to the Date of the Annual Report Printing.

### 6.1 Changes in Shareholding of Directors, Managers, and Major Shareholders

#### 6.1.1 Changes in Shareholding of Directors

| Title                   | Name   | 2024                          |  | As of 2025/04/07              |  |
|-------------------------|--|-------------------------------|--|-------------------------------|--|
|                         |  | Shares Increase<br>(Decrease) | Pledged Shares<br>Increase<br>(Decrease) | Shares Increase<br>(Decrease) | Pledged Shares<br>Increase<br>(Decrease) |
| Chairman                | Ming-Shieh Li  | 200,000                       | 0  | 0                             | 0  |
| Director                | Ho Yuan International<br>Investment Co., Ltd.<br>Representative: Su Chiu<br>Wu       | 0                             | 0  | 0                             | 0  |
|                         |  | 0                             | 0  | 0                             | 0  |
| Director                | Ho Yuan International<br>Investment Co., Ltd.<br>Representative: Show-<br>Shoun Chou | 0                             | 0  | 0                             | 0  |
|                         |  | 0                             | 0  | 0                             | 0  |
| Director                | Tung Kuang Investment<br>Co., Ltd.<br>Representative: Chwen-<br>Jy Chiu              | 0                             | 151,000                                  | 0                             | 0  |
|                         |  | 207,109                       | 0  | 31,341                        | 0  |
| Director                | Tong Ho Global<br>Investment Co., Ltd.   | 0                             | 260,000                                  | 0                             | 0  |
|                         |  | 0                             | (2,947,000)                              | 0                             | 0  |
| Director                | Creative Sensor Inc.<br>Representative: Jack<br>Hou                                  | (575,000)                     | (7,000,000)                              | 0                             | 0  |
|                         |  | 0                             | 0  | 0                             | 0  |
| Director                | Jong-Chin Shen   | 0                             | 0  | 0                             | 0  |
| Independent<br>Director | Hsieh-Hsing Huang  | 0                             | 0  | 0                             | 0  |
| Independent<br>Director | Chao-Chin Tung   | 0                             | 0  | 0                             | 0  |
| Independent<br>Director | Hui-Yiu Chen   | 0                             | 0  | 0                             | 0  |
| Independent<br>Director | Mei-Chun Chao  | 0                             | 0  | 0                             | 0  |

### 6.1.2 Changes in Shareholding of Management

| Title  | Name                         | 2024                          |  | As of 2025/04/07              |  |
|--|------------------------------|-------------------------------|--|-------------------------------|--|
|  |                              | Shares Increase<br>(Decrease) | Pledged Shares<br>Increase<br>(Decrease) | Shares Increase<br>(Decrease) | Pledged Shares<br>Increase<br>(Decrease) |
| President  | Thomas Fann                  | 0                             | 0  | 0                             | 0  |
| Business Group<br>President                      | Sung-Pin Chang               | 9,987                         | 0  | 0                             | 0  |
| Business Group<br>President                      | Chi-tseng Peng               | 49,073                        | 0  | 0                             | 0  |
| Business Group<br>President                      | Fei-yuan Kao                 | 62,010                        | 0  | 34,080                        | 0  |
| Region President                                 | Jung-Pang Wang<br>(Note 1)   | 0                             | 0  | 34,080                        | 0  |
| Region President                                 | Shang-yu Tsai (Note<br>1)    | 0                             | 0  | 0                             | 0  |
| Strategic<br>DevelopmentCenter<br>Vice President | Scott H. Chen (Note 2)       | 0                             | 0  | 0                             | 0  |
| CTO  | Da-Jeng Yao (Note 2)         | 0                             | 0  | 0                             | 0  |
| Assistant Vice<br>President                      | K. Clarence King<br>(Note 2) | 0                             | 0  | 0                             | 0  |
| Assistant Vice<br>President                      | Amy Liao (Note 1)            | 0                             | 0  | 0                             | 0  |
| CFO  | Andy Liu (Note1)             | 27,031                        | 0  | 34,080                        | 0  |
| Corporate<br>Governance Officer                  | Shih-Hsiung Chien            | 0                             | 0  | 15,055                        | 15,000                                   |
| Accounting Chief                                 | Tommy Wu                     | 6,013                         | 0  | 15,786                        | 0  |

Note 1: The Board of Directors approved the appointment of managers Jung-Pang Wang, Shang-yu Tsai, Andy Liu, and Amy Liao, effective from 2025/01/01.

