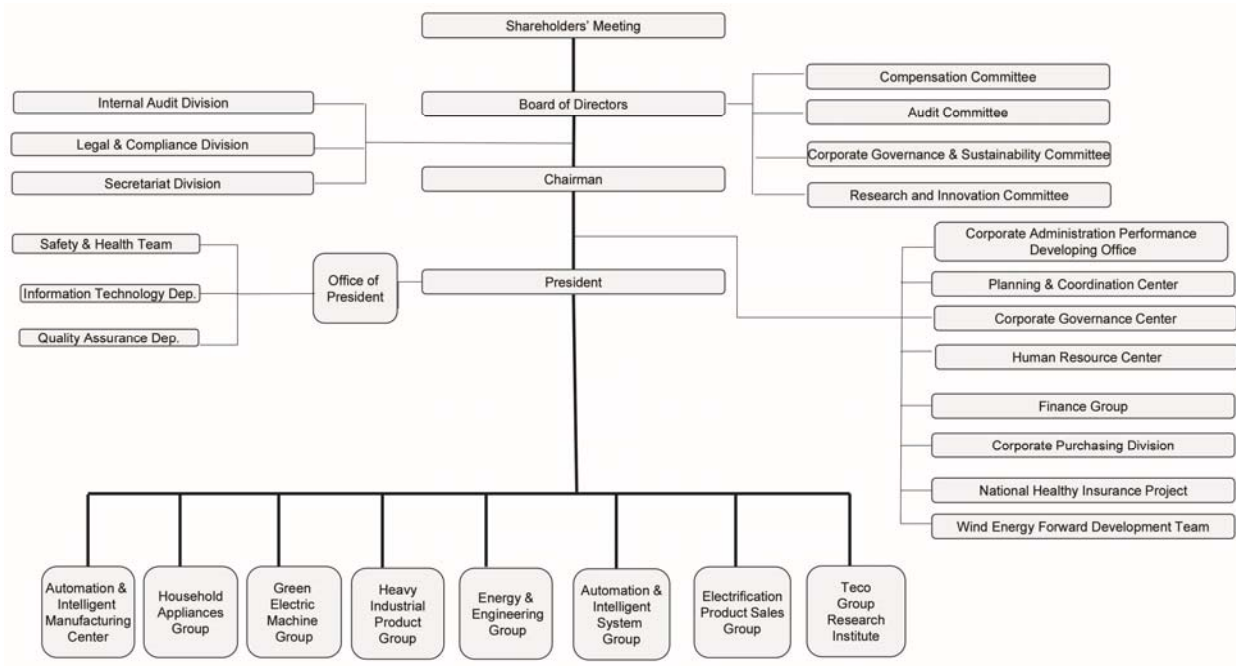


### III. Corporate Governance Report

#### 3.1 Organization

##### 3.1.1 Organization Chart



### 3.1.2 Major Corporate Functions

Business Unit	Operations
Heavy Industrial Products Group	Production of medium to large-sized 3-phase motors, medium to large-sized high-efficiency motors, medium to large-sized explosion-proof motors, medium to large-sized inverter-duty motors, DC motor and medium to large-sized generators.
Green Electric Machine Group	Production of single-phase motors, vehicle-used motors, permanent magnet motors, small-sized 3-phase motors, small-sized high-efficiency motors, small-sized explosion-proof motors, small-sized inverter-duty motors, small-sized generators, die casting.
Automation & Intelligent System Group	Production of inverters and programmable logic controllers, servo controllers and so on Production and sale of AGV(automated guided vehicle)
Energy & Engineering Group	Supplier of professional electric equipment and systems-related materials (R&D, design, production, and sales of equipment) Undertaking of projects related to power generation and transportation (transmission & distribution of power, power plant, alternative energy, and construction and maintenance of rail stations and airports, as well as railway power system); Air-conditioning equipment for specific environments such as clean rooms; Design, construction, and management of electrical engineering systems for high-rise buildings & Internet Data Center; Integration of air-conditioning and electrical engineering systems for hospitals and hotels; Water resource/water pump stations and other related projects; Ultra-high pressure 161KV/69KV substations switchgears and installation projects; Project of smart grid and energy storage; system integration business of solar power system; Production and sale of electromagnetic switch, molded-case circuit breakers and electronic relays
Household Appliances Group	Production, assembly, sales, and repair of residential air conditioners, refrigerators, washing machines, dehumidifiers, dryers, LCD monitors, air purifiers, small appliances, DVD recorders, stereo systems, health appliances, beauty appliances, freezer storages, low-temperature caged carts, freezers, chillers for machine tools, inverter duty water/oil cooling machine tool set, assembly-type air-conditioning box, VRF air conditioning set, Water-cooled wholly encased type/semi-encased spiral type/centrifugal icy-water machine set, cloud-end smart system, business air-cooled split-type air conditioner, water-/air-cooled packaged air conditioner, air-cooled chiller machine, fan filter unit, air vent, industrial-use dehumidifier, freezing/cooling machine, dealership of other domestic and foreign home appliances brands, as well as various types of air-conditioned products.
Electrification Products Sales Group	Sales of medium to large-sized 3-phase motors, medium to large-sized high-efficiency motors, medium to large-sized explosion-proof motors, medium to large-sized inverter-duty motors, DC motor, medium to large-sized generators, single-phase motors, vehicle-used motors, permanent magnet motors, small-sized 3-phase motors, small-sized high-efficiency motors, small-sized explosion-proof motors, small-sized inverter-duty motors, small-sized generators, die casting, small-sized coolant compressors. ; Sales of inverters and programmable logic controllers, servo controllers; Overseas sales of electromagnetic switch, molded-case circuit breakers, electronic relays
Automation & Intelligent Manufacturing Center	Integration of producing resources in the company, and promote biotechnology projects improving layout of production efficiency and AIM strategy.
Teco Group Research Institute	Research and development catering to requirements of the medium-to-long term development of new products and technical support to members of the TECO group.
Intelligent System Division	Chip-embedded cards for financial, medical, membership loyalty, surveillance, e-invoice, and public transportation services; systems integration for ITS- and RFID-based cards; non-person vending machine.

## 3.2 Directors and Management Team

### 3.2.1 Directors

March 31, 2021

Title	Nationality/ Companies Registry	Name	Date Elected	Term (Years)	Date First Elected (Note)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
						Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	ROC	Tung Kuang Investment Co., Ltd.	2018.6.15	3	2000.4.21	30,341,364	1.52%	31,991,364	1.50%	0	0	0	0	MBA, University of Michigan, Ann-Arbor	Chairman of Taiwan Pelican Express Co., Ltd & Motovario S.p.A ...	-	-	-
	ROC	Representative: Chwen-Jy, Chiu	2018.6.15	3	2006.6.15	1,741,964	0.09%	2,088,107	0.10%	16,987	0.00%	0	0			-	-	-
Managing Director	ROC	Tong Ho Gloabl Investment Co., Ltd	2018.6.15	3	2000.4.21	2,240,262	0.11%	2,240,262	0.10%	0	0	0	0	Ph.D of Electric & Engineering, University of Illinois	Chairman of Tecom Co., Ltd. & Director of TECO Westinghouse Manufacturing Company USA...	-	-	-
		Representative: Chao-Kai, Liu	2018.6.15	3	2000.4.21	300,000	0.02%	300,000	0.01%	122,018	0.01%	0	0			-	-	-
Managing Director	ROC	Cheng-Tsung, Huang	2018.6.15	3	1991.5.8	15,279,849	0.76%	15,279,849	0.71%	2,110,934	0.10%	0	0	Bachelor of Economics, Fu Jen Catholic University	Chairman of Sen Yeh Construction Co., Ltd. Independent Director of Aurotek Corporation	-	-	-
Managing & Independent Director	ROC	Wei-Chi, Liu	2018.6.15	2	2018.6.15	0	0	0	0	0	0%	0	0	Ph.D of Business Administration, Northwestern University	Independent Director of Fusheng Precision Co., Ltd and An-Shih Food Co.,Ltd..	-	-	-
Independent Director	ROC	Jin-Fu, Chang	2018.6.15	3	2018.6.15	0	0	0	0	0	0.	0	0	Ph.D of Electric & Engineering and computer science, University of California, Berkeley	None	-	-	-
Independent Director	ROC	Ting-Wong, Cheng	2018.6.15	2	2016.6.16	0	0	0	0	0	0	0	0	Ph.D & Master of Accountancy, University of Missouri	Independent Director of SuperAlloy Industrial Co., Ltd.	-	-	-
Director	ROC	Mao-Hsiung, Huang	2018.6.15	3	1972.5.12	18,486,633	0.92%	18,486,633	0.86%	5,839,071	0.27%	0	0	Master of Economics, University of Pennsylvania	Chairman of Century Development Corporation & Tong-An Investment.	-	-	-
Director	ROC	Yinge Int. Inv. Co.,Ltd	2018.6.15	3	2018.6.15	10,079,600	0.50%	14,454,698	0.68%	0	0	0	0	Master of Science from University of Warwick	Chairman of Yingshi Int. Inv. Co.,Ltd Director of Tahong Co., Ltd.	-	-	-
	ROC	Representative: Li-Chong, Huang	2021.1.	(Note2)	2021.1.1	0	0	0	0	0	0	0	0			-	-	-

Title	Nationality/ Companies Registry	Name	Date Elected	Term (Years)	Date First Elected (Note)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
						Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Director	ROC	Hung Shun Investment Co., Ltd	2018.6.15	3	2018.6.15	304,000	0.02%	1,104,000	0.05%	0	0	0	0	Bachelor of Business Administration, University of Southern California	Chairman of South Taiwan Bus & PT Group	-	-	-
	ROC	Representative: Tzu-Yi, Kuo	2018.6.15	3	2018.6.15	724,559	0.04%	724,559	0.03%	0	0	0	0			-	-	-
Director	ROC	Tong-An Investment Co., Ltd.	2018.6.15	3	2018.6.15	19,540,052	0.98%	19,540,052	0.91%	0	0	0	0	Master of Business Administration, National Taiwan University of Science and Technology	Chairman of Information Technology Total Service Corp & TECO Smart Technologies Co., Ltd.	-	-	-
	ROC	Representative : Shang-Wei, Kao	2018.6.15	3	2018.6.15	15,000	0.00%	15,000	0.00%	0	0	0	0			-	-	-
Director	ROC	Kuang Yuan Industrial Co., Ltd.	2018.6.15	3	2009.6.19	22,033,919	1.10%	26,833,919	1.36%	0	0	0	0	Ph.D. of Electric & Engineering, Northwestern University, US	Director of TECOM Co., Ltd.	-	-	-
	ROC	Representative: Shih- Chien, Yang	2018.6.15	3	2009.6.19	0	0	0	0	0	0	0	0			-	-	-
Director	ROC	Tung Kuang Investment Co., Ltd.	2018.6.15	3	2000.4.21	30,341,364	1.52%	31,991,364	1.50%	0	0	0	0	Master of Mechanical Engineering, University of Houston	Director of Jiangxi TECO Co., Ltd & Motovario S.p.A ...	-	-	-
	ROC	Representative : Hong-Hsiang, Lin	2018.6.15	3	2012.6.15	2,161,893	0.11%	2,137,813	0.10%	781,000	0.04%	0	0			-	-	-
Director	ROC	Yubantec & Co., Ltd.	2018.6.15	3	2018.6.15	13,200,000	0.66%	19,800,000	1.01%	0	0	0	0	Advance Course for Business Manager, Division of Financial Management, National Chengchi University	Chairman of Inotec Taiwan Co., Ltd & Yubantec & Co., Ltd.	-	-	-
	ROC	Representative: Tung-Hai, Kao	2018.6.15	3	2018.6.15	1,463	0.00%	1,463	0.00%	0	0	0	0			-	-	-

Note 1: The representative of Yinge Int. Inv. Co., Ltd. changed from Po-chih, Huang to Li-Chong Huang on January 1<sup>st</sup> 2021

Note 2: Managing Director, Creative Senor Inc. and its representative, Mr. Yu-Ren Huang, resigned on March 18<sup>th</sup> 2021

Note 3: Director, Mr. Yung-Hsiang Chang, resigned on May 21<sup>st</sup> 2020

## Data for Directors

Name	Criteria	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria(Note)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
		An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Tung Kuang Investment Co., Ltd. Representative : Chwen-Jy, Chiu				V			V	V	V	V		V	V	V	V		0
Tong Ho Gloabl Investment Co., Ltd Representative : Chao-Kai, Liu				V	V		V	V	V	V		V	V	V	V		0
Cheng-Tsung, Huang				V	V		V	V	V	V	V	V	V	V	V	V	1
Wei-Chi, Liu	V			V	V	V	V	V	V	V	V	V	V	V	V	V	2
Jin-Fu, Chang	V			V	V	V	V	V	V	V	V	V	V	V	V	V	0
Ting-Wong, Cheng	V		V	V	V	V	V	V	V	V	V	V	V	V	V	V	1
Mao-Hsiung, Huang	V			V	V			V	V			V		V	V		0
Yinge Int. Inv. Co., Ltd Representative : Li-Chong, Huang (Note 2)				V		V	V	V	V	V	V	V	V	V	V		0
Hung Shun Investment Co., Ltd Representative: Tzu-Yi, Kuo				V	V	V	V	V	V	V	V	V	V	V	V		0
Tong-An Investment Co., Ltd. Representative : Shang-Wei, Kao				V			V	V	V	V	V	V	V	V	V		0
Kuang Yuan Industrial Co., Ltd. Representative: Shih- Chien, Yang				V	V		V	V	V	V	V	V	V	V	V		3
Tung Kuang Investment Co., Ltd. Representative: Hong-Hsiang, Lin				V			V	V	V	V		V	V	V	V		0
Yubantec & Co., Ltd. Representative: Tung-Hai, Kao			V	V	V	V	V	V	V	V	V	V	V	V	V		0

Note 1: Please tick the corresponding boxes if directors have been any of the following during the two years prior to being elected or during the term of office.

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of the Company or any of its affiliates. (The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the Company holds in accordance with domestic or local regulations.)
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
4. Not the managers as item 1 or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of the person as item 2 & 3.
5. Directors, supervisors, or legal shareholders who are not directly holding more than 5% of the company's total issued shares, holding the top five shares, or appointing representatives as company directors or supervisors in accordance with Article 27, paragraph 1 or 2 of the Company Law Employee (but if the independent directors established by the company and its parent company, subsidiary company or subsidiary of the same parent company in accordance with this law or local national laws and regulations are concurrently held by each other, it is not limited to this)
6. More than half of the shares that are not on the board of directors of the company or have voting rights are the directors, supervisors or employees of other companies controlled by the same person

- (but if it is the company or its parent company, subsidiary or subsidiary of the same parent company (The independent directors established by the laws or local laws and regulations of the country serve concurrently with each other, this is not the case)
7. Directors (directors), supervisors (supervisors) or servants of other companies or organizations who are not the same person or spouse with each other and are the same person or spouse (Or independent directors set up by subsidiaries of the same parent company in accordance with this law or local national laws and regulations serve concurrently, not subject to this limit)
  8. Directors (directors), supervisors (supervisors), managers or shareholders holding more than 5% of a specific company or organization that does not have financial or business dealings with the company (but if a specific company or organization holds 20% of the company's total issued shares Above, not more than 50%, and the independent directors established by the company and its parent company, subsidiary company or subsidiary of the same parent company in accordance with this law or local national laws and regulations concurrently serve each other, not limited to this)
  9. Professionals, sole proprietorships, partnerships, business owners of companies or institutions that do not provide audits for companies or related companies or business, legal, financial, accounting and other related services that have not received more than NT\$ 500,000 in cumulative compensation in the past two years Partners, directors (directors), supervisors (supervisors), managers and their spouses. However, members of the Compensation Committee, Public Takeovers Review Committee, or M&A Special Committee performing their functions and powers in accordance with the relevant laws and regulations of the Securities Exchange Act or the Corporate M&A Act are not limited to this.
  10. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
  11. Not been a person of any conditions defined in Article 30 of the Company Law.
  12. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

Note 2: The representative of Yingde Int. Inv. Co., Ltd. changed from Po-chih, Huang to Li-Chong Huang on January 1<sup>st</sup> 2021