Note 2: The Board of Directors approved the appointment of managers: Da-Jeng Yao, effective from 2025/01/06; K. Clarence King, effective from 2024/09/25; Scott H. Chen, effective from 2024/08/15.

### 6.1.3 Changes in Shareholding of Major Shareholders

| Title                | Name                     | 2024                             |   | As of 2025/04/07                 |   |
|----------------------|--------------------------|----------------------------------|---|----------------------------------|---|
|                      |                          | Shares<br>Increase<br>(Decrease) | Pledged<br>Shares<br>Increase<br>(Decrease) | Shares<br>Increase<br>(Decrease) | Pledged<br>Shares<br>Increase<br>(Decrease) |
| Major<br>Shareholder | PJ Asset Management      | 0                                | 0   | 0                                | 0   |
| Major<br>Shareholder | Walsin Lihwa Corporation | 0                                | 0   | 0                                | 0   |



## 6.2 Shares Transfer with Related Parties

| Name           | Reason of Transfer | Date of Transaction | Transferee  | Relationship between Transferee and the Company, Directors, Supervisors and Shareholders with more than 10% shareholding | Shares | Transaction Price (NTD) |
|----------------|--------------------|---------------------|-------------|--|--------|-------------------------|
| Sung-Pin Chang | Gift Share         | 20240419            | Buwei Chang | Father & Son   | 20,000 | 56.3                    |
| Sung-Pin Chang | Gift Share         | 20240419            | Yayun Chang | Father & Daughter  | 20,000 | 56.3                    |

## 6.3 Shares Pledged with Related Parties

| Name | Reason of Pledge | Date of Transaction | Transferee | Relationship between Transferee and the Company, Directors, Supervisors and Shareholders with more than 10% shareholding | Shares | Shares holding % | Shares Pledged % | Pledged Amount |
|------|------------------|---------------------|------------|--|--------|------------------|------------------|----------------|
| None |                  |                     |            |  |        |                  |                  |                |

## 7. Information Disclosing the Relationship between any of the Company's Top Ten Shareholders

2025.4.7

| Name                                       | Shareholding |        | Spouse & Minor |    | Shareholding by Nominee Arrangement |    | The relationship between any of the Company's Top Ten Share holders |   | Note |
|--|--------------|--------|----------------|----|-------------------------------------|----|---|---|------|
|  | Shares       | %      | Share<br>s     | %  | Share<br>s                          | %  | Name  | Relation  |      |
| PJ Asset Management                        | 373,237,991  | 17.45% | 0              | 0% | 0                                   | 0% | Ho Yuan International Investment Co., Ltd.                          | Director is the representative of Ho Yuan International   | None |
| Walsin Lihwa Corporation                   | 231,104,730  | 10.81% | 0              | 0% | 0                                   | 0% | None  | None  | None |
| Yuanta/P-shares Taiwan Dividend Plus ETF   | 116,624,114  | 5.45%  | 0              | 0% | 0                                   | 0% | None  | None  | None |
| Jaryuan Investment Co. Ltd                 | 115,451,000  | 5.40%  | 0              | 0% | 0                                   | 0% | Ho Yuan International Investment Co., Ltd.                          | an investee company in which Ho Yuan holds more than 50% of the shares                          | None |
| Yuanta Taiwan Value High Dividend ETF      | 60,870,000   | 2.85%  | 0              | 0% | 0                                   | 0% | None  | None  | None |
| Ho Yuan International Investment Co., Ltd. | 50,420,000   | 2.36%  | 0              | 0% | 0                                   | 0% | PJ Asset Management   | The director represents PJ Asset Co., Ltd. as its designated corporate representative           | None |
| Creative Sensor Co., Ltd.                  | 46,987,000   | 2.20%  | 0              | 0% | 0                                   | 0% | None  | None  | None |
| Tong Kuang Investment Co., Ltd.            | 31,991,364   | 1.50%  | 0              | 0% | 0                                   | 0% | Kuan Yuan Industrial Co., Ltd.                                      | 1. Serving as a director of Kuan Yuan Industrial Co., Ltd.<br>2. Supervisor is the same person  | None |
| Kuan Yuan Industrial Co., Ltd.             | 26,833,919   | 1.25%  | 0              | 0% | 0                                   | 0% | Tong Kuang Investment Co., Ltd.                                     | 1. Serving as a director of Tong Kuang Investment Co., Ltd.<br>2. Supervisor is the same person | None |
| Yinge Int. Inv. Co., Ltd                   | 22,554,698   | 1.05%  | 0              | 0% | 0                                   | 0% | None  | None  | None |