### 3.2.2 Management Team

March 31, 2021

Title	Nationality	Name	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
				Shares	%	Shares	%	Shares	%			Title	Name	Relation
Acting President	ROC	Chao-Chih, Lien	2001.8.1	829,273	0.04%	0	0.00%	0	-	Master of Civil Engineering, Stevens Institute of Technology	Chairman of Shanghai Teco Electric & Machinery Pte Ltd	-	-	-
Executive Consultant	ROC	Hong-Hsiang, Lin	1998.8.21	2,137,813	0.10%	781,000	0.04%	0	-	Master Mechanical Engineering, University of Houston	Director of Motovario S.p.A	-	-	-
Assistant Vice President	ROC	Sheng-chyan, Lin	2017.1.1	1,224,889	0.06%	40,434	0.00%	0	-	Bachelor of Electric & Engineering, National Taiwan University	Chairman of Teco Electro Devices Co., Ltd.	-	-	-
Assistant Vice President	ROC	Sung-Pin, Chang	2015.8.12	61,519	0.00%	0	0.00%	0	-	Bachelor of Chemical Engineering, National Tsing Hua University	Chairman of Teco Technology (Vietnam) Co., Ltd	-	-	-
Assistant Vice President	ROC	Chi-Tseng, Peng	2017.1.1	0	0.00%	0	0.00%	0	-	Master of Telecom Engineering, University of Pittsburgh	Chairman of A-Ok Technical Co., Ltd.	-	-	-
Assistant Vice President	ROC	Fei-Yuan, Kao	2017.1.1	73,001	0.00%	305	0.00%	0	-	Master of Mechanical Engineering, National Central University	Chairman of Teco Vietnam Co., Ltd	-	-	-
Assistant Vice President	ROC	Kuo-Min, Chen	2018.11.13	0	0.00%	0	0.00%	0	-	PH.D. of Industrial engineering and management information from Tunghai University	Director of Yatec Engineering Corporation	-	-	-
Assistant Vice President	ROC	Hank Horng	2019.1.1	13,316	0.00%	0	0.00%	0	-	EMBA of National Taiwan University; Master of Mechanical Engineering, National Cheng Kung University	Chairman of Taisan Electric Co., Ltd	-	-	-
Corporate Governance Officer	ROC	Shih-Hsiung, Chien	2019.6.1	0	0.00%	0	0.00%	0	-	Master of Business Administration, National Chung Cheng University	-	-	-	-





Bracket	Name of Directors(Note)			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements (I)	The company	Companies in the consolidated financial statements (J)
Under NT\$ 1,000,000				
NT\$1,000,000 ~ Under NT\$2,000,000	6,7	6,7	6,7	6,7
NT\$2,000,000 ~ Under NT\$3,500,000	5,15	5,15	5,15	5,15
NT\$3,500,000 ~ Under NT\$5,000,000				
NT\$5,000,000 ~ Under NT\$10,000,000	8,9,10,11,12,13,14	9,10,11,12,13,14	9,10,11,12,13,14,15	9,10,11,12,13,14
NT\$10,000,000 ~ Under NT\$15,000,000	1,2,3,4	1,2,3,4	1,2,3,4	1,2,3,4
NT\$15,000,000 ~ Under NT\$30,000,000			8	8
NT\$30,000,000 ~ Under NT\$50,000,000				
NT\$50,000,000 ~ Under NT\$100,000,000				
Over NT\$100,000,000				
Number of Directors	15	15	15	15

Note : Shown by code of Directors in the previous table

## Compensation of President and Vice President

December 31, 2020/ Unit: NTS thousands

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(%)	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				
									Cash	Stock	Cash	Stock			
1	Chairman	Chwen-Jy, Chiu	Total 26,877	Total 26,877	Total 1,512	Total 1,512	Total 28,885	Total 30,126	Total 34,172	-	Total 34,172	-	2.60%	2.64%	999
2	Acting President	Chao-Chih, Lien													
3	Executive Consultant	Hong-Hsiang, Lin													
4	Assistant Vice President	Sheng-chyuan, Lin													
5	Assistant Vice President	Sung-Pin, Chang													
6	Assistant Vice President	Chi-Tseng, Peng													
7	Assistant Vice President	Fei-Yuan, Kao													
8	Assistant Vice President	Kevin Yeh													
9	Assistant Vice President	Kuo-Min, Chen													
10	Assistant Vice President	Hank, Horng													
11	Corporate Governance Officer	Shih-Hsiung, Chien													

Note : Mr. Kevin Yeh resigned on January 1<sup>st</sup> 2021

Bracket	Name of President and Vice President (Note )	
	The company	Companies in the consolidated financial statements
Under NT\$ 1,000,000		
NT\$1,000,000 ~ under NT\$2,000,000		
NT\$2,000,000 ~ under NT\$3,500,000	11	11
NT\$3,500,000 ~ under NT\$5,000,000	9	9
NT\$5,000,000 ~ under NT\$10,000,000	3,4,5,6,7,8,10	3,4,5,6,7,8,10
NT\$10,000,000 ~ under NT\$15,000,000	2	2
NT\$15,000,000 ~ under NT\$30,000,000	1	1
NT\$30,000,000 ~ under NT\$50,000,000		
NT\$50,000,000 ~ under NT\$100,000,000		
Over NT\$100,000,000		
Number of Executives	11	11

Note : Shown by code of Executives in the previous table

**Employee Bonus to Executive Officers**

2020.12.31/ Unit: NT\$ thousand

	Title	Name	Employee Bonus - in Stock (Fair Market Value)	Employee Bonus - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	Chairman	Chwen-Jy, Chiu	-	Total 34,172	Total 34,172	0.97%
	Acting President	Chao-Chih, Lien				
	Executive Consultant	Hong-Hsiang, Lin				
	Assistant Vice President	Sheng-chyuan, Lin				
	Assistant Vice President	Sung-Pin, Chang				
	Assistant Vice President	Chi-Tseng, Peng				
	Assistant Vice President	Fei-Yuan, Kao				
	Assistant Vice President	Kevin, Yeh				
	Assistant Vice President	Hank, Horng				
	Assistant Vice President	Kuo-Min, Chen				
	Corporate Governance Officer	Shih-Hsiung, Chien				

Note : Mr. Kevin Yeh resigned on January 1<sup>st</sup> 2021

### 3.2.4 Comparison of Remuneration for Directors, Presidents and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, Presidents and Vice Presidents

Unit: NT\$ thousand

Year	Total remuneration paid to directors, presidents and vice presidents	Ratio of total remuneration paid to directors, presidents and vice presidents to net income (%)
2020	216,671	6.17%
2019	213,608	6.63%

The company's compensations are set according to levels offered by peers for the same positions, responsibilities of the positions, and their contribution to the company in achieving its business goal. The determination of compensations is based on the company's guidelines for performance and compensations, which take into account the company's overall business performance, achievement of an employee's personal

### 3.3 Implementation of Corporate Governance

#### 3.3.1 Board of Directors

A total of 11 meetings of the board of directors were held in 2020, director attendance was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remarks
Chairman	Tung Kuang Investment Co., Ltd. Representative : Chwen-Jy, Chiu	11	0	100 %	
Managing Director	Tong Ho Gloabl Investment Co., Ltd Representative : Chao-Kai, Liu	11	0	100%	
Managing Director	Cheng-Tsung, Huang	11	0	100%	
Managing Director	Creative Sensor Inc. Representative: Yu-Ren, Huang	11	0	100%	Resigned on March 18 <sup>th</sup> 2021
Managing & Independent Director	Wei-Chi, Liu	11	0	100%	
Independent Director	Jin-Fu, Chang	11	0	100%	
Independent Director	Ting-Wong, Cheng	11	0	100%	
Director	Mao-Hsiung, Huang	11	0	100%	
Director	Yinge Int. Inv. Co.,Ltd Representative : Po-Chih, Huang	11	0	100%	The representative. changed to Li-Chong Huang on January 1 <sup>st</sup> 2021
Director	Hung Shun Investment Co., Ltd Representative: Tzu-Yi, Kuo	11	0	100%	
Director	Tong-An Investment Co., Ltd. Representative : Shang-Wei, Kao	11	0	100%	
Director	Kuang Yuan Industrial Co., Ltd. Representative: Shih- Chien, Yang	11	1	91%	
Director	Tong Kuang Investment Co,Ltd Representitive: Hong-Hsiang, Lin	11	0	100%	
Director	Yubantec & Co., Ltd. Representative: Tung-Hai, Kao	11	0	100%	
Director	Yung-Hsiang, Chang	1	5	17%	Resigned on May 21 <sup>st</sup> 2020 Shall attend by 6 times

Other mentionable items:

1.If there is the following situation referred to the operation of Board of Director, the date of Board meeting, period, contents of the case, opinion of all Independent Director, and company's respond toward Independent Director should be narrated.

(1) Article 14-3 of Securities and Exchange Act: Please refer to the page about Audit Committee. All proposals were resolved by all independent directors.

(2) The resolution about the objection or reservations of Independent Director which was record or written proclamation: None

2. The implementation of Directors' avoidance of motions in conflict of interest:

i. 25-12 Board Meeting: 2020.2.24

Director's Name: Chwen-Jy, Chiu (Chairman), Cheng-Tsung, Huang (Managing Director), Mao-Hsiung, Huang (Director)

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remarks
<p>Contents of the case: Recognition of signing leasing contract with the subsidiaries, Tong-An Asset Management. Reason for avoidance of conflict of interest and the status of voting: Chwen-Jy Chiu is the director of Tong-An Asset Management, abstained from the discussion and voting for the case based upon interest conflict, and presided over by managing &amp; independent director, Wei-Chi, Liu. Cheng-Tsung, Huang is the director of Tong-An Asset Management, abstained from the discussion and voting for the case based upon interest conflict. Mao-Hsiung, Huang is chairman of Tong-An Asset Management. Other directors passed the case without objection.</p>					
<p>Resolution: The case was approved by a meeting of the board of directors, presided over by managing &amp; independent director, Wei-Chi, Liu, who consulted other attending directors, none whom objected the case.</p>					
<p>ii. 25-13 Board Meeting: 2020.3.17</p>					
<p><u>Director's Name: Yu-Ren Huang (Managing Director), Po-Chih Huang (Director)</u></p>					
<p>Contents of the case: Donation to "TECO Technology Foundation" for various events in 2020.</p>					
<p>Reason for avoidance of conflict of interest and the status of voting: Yu-Ren Huang (Managing Director) and Po-Chih Huang (Director) are the directors of TECO Technology Foundation, abstained from the discussion and voting for the case based upon interest conflict.</p>					
<p>Resolution: after consulting with other attending directors by chairman, Chwen-Jy, Chiu, the case was approved by a meeting of the board of directors subject to the total amount not exceeding NT\$16 million in principle and could be adjusted according to the company's profit this year and various events held.</p>					
<p><u>Director's name: Chwen-Jy, Chiu (Chairman), Chao-Kai, Liu (Managing Director), Yu-Ren Huang (Managing Director), Mao-Hsiung, Huang (Director), Hong-Hsiang, Lin (Director)</u></p>					
<p>Contents of the case: Plan to supply affiliates and oversea subsidiaries with endorsement guarantee</p>					
<p>Reason for avoidance of conflict of interest and participation in voting: Chwen-Jy Chiu is the director of An-Tai International Investment Co., Ltd., TECO International Investment Co., Ltd., president of Sankyo Co, Ltd., chairman of Motovario S.p.A., abstained from the discussion and voting for the case based upon interest conflict, and presided over by managing &amp; independent director, Wei-Chi, Liu. Chao-Kai, Liu is the director of TECO International Investment Co., Ltd., Motovario S.p.A, Yu-Ren, Huang is director of Sankyo Co, Ltd., Mao-Hsiung, Huang is chairman of An-Tai International Investment Co., Ltd., TECO International Investment Co., Ltd., chairman of Sankyo Co, Ltd., Hong-Hsiang, Lin is director of TECO Middle East, Motovario S.p.A, abstained from the discussion and voting for the case based upon interest conflict</p>					
<p>Resolution: The case was approved by a meeting of the board of directors, presided over by managing &amp; independent director, Wei-Chi, Liu, who consulted other attending directors, none whom objected the case.</p>					
<p><u>Director's name: Chwen-Jy, Chiu (Chairman), Chao-Kai, Liu (Managing Director), Mao-Hsiung, Huang (Director)</u></p>					
<p>Contents of the case: Provision of loans among the company and affiliates</p>					
<p>Reason for avoidance of conflict of interest and participation in voting: Chwen-Jy Chiu is the chairman of TECO Westinghouse Motor Company and TWMM, chairman of Asia Innovative Technology (Xiamen) Co., Ltd., director of UVG Investment Co.Ltd., director of Qingdao Teco Innovation, abstained from the discussion and voting for the case based upon interest conflict, and presided over by managing &amp; independent director, Wei-Chi, Liu. Chao-Kai, Liu is the director of TECO Westinghouse Motor Company, director of Asia Innovative Technology (Xiamen) Co., Ltd., chairman of Qingdao Teco Innovation, director of UVG Investment Co. Ltd., Mao-Hsiung, Huang is the director of TECO Westinghouse Motor Company, director of Asia Innovative Technology (Xiamen) Co., Ltd., director of Qingdao Teco Innovation, abstained from the discussion and voting for the case based upon interest conflict.</p>					
<p>Resolution: The case was approved by a meeting of the board of directors, presided over by managing &amp; independent director, Wei-Chi, Liu, who consulted other attending directors, none whom objected the case.</p>					

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remarks
iii.	25-18 Board Meeting: 2020.7.2				<p><u>Director's Name: Chwen-Jy, Chiu (Chairman)</u>            Contents of the case: Capitalization of retained earnings of Shanghai Teco            Reason for avoidance of conflict of interest and participation in voting: Chwen-Jy, Chiu is the director of Shanghai Teco, abstained from the discussion and voting for the case based upon interest conflict, and presided over by managing &amp; independent director, Wei-Chi, Liu. Chao-Kai,</p> <p>Resolution: The case was approved by a meeting of the board of directors, presided over by managing &amp; independent director, Wei-Chi, Liu, who consulted other attending directors, none whom objected the case.</p> <p><u>Director's Name: Chwen-Jy, Chiu (Chairman), Cheng-Tsung, Huang (Managing Director), Yu-Ren Huang (Managing Director), Mao-Hsiung, Huang (Director)</u>            Contents of the case: Reconstruction of Songjiang building            Reason for avoidance of conflict of interest and participation in voting: Chwen-Jy Chiu is the director of Tong-An Asset Management, abstained from the discussion and voting for the case based upon interest conflict, and presided over by managing &amp; independent director, Wei-Chi, Liu. Cheng-Tsung, Huang is the director of Tong-An Asset Management, Mao-Hsiung, Huang is chairman of Tong-An Asset Management, Yu-Ren, Huang is the one degrees of kinship of chairman of Tong-An Asset Management, abstained from the discussion and voting for the case based upon interest conflict</p> <p>Resolution: The case was approved by a meeting of the board of directors, presided over by managing &amp; independent director, Wei-Chi, Liu, who consulted other attending directors, none whom objected the case.</p> <p><u>Director's name: Chwen-Jy, Chiu (Chairman), Chao-Kai, Liu (Managing Director), Hong-Hsiang, Lin (Director)</u>            Contents of the case: Provision of loans to Motovario S.p.A.            Reason for avoidance of conflict of interest and participation in voting: Chwen-Jy Chiu is the chairman of Motovario S.p.A. abstained from the discussion and voting for the case based upon interest conflict, and presided over by managing &amp; independent director, Wei-Chi, Liu. Chao-Kai, Liu and Hong-Hsiang, Lin are the directors of Motovario S.p.A., abstained from the discussion and voting for the case based upon interest conflict.</p> <p>Resolution: The case was approved by a meeting of the board of directors, presided over by managing &amp; independent director, Wei-Chi, Liu, who consulted other attending directors, none whom objected the case.</p>
iv.	25-20 Board Meeting: 2020.11.13				<p><u>Director's Name: Chwen-Jy, Chiu (Chairman), Hong-Hsiang, Lin (Director)</u>            Contents of the case: GTM's lending to TNL.            Contents of the case: Provision of loans to Motovario S.p.A.            Reason for avoidance of conflict of interest and participation in voting: Chwen-Jy Chiu is the chairman of GTM, abstained from the discussion and voting for the case based upon interest conflict, and presided over by managing &amp; independent director, Hong-Hsiang, Lin is GTM, abstained from the discussion and voting for the case based upon interest conflict.</p> <p>Resolution: The case was approved by a meeting of the board of directors, presided over by managing &amp; independent director, Wei-Chi, Liu, who consulted other attending directors, none whom objected the case.</p>
v.	25-22 Board Meeting: 2020.12.22				<p><u>Director's Name: Chwen-Jy, Chiu (Chairman), Cheng-Tsung, Huang (Managing Director), Mao-Hsiung, Huang (Director)</u>            Contents of the case: Land development of Xinchuang factory            Reason for avoidance of conflict of interest and participation in voting: Chwen-Jy Chiu is the director of Tong-An Asset Management, abstained from the discussion and voting for the case based upon interest conflict, and presided over by managing &amp; independent director, Wei-Chi, Liu. Cheng-Tsung, Huang is the director of Tong-An Asset Management, Mao-Hsiung, Huang is chairman of Tong-An Asset Management, abstained from the discussion and voting for the case based upon interest conflict</p>