※ Major shareholders of corporate entities among the top 10 shareholders

2025.4.7

| Corporate shareholders                     | Major shareholders of corporate shareholders   |
|--|--|
| PJ Asset Management                        | Ho Yang Management Consulting Co., Ltd. (100%)   |
| Walsin Lihwa Corporation                   | Jin Xin Investment Co., Ltd. (6.15%), Winbond Electronics Corporation (6.14%), TECO Electric & Machinery Co., Ltd. (5.22%), Jiang Rong Co., Ltd. (4.95%), Custodian Account for Royal Bank of Canada (Singapore) Investment Account (4.54%), Hua Li Investment Co., Ltd. (2.65%), Yu-Hui Chiao (1.74%), Norges Bank Investment Management, Yu-Heng Chiao (1.62%) |
| Yuanta/P-shares Taiwan Dividend Plus ETF   | Not Applicable   |
| Jaryuan Investment Co. Ltd                 | Ho Yuan International Investment Co., Ltd. (99.89%), Chang Wei Management Consulting Co., Ltd. (0.11%)   |
| Yuanta Taiwan Value High Dividend ETF      | Not Applicable   |
| Ho Yuan International Investment Co., Ltd. | Five Star Asset Management Co., Ltd. (100%)  |
| Creative Sensor Co., Ltd.                  | Teco Image Co., Ltd. (19.39%), Universal Cement Corporation (8.83%), Tien Da Investment Co., Ltd. (8.28%), Universal Cement Investment Co., Ltd. (6.04%), Kuan-Ling Electronics Co., Ltd. (3.82%), Creative Sensor Inc. (Treasury Shares 3.38%), Kao-Huang Lin (1.56%), Ah-Chung Hou (1.29%), Ho-Kuei Lai (0.75%), Jung-Huang Liu (0.57%)                        |
| Tong Kuang Investment Co., Ltd.            | Kuang Yuan Industrial Co., Ltd. (39.27%), Ho-Hui Huang-Lin (35.01%), Bright Industry (HK) Co., Ltd. (12.73%), Tong Ho Global Investment Co., Ltd. (6.00%), Others (6.99%)  |
| Kuan Yuan Industrial Co., Ltd.             | Tung Kuang Investment Co., Ltd. (34.46%), Ho-Hui Huang-Lin (51.58%), Bright Industry (HK) Co., Ltd. (10.0%), Tong Ho Global Investment Co., Ltd. (0.74%), Others (3.22%)   |
| Yinge Int. Inv. Co., Ltd                   | Po-Chih Huang (99.28%), Feng-Mei Hsu (0.72%)   |

**8.The number of shares held by the company, its directors, managers, and subsidiaries directly or indirectly controlled by the company in the same investee company, and the consolidated shareholding percentage**