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remarks
Resolution: The case was approved by a meeting of the board of directors, presided over by managing & independent director, Wei-Chi, Liu, who consulted other attending directors, none whom objected the case.					
3.Evaluation of Board of Directors					
Frequency	Period	Scope	Method	Content	
By external professional & Independent Institute every three year	2020.1.1~2020.12.31	Composition, instruction, authorization, monitoring and communication of Board, internal control and risk management, self discipline of Board and others, such as Board meeting, support system...	Invite Taiwan Corporate Governance Association to execute through "Data Review", "On line Questionnaire", and "On site Interview"	<ol style="list-style-type: none"> <li>1.The board of directors should plan the inheritance and development of the board of directors, and regularly review the composition and division of labor of the existing board of directors, as well as whether the selection, nomination and appointment of members are rigorous and thorough.</li> <li>2.The board of directors should set and adjust the company's goals and corresponding strategies, and effectively manage and ensure that the management department implements the strategies to achieve the goals.</li> <li>3.The board of directors, through the division of responsibilities and authorization to the management department, ensures that the company follows the established policies, systems, goals and strategies to implement them. An effective and real-time return mechanism should be established to serve as a reference for decision-making or management adjustments.</li> <li>4. The supervision of the board of directors should be implemented by setting up independent internal audit staff, relying on external professional accountants, and other effective mechanisms to ensure reasonable corporate compliance and effective operation</li> <li>5.The communication objects of the board of directors include its own members of the board of directors, managers, shareholders, and other stakeholders; attention must be paid to the issues of communication, communication and feedback mechanisms, and the culture of the board of directors.</li> <li>6.The board of directors should identify important risk issues, define risk tolerance, and establish a sound internal control system to ensure the results of corporate operations.</li> </ol>	

Frequency	Period	Scope	Method	Content
				<p>7. The board of directors must regularly evaluate its own participation and performance, and review and improve it, hoping to respond to changes in the business environment.</p> <p>8. Others include board meetings, support systems, etc., including the establishment of corporate governance personnel, agenda planning, meeting preparations, information provision, meeting records and post-meeting tracking management.</p>
Once per Year	2020.1.1~ 2020.12.31	Self-evaluation of Performance of Board member	Internal self-evaluation of the board of directors " Self-evaluation Questionnaire of Board Member Assessment "	Self evaluation items for board members, including a total of 23 evaluation indicators on 6 dimensions: personal understanding on the company's goal and mission, acknowledgement of duty of directors, participation in the company's operation, internal relationship and communication, expertise and continuous training of directors and internal control.
Once per Year	2020.1.1~ 2020.12.31	Operation status of functional committees( Audit Committee, Remuneration Committee, Corporate Governance and Sustainability Committee, Research & Innovation Committee)	Internal self-evaluation of the board of directors " Self-evaluation Questionnaire of Functional Committee Assessment "	Evaluation items for overall performance of functional committees: Participation in the company's operation, acknowledgement of duty of functional committees, quality improvement of decision making of functional committees, composition and selection of members of functional committees, internal control.
Once per Year	2019.1.1~ 2019.12.31	Performance Evaluation of Board	Internal self-evaluation of the board of directors " Self-evaluation Questionnaire of Board Assessment "	The measurement items of the " Self-Assessment Questionnaire of Board Assessment " include a total of 48 evaluation indicators on 5 dimensions: participation in the company's operations, quality improvement of the board's decision-making, board composition and structure, director selection and continuous training, and internal control.
Once per Year	2018.1.1~ 2018.12.31	Performance Evaluation of Board	Internal self-evaluation of the board of directors " Self-evaluation Questionnaire of Board Assessment "	The measurement items of the " Self-Assessment Questionnaire of Board Assessment " include a total of 48 evaluation indicators on 5 dimensions: participation in the company's operations, quality improvement of the board's decision-making, board composition and structure, director selection and continuous training, and internal control.



#### 4. Target of strengthening the function of the Board and evaluation of current year and recent years

##### i. Enhance the effectiveness of the Board

In order to establish good corporate governance of the company, assist directors to perform their duties and enhance the effectiveness of the board of directors, the company passed the appointment of Shih-Hsiung, Chien, Deputy Director of the "Corporate Governance Center" as a full-time corporate governance director on the 25-7th board of directors meeting (2019.5.13) in accordance with the "Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors of Listed Companies". In addition, the company's "standard operating procedures for handling directors' requirements" is formulated. Corporate governance director (of Corporate Governance Center) is responsible for handling directors' requirements, and in accordance with the principle of immediate and effective assistance to directors in performing their duties to process as soon as possible within three working days.

##### ii. Strengthen the evaluation of board performance

In order to implement corporate governance and clearly define performance targets to improve the function and operational efficiency of the board of directors, the company has passed a resolution to amend the company's "Rules Governing the Board Performance Evaluation" in 25-20th board of directors meeting (2020.11.13). The main focus of the amendment is: adding an evaluation method for individual directors' self-evaluation; executive directors of external institutions; relevant standards for board performance evaluation; performance evaluation indicators are regularly reviewed by the remuneration committee and used as the basis for salary remuneration.

### 3.3.2 Audit Committee

The Company set up "Audit Committee" on June 15, 2012 to replace the original supervisor system. The committee consists of independent directors (three seats), who select one among them as the convener and chairman of its meeting, and functions according to the company's "organizational charter of audit committee," with the scope of its auditing covering the company's financial statement, the company's auditing and accounting policy and procedure, the company's internal-control system, major transactions in assets or derivatives, raising or issuance of securities, appointment and dismissal of, along with compensations for, certified public accountant(s), and appointment and dismissal of financial, accounting, and internal-auditing managers.

#### Key Focus in 2020:

##### 1. Review financial reports

The company's board of directors submitted the 2019 annual financial statements (including the consolidated financial statements) which has been audited and certified by accountants Yu-Lung Wu and Chien-Hung Chou entrusted by the Board of Directors. Together with annual business report and earning distribution motion, they are reviewed and approved by the 12th meeting of the 3<sup>rd</sup> Audit Committee (2020.3.13), were submitted to the 13th meeting of the 25th Board of Directors (2020.3.17) for resolution and were acknowledged by general shareholders meeting 2020 (2020.5.11).

##### 2. Evaluate the effectiveness of the internal control system

The company judges whether the design and implementation of the internal control system for the year 2019 are effective based on the judgment items on the effectiveness of the internal control system as stipulated in the "Principles for Establishing Internal Control Systems for Public Offering Companies". The company has a total of 32 level units. The internal control self-assessment operation was completed at 2020.1.31. The design and implementation of its internal control system did not reveal any major deficiencies. The internal control self-assessment operation of the subsidiary was completed at 2020.2.24. The design and implementation of its internal control system did not reveal any major deficiencies. Determining the design and implementation of the company's internal control system should be effective. After being reviewed and approved by the 12th

meeting of the 3<sup>rd</sup> Audit Committee (2020.3.12), and submitted to the Resolution of the 13th meeting of the 25<sup>th</sup> Board of Directors (2020.3.17), the "Internal Control System Statement" for 2020 was issued.

A total of 9 meetings of the Audit Committee were held in 2020, and the Audit Committee attendance was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remarks
Convener & Chairman	Ting-Wong, Cheng	9	0	100%	
Member	Wei-Chi, Liu	9	0	100 %	
Member	Jin-Fu, Chang	9	0	100%	
Other mentionable items:					
1. If there is the following situation referred to the operation of Audit Committee, the date of Audit Committee meeting, period, contents of the case, opinion of all members, and company's respond toward Audit Committee members should be narrated					
i. Items specified in article 14-5 of Securities and Exchange Act: Please see the following charts					
ii. Other items resolved by the audit committee member with support of two thirds of directors but without approval of the auditing committee.: None					
Board Meeting	Contents of the case and follow-up	Article 14-5 of Securities and Exchange Act	Other items resolved by the audit committee member with support of two thirds of directors but without approval of the audit committee		
25-13 Board Meeting 2020.3.17	Discussion on business report, parent company only financial statements and consolidated financial statements of 2019	v			
	Discussion on Profit distribution of 2019	v			
	Internal audit report and self assesment of internal control of 2019	v			
	Discussion on renewal of credit line of financial Institutions in 2019	v			
	Discussion on provision of endorsement and guarantee for the affiliates and overseas subsidiaries	v			
	Discussion on provision of loans among the company and affiliates	v			
	Discussion on issuance of unsecured common corporate bond	v			
	Amendment to "Procedures for Endorsement and Guarantee"	v			
	Amendment to "Procedures for Lending of Capital to Other Parties"	v			
	The Resolution of Audit Committee (2020.3.19): Discussion on the company's 2019 business report, financial statements (consolidated and parent company alone)—this case is accompanied by a resolution after the chairman consults all the members present. The management department is requested to adopt the accountant's report at its discretion. The inspection findings and reminders in the report, and the rest are passed without objection, and submitted to the board of directors for resolution. Discussion on 2019 profit distribution—after the chairman consults all the members present, this proposal is proposed to the board of directors with two scenarios. And suggest the board to evaluate by taking the company's capital allocation and the expectations of the shareholders into consideration. For the remaining cases, passed by all attendee committee members How the company handle opinion of Audit Committee: The company's 2019 profit distribution —this case has been consulted all attending the directors by the chairman, the resolution passed the cash dividend to be distributed in the second plan (NT\$0.99). The remaining cases were approved by all the directors present.				
25-14 Board Meeting 2020.3.31	Discussion on "cash reduction of capital and refund of shareholders' shares, with a capital reduction ratio of 10%" proposed by the shareholder, PJ Asset Management Co., Ltd., according to Article 172-1 of the Company Law	v			
	Discussion on the company's long-term fund-raising plan	v			

	<p>The Resolution of Audit Committee (2020.3.31): Discussion on “cash reduction of capital and refund of shareholders’ shares, with a capital reduction ratio of 10%” proposed by the shareholder , PJ Asset Management Co., Ltd., according to Article 172-1 of the Company Law: The case was consulted with all attending the committee by the chairman, due to the company’s capital needs and the major uncertainties in the operation caused by the epidemic, it is not suitable to reduce the capital currently, but due to the relevant provisions of the Company Law, the case was still submitted to the board of directors for discussion.</p> <p>Discussion on the company's long-term fund-raising plan: After the chairman’s consultation with all the members present in this case, in order to enhance the company’s shareholders’ interest and business performance, introduce strategic investors to increase shareholders’ benefit and return on investment, and it is proposed to ask the board of directors to give priority to consider</p> <p>How the company handle opinion of Audit Committee: Discussion on “cash reduction of capital and refund of shareholders’ shares, with a capital reduction ratio of 10%” proposed by the shareholder , PJ Asset Management Co., Ltd., according to Article 172-1 of the Company Law: The case was consulted with all attending directors by the chairman, considering the company’s business development, the uncertainty caused by the new crown virus epidemic, and the additional fund need to stabilize the supply chain, coupled with the weak demand of the oil and gas industry in the short term, this proposal may have an adverse impact on operations, and neither the board of directors nor the audit committee support it. But in order to comply with the requirements of the company law, the board of directors passed a resolution to send the case to the shareholders meeting for referendum</p> <p>Discussion on the company's long-term fund-raising plan: passed by all attendee directors</p>		
25-15 Boarding Meeting 2020.4.6	Discussion on private placement of type A special shares and/or type B special shares and/or type C special shares	v	
	Discussion on private placement of common shares	v	
	The Resolution of Audit Committee (2020.4.6): Passed by all committee members		
	How the company handle opinion of Audit Committee: Passed by all attendee directors		
25-18 Boarding Meeting 2020.7.2	Discussion on the Reconstruction of Songjiang Building in Taipei	v	
	Discussion on provision of loans to Motovario S.p.A.	v	
	The Resolution of Audit Committee (2020.7.2): Passed by all committee members		
	How the company handle opinion of Audit Committee: Passed by all attendee directors		
25-19 Boarding Meeting 2020.8.14	consolidated financial statements for the first half of the year 2020	v	
	Discussion on the investment plan of the solar power plant business	v	
	The Resolution of Audit Committee (2020.8.7): Passed by all committee members		
	How the company handle opinion of Audit Committee: Discussion on the investment plan of the solar power plant business—this case has been consulted with all attendee directors by the chairman, the board requested the management team to incorporate risk assessment of Taipower’s monopoly and Taiwan’s and Japan’s green power market status for in-depth analysis. Later, the follow-up case was submitted to the board of directors for discussion in the form of an individual project. The remaining cases were approved by all the directors present.		
25-20 Boarding Meeting 2020.11.13	Change of accounting chief	v	
	Discussion on GTM’s lending to Teco Electric & Machinery B.V (TNL)	v	
	The Resolution of Audit Committee (2020.11.9): Passed by all committee members		
	How the company handle opinion of Audit Committee: Passed by all attendee directors		
25-21 Boarding Meeting 2020.11.20	In order to cope with the development of the group, it is planned to issue new shares by increasing capital for share swap with Walsin Lihwa shares.	v	
	The Resolution of Audit Committee (2020.11.20): Passed by all committee members		
	How the company handle opinion of Audit Committee: This case was approved after the chairman consulted all the directors present, and agreed to launch the share swap. And the board requested to negotiate with the other party about the specific business cooperation content in a written agreement within one week after signing the contract and establish a high-level working group to ensure implementation of the plan.		

25-22 Boarding Meeting 2020.12.22	Auditing plan for 2021	v	
	Land development of Xinchuang Factory	v	
	Discussion on independence and adequacy of CPA	v	
	Discussion on remuneration of CPA	v	
	The Resolution of Audit Committee (2020.12.14): Auditing plan for 2021: After the chairman consulted all attending members, the committee suggested to include the information security related items into annual audit plan and passed other items without objection, then submitted the revised one to the board of directors for resolution Discussion on Land development of Xinchuang Factory: After the chairman consults all the members present, it is proposed to give priority to the joint construction method according to the agreement. the case was submitted to the board of directors for resolution.  The remaining cases were approved by all the directors present. How the company handle opinion of Audit Committee: Passed by all attendee directors		
2. The avoidance of Independent Director due to interest conflict: None 3. The communication between independent director, internal audit chief and CPA (1) Communications method of independent directors with internal auditing chief and certified public accountants: The Company has put in place direct contact channel for independent directors to communicate with internal auditing chief and certified public accountants. In line with the regulation of the regulator, the company audits its finance and business status regularly and communicates directly with management and corporate governance unit. i. The company's internal auditing chief delivers internal auditing report at the quarterly meeting of the audit committee, covering status of the execution of auditing operation and improvement and tracking, as well as effect, of the audited defects. In addition to delivery of written auditing report to independent directors monthly, internal auditing chief also makes specific business reports on the suggestion of any independent director. ii. After completing the auditing of the semiannual and annual financial statements, the company's contracted certified public accountant reports the result of the auditing or checking of the financial statements of the company and its subsidiaries, both domestic and overseas ones, at the auditing committee, as well as other legally required communications items. (2) Independent Director and internal audit chief have good communication, and independent directors have no suggestions. Communication issues in 2020 are showed as follows.			
Audit Committee	Communication Item	Communication Result	
3-12 (2020.3.13)	Report for 2020 Internal Audit	Notification. No other suggestions.	
	2019 Self Evaluation on Internal Audit (Announcement of Internal Control)	Approval after the chairman consulted all attending members, then submitted to the board of directors for resolution	
3-15 (2020.5.4)	Report for 2020 1Q Internal Audit	Notification. No other suggestions.	
3-17 (2020.8.10)	Report for 2020 2Q Internal Audit	Notification. No other suggestions.	
3-20 (2020.12.14)	Report for 2020 3Q Internal Audit	Notification. No other suggestions.	
	Audit Project for 2021	After the chairman consulted all attending members, the committee suggested to include the information security related items into annual audit plan and passed other items without objection, then submitted the revised one to the board of directors for resolution	
(3) Independent Director and CPA have good communication, and independent directors have no suggestions. Summary of communication issues in 2020 are showed as follows.			
Audit Committee	Communication Item	Communication Result	
3-12 (2020.3.13)	Report for 2019 consolidate and parent company only financial statements	Approval after the chairman consulted all attending member, then submitted to the board of directors for resolution	
	Key Points for Revision of Corporate Governance Evaluation Index and the impact of the update of the Securities Regulatory Act and the Tax Act	Notification. No other suggestions.	
3-17 (2020.8.10)	Report for 2020 2Q consolidate financial statements	Approval after the chairman consulted all attending members, then submitted to the board of directors for resolution	
	The impact of COVID-19 on financial reporting	Notification. No other suggestions.	