**Consolidated Shareholding Percentage**

Unit: share; % 2024.12.31

| Investee  | Ownership by TECO |         | Direct / Indirect Ownership by Directors, Supervisors and Management |        | Total Investment |         |
|---|-------------------|---------|--|--------|------------------|---------|
|   | Shares            | %       | Shares   | %      | Shares           | %       |
| Tong Dai Co., Ltd.                                | 6,615,234         | 83.53%  | 0  | 0.00%  | 6,615,234        | 83.53%  |
| TECO International Investment Co., Ltd.           | 82,549,378        | 100.00% | 0  | 0.00%  | 82,549,378       | 100.00% |
| TECO Holding, USA                                 | 1,680             | 100.00% | 0  | 0.00%  | 1,680            | 100.00% |
| TECO Electric & Machinery Pte Ltd. Singapore      | 7,200,000         | 90.00%  | 800,000  | 10.00% | 8,000,000        | 100.00% |
| Tong An Assets Management & Development Co., Ltd. | 395,415,338       | 100.00% | 0  | 0.00%  | 395,415,338      | 100.00% |
| Tong An Investment Co., Ltd.                      | 592,881,321       | 99.60%  | 2,381,048  | 0.40%  | 595,262,369      | 100.00% |
| Tecnos International Consultant Co., Ltd.         | 7,937,980         | 57.52%  | 2,210,820  | 16.02% | 10,148,800       | 73.54%  |
| UVG Investment Co., Ltd.                          | 195,416,844       | 100.00% | 0  | 0.00%  | 195,416,844      | 100.00% |
| Information Technology Total Services Co., Ltd.   | 11,467,248        | 41.97%  | 1,924,250  | 7.04%  | 13,391,498       | 49.01%  |
| Tesen Electric & Machinery Co., Ltd.              | 20,000,000        | 100.00% | 0  | 0.00%  | 20,000,000       | 100.00% |
| Taitec Technology CO.,LTD.                        | 950,000           | 95.00%  | 50,000   | 5.00%  | 1,000,000        | 100.00% |
| Yatec Engineering Corp.                           | 7,800,000         | 64.95%  | 0  | 0.00%  | 7,800,000        | 64.95%  |
| Taian (Subic) Electric Co., Inc.                  | 17,131,155        | 76.70%  | 0  | 0.00%  | 17,131,155       | 76.70%  |
| An Tai International Investment Co., Ltd.         | 43,447,554        | 100.00% | 0  | 0.00%  | 43,447,554       | 100.00% |
| Micropac (BVI)                                    | 6,883,591         | 100.00% | 0  | 0.00%  | 6,883,591        | 100.00% |
| Taian-Etacom Technology Co., Ltd.                 | 7,863,000         | 94.73%  | 0  | 0.00%  | 7,863,000        | 94.73%  |
| Taian Electric Co., Ltd.                          | 100,000           | 100.00% | 0  | 0.00%  | 100,000          | 100.00% |
| Tecom   | 19,228,898        | 63.52%  | 0  | 0.00%  | 19,228,898       | 63.52%  |
| E-Joy International Co., Ltd.                     | 11,369,684        | 93.16%  | 598,403  | 4.90%  | 11,968,087       | 98.07%  |
| A-Ok Technical Co., Ltd.                          | 1,950,000         | 86.67%  | 0  | 0.00%  | 1,950,000        | 86.67%  |
| TECO Technology (Vietnam) Co., Ltd.               | 0                 | 100.00% | 0  | 0.00%  | 0                | 100.00% |
| TECO (Philippines) 3C & Appliances, Inc.          | 2,604,000         | 60.00%  | 0  | 0.00%  | 2,604,000        | 60.00%  |
| An-Sheng Travel Co., Ltd.                         | 480,000           | 16.00%  | 2,207,500  | 73.58% | 2,687,500        | 89.58%  |
| Taiwan Pelican Express Co., Ltd.                  | 24,121,700        | 25.27%  | 7,740,800  | 8.11%  | 31,862,500       | 33.38%  |
| Eagle Holding Co.                                 | 1                 | 100.00% | 0  | 0.00%  | 1                | 100.00% |
| Century Development                               | 100,592,884       | 28.67%  | 84,515,627   | 24.08% | 185,108,511      | 52.75%  |
| Teco Sun Energy                                   | 2,100,000         | 30.00%  | 2,100,000  | 30.00% | 4,200,000        | 60.00%  |
| Temico International Pte. Ltd.                    | 7,728,000         | 60.00%  | 0  | 0.00%  | 7,728,000        | 60.00%  |
| Tong An Energy                                    | 5,000,000         | 100.00% | 0  | 0.00%  | 5,000,000        | 100.00% |
| Teco Electro Devices Xo., Ltd.                    | 2,510,000         | 100.00% | 0  | 0.00%  | 2,510,000        | 100.00% |
| Shen Chang Electric Co., Ltd.                     | 23,840,416        | 57.21%  | 0  | 0.00%  | 23,840,416       | 57.21%  |

**9. Major Information Processing Procedures: The company has established the " Procedures for Handling Material Inside Information and Prevention of Insider Trading " within its internal control system. These procedures have been announced to and are to be followed by all employees.**