### 3.3.3 Corporate Governance Execution Status and Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”

Items	Implementation status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summaried Explanation	
A. Whether the company has formulated and publicized “Corporate Governance Best Practice Principles”, according to “Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies”	V		The company’s 21th board of directors already approved the company’s “Corporate Governance Best Practice Principles” at its 13th meeting (March 25, 2008) and also made seven amendments by Board of directors from 2013 to 2020, which has been posted on the Market Observation Post System and the company’s website.	Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “
B. The company’s shareholding structure and shareholders’ equity a. Whether the company has formulated and implemented internal procedure for handling suggestions, questions, disputes, and litigation of shareholders. b. Whether the company has got hold of the list of major shareholders and their ultimate controllers. c. Whether the company has established and implemented risk-management and firewall mechanism pertaining to affiliates. d. Whether the company has formulated internal norms forbidding the company’s insiders to take advantage of unpublicized information in trading in securities.	V		a. The company has installed stock-affairs unit, which handles shareholders’ suggestions or disputes, among others. b. The company has got hold of the list of major shareholders and their ultimate controllers, which is updated regularly. c. The company has clear differentiation of rights and responsibilities for personnel, assets and financial management with affiliated companies, regularly checks the accounting and internal control systems of affiliated companies, and establish appropriate risk control and firewall mechanisms; in accordance with the "Administrative Rights and Responsibilities and Related Instructions for Relational Enterprises" and the internal control system "Supervision and Management of Subsidiaries" and "Management of Related Party Transactions". d. The company has formulated internal norms “Preventing Insider Trading Rules and Major Internal Information Processing Procedures”and ” Rules of Ethical Conduct to Directors and Managerial Officers”forbidding insiders to take advantage of unpublicized information in trading in securities.	a. Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”. b. Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”. c. Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”. d. Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”.
C. Composition and duties of the board of directors a. Whether the board of directors has formulated and achieved diversification for the composition of its membership.	V		a. In line with the policy of membership diversification for the board of directors, as stipulated in the " Corporate Governance Best Practice Principles." Include but not restrict the following two standards: i. Basic condition: gender, age, nationality and culture ii. Professional knowledge and skill: professional background (such as law, accounting, industry, finance, marketing and technology), professional skill and industrial experience.	a. Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”

Items	Implementation status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summaried Explanation	
<p>b. Whether the company has installed on its own various functional committees other than the compensations committee and the audit committee.</p> <p>c. Whether the company has formulated measures and methods for the evaluation of the performance of the board of directors and carryout regular performance evaluation every year, as well as submit the result to the board for the reference to the remuneration and re-election nomination of individual director.</p>			<p>Management target: The members of the board of directors include at least one female director; the director who concurrently serves as the manager of the company does not exceed one third of the number of directors; no more than two of the directors have a relationship within the scope of spouse or second-degree kinship.</p> <p>At present, there are 15 members of the 25th board of directors (including 3 independent directors). Each term is 3 years and can be re-elected. One of them is a female director (accounting for 6.67%); one is a Japanese director (accounting for Ratio is 6.67%); two directors have manager status (13.33%); the two have relatives within the second drgree (13.33%); independent directors account for 20% (the term of two independent directors is less than 3 years, and the term of an independent director is 4-6 years).</p> <p>Members of the board of directors are all outstanding figures in industry and academia, with abundant experience in corporate governance and industrial technologies, as well as expertise in money, finance, accounting, and law. Members of the Board attend the BOD meeting actively and attendance in person in 2020 reaches at 93.84%. The members monitored and understand the execution of business plans effectively.</p> <p>b. In order to establish a good governance system, rationalize and strengthen management functions, fulfill corporate social responsibilities, and attain sustainable development, the 25<sup>th</sup> board of directors resolved in its third meeting (on Aug. 13, 2018) to set up "corporate governance and sustainability committee." (note 2)</p> <p>c. In order to materialize corporate governance and clearly delineate performance objective, for enhancing the function and operating efficiency of the board of directors, the board of directors resolved to formulate the company's "Rules Governing the Board Performance Evaluation" on November 13, 2015, in line with the stipulation of article 37 of "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies". Since 2015, at the end of every year, the secretariat of the board of directors would collect information on the activities of the board of directors and issue questionnaires for self evaluation before recording the evaluation results and reporting them to the board of directors for review and improvement. External professional independent agent or external expert team may be hired to evaluate the performance of</p>	<p>b. Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”</p> <p>c. Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”</p>

Items	Implementation status		Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	
			<p>BOD and issue external evaluation report every three years.</p> <p>On the 20<sup>t</sup> meeting of 25<sup>th</sup> board (2020.11.13) passed to amend the company’s “Rules Governing the Board Performance Evaluation”, the main revision points are: new Evaluation of individual directors' self-evaluation Method; external agency to perform board performance evaluation related standards; performance evaluation indicators regularly reviewed by the compensation committee and acted as Basis of salary remuneration</p> <p>"Board of Directors Performance Evaluation Team" of Taiwan Corporate Governance Association was invited for 2020 board’s performance evaluation on December 29, 2020 via "Data View", "Online Self-assessment Questions" and "on-site interviews" and other methods.</p> <p>The association is an independent professional corporate governance counseling and evaluation agency, referring to the latest guiding principles of corporate governance of the Organization for Development (OECD) and considering Taiwan’s legal environment and corporate characteristics, it launched in corporate governance system evaluation and appraisal services since 1994, and has served more than 300 times.</p> <p>The scope of review includes: the composition of the board of directors, guidance of the board of directors, authorization of the board of directors, supervision of the board of directors, communication of the board of directors, internal control and risk management, the board’s self-discipline and others, such as board meeting, supporting system and so on.</p> <p>The evaluation results are as follows:</p> <p>(1) The manaing director meeting is convened once every 2 months for consultation, communication and discussion in the early stage of the future business plans and major agends. After building a consensus, then summit the proposals to the board of directors’ meeting to make decisions and it improves the efficiency of meetings.</p> <p>(2). Audit committee effectively performs the function of guidance and supervision. The Accountants who certified the financial reports attend the board meeting and also attend audit committee twice a year to communicate on the company’s finance, accounting and internal control, etc.</p> <p>(3). The compensation committee reviews the current salary policy by considering the change of business environment, suggests</p>

Items	Implementation status			Discrepancy with "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summaried Explanation	
			<p>adjustment on the current salary structure to optimize the overall salary system, pays attention to talent training and succession system to give full play to the function of compensation committee.</p> <p>(4). The Research and Innovation Committee invites external professional scholars to serve as committee members to provide international information, combined with Teco Group Research Institute, launches market research based on strategic directions and forward-looking technology, defines the product directions via systematic thinking to plan the group's short, medium and long-term product development blueprint to enhance the competitiveness.</p> <p>Recommendations for improvement:</p> <p>(1). Revised internal norms of " Rules Governing the Board Performance Evaluation " in 2020": it is recommended to add the scoring standard to the self-assessment questionnaire indicators in the attached table for directors to follow.</p> <p>(2). " Orientation for New Director ": Report to new directors on its organizational structure and business responsibility, development plan for the next three years by top director of each business department. It is proposed to establish the directors' manual and formulate the aforementioned activities as internal norms to further strengthen the company's related systems of corporate governance.</p> <p>In addition, the secretary's office of the board of directors launched 2020 Directors' self-evaluation project via " Self-evaluation Questionnaire of Board Member Assessment ". Self evaluation items for board members, including a total of 23 evaluation indicators on 6 dimensions: personal understanding on the company's goal and mission, acknowledgement of duty of directors, participation in the company's operation, internal relationship and communication, expertise and continuous training of directors and internal control. Meanwhile, the board secretary's office also launched "Self-evaluation Questionnaire of Functional Committee Assessment". Evaluation items for overall performance of functional committees: Participation in the company's operation, acknowledgement of duty of functional committees, quality improvement of decision making of functional committees, composition and selection of members of functional committees, internal control.</p> <p>Evaluation result: the self-evaluation of the members of the company's board of directors, the evaluation of audit committee,</p>	



Items	Implementation status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summaried Explanation	
d. Whether the company has regularly evaluated the independence of certified public accountants.			<p>compensation committee and corporate governance &amp; sustainability committees are all "excellent"; only Research and innovation committee was evaluated it as "good". The above 2020 annual board performance evaluation report has been submitted to the 24th meeting of the 25th term board (2021.3.23)</p> <p>Future improvement plan:                      (1). Revise " Rules Governing the Board Performance Evaluation " in 2021 to add the scoring standard to the self-assessment questionnaire indicators in the attached table.                      (2). Establish the directors' manual in 2021 and formulate " Orientation for New Director " as internal norms</p> <p>Each year's "Evaluation result of Board Performance Evaluation" will be offered to "Compensation Committee" and "Corporate Governance and Sustainability Committee" for reference for remuneration and re-election nomination of individual director.</p> <p>d. The 23<sup>rd</sup> board of directors also approved at its 19<sup>th</sup> meeting Dec. 22, 2014) the company's "measures for the selection and evaluation of certified public accounts," calling for regular review of the independence and adequacy of certified public accountants. The company's financial and accounting units evaluates first, then submits to Audit committee for review and Board meeting for approval. CPAs Wu, Yu-Lung and Chou, Chien-Hung of PwC Taiwan ,according to the CPA evaluation scale, were ascertained their conformance to the company's evaluation standards, in terms of independence and suitability, proving their qualification to become the company's contracted CPA, finding which was approved by the 25<sup>th</sup> board of directors at the 11<sup>th</sup> meeting (Dec. 24<sup>nd</sup>, 2019) and the 25th board of directors at the 22th meeting (Dec. 22, 2020)</p>	d. Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”
D. Does the listed company allocate adequate and enough corporate governance staffs and assign a corporate governance officer in charge of related issues (include but not restrict providing directors and supervisors with information to conduct business, holding board meeting, AGM, registration and updated registration for the company, composing meeting minutes for board meeting and AGM based upon the regulation	V		The Company established the "Corporate Governance Center" in July 2015 in accordance with Article 3-1 of the "Corporate Governance Best Practice Principles". Currently, it has 9 dedicated staff to handle corporate governance related matters. According to the "Points of Matters to Be Followed by the Board of Directors of Listed Companies", at the 25-7th board meeting (2019.5.13), it was decided to appoint the Director of the "Corporate Governance Center", Shih-Hsiung. Chien, as the company's full-time head of corporate governance. He has more than three years of relevant management experience of public listed companies and is registered as an appointed	Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “

Items	Implementation status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summaried Explanation	
			<p>manager in accordance with the company's articles of incorporation.</p> <p>The main duties are handling in a legal manner affairs related to the meetings of the board of directors and shareholders' meeting, production of minutes of the meetings of the board of directors and shareholders' meeting, assistance for directors in assuming their offices and continual traning, and undertaking continuing provision of data needed by directors in the execution of their duties, assistance for directors in legal compliance, safeguard of shareholders' benefits, and strengthening of the function of the board of directors.</p> <p>The implementation of corporate governance 2020 has summited to the 1-7<sup>th</sup> meeting of Corporate Governance and Sustainability Committee on January 13<sup>th</sup>, 2021 as well as 25-22<sup>nd</sup> BOD meeting on March 2nd, 2021. The report is showed as following:</p> <ol style="list-style-type: none"> <li>i. Arrangement of the meetings of the board of directors according to law/regulation: Notify all directors seven days in advance and provide related data, to facilitate their understanding of items on the agenda; remind directors avoiding interest of conflict, should the items be related to their interests or the interests of legal entities they represent; distribute minutes for the meeting within 20 days.</li> <li>ii. Arrangement of shareholders' meeting according to law/regulation: Register date for shareholders' meeting by legal deadline, produce and submit notice, manual, and minutes of the meeting by deadline, and change corporate registration after revision of corporate charter or election of directors and supervisors.</li> <li>iii. Based upon “Regulations Governing the Board Performance Evaluation” to launch performance evaluation of periodically. Collect the related information of activities of the board, distributing the questionnaire to collect self evaluation of the board of directors, turning in to the board to review and improve at the end of the year. And commission outside independent institutions or experts/scholars to carry out the evaluation at least once every three years.</li> <li>iv. Assistance for directors in compliance with various laws, regulations, and guidelines: Arrange study courses for directors at least twice a year and provide data irregularly needed by directors in the execution of their duties, conducive to their understanding of latest legal development related to the company's operation; invite certified public accountant to attend meetings of the board of directors at least twice a year to exchange opinions with directors on annual report and</li> </ol>	

Items	Implementation status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summaried Explanation	
			<p>semiannual report, as well as the updating of IFRSs, securities laws/regulations, and tax laws/regulations.</p> <p>v. Oversee "administrative platform for corporate governance," based on the evaluation indicators of the "corporate governance evaluation," drafted by the Taiwan Stock Exchange, regularly review and discuss matters related to corporate governance with all units, and formulate the goals of corporate governance, and the platform regularly tracks the implementation and results of the responsible unit.</p> <p>vi. Handle related issue about investor relations: investor relations team provides AGM information, material information announcement, financial statements, presentation material about finance and operation, information about domestic and overseas conferences.</p> <p>According to article 36-3 of " Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets," the company's corporate governance chief will arrange courses related to execution of duties with study time meeting legal requirement. Since taking office from 2019.5.13 to 2020.12.31, Director Sih-Hsiung, Chien has completed 30 hours (18hours in 2020, please refer to the 2020 manager training program).</p>	
E. Whether the company has established communications channel for stakeholders (include but not restrict shareholders, employees, customers and suppliers) and dedicated sector for stakeholders on its website, in addition to responding properly to key issues on corporate social responsibility concerned by stakeholders.	V		<p>The company attaches great importance to stakeholders' attention to issues and communication channels. It has smooth communication channels with stakeholders in various fields such as shareholders, employees, customers, suppliers, local communities, NGOs, and government units. Regular / irregularly publish information or communicate directly with stakeholders, respect and maintain their legitimate rights and interests, and implement corporate governance integrity and transparency (see Note 4: Issues which stakeholders focus and communication channel).</p> <p>Set up a corporate social responsibility / TECO sustainable commitment / stakeholder communication area on the company's website, and a dedicated person will respond to important corporate social responsibility issues that stakeholders are concerned about.</p>	Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “
F. Whether the company has entrusted professional stock-affairs agent to handle shareholder' meeting.	V		<p>The company has entrusted a professional stock agency to handle the affairs of the shareholders' meeting. Stock agency: Taishin International Commercial Bank's stock agency (tel: 886-2-2504-8125, address: B1, No. 96, Section 1, Jianguo North Road, Zhongshan District, Taipei City)</p>	Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies“

Items	Implementation status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summaried Explanation	
<p>G. Information publication</p> <p>a. Whether the company has installed website for publication of information on finance, business, and corporate governance.</p> <p>b. Whether the company has publicized information via other methods (such as installation of English-language website, designations of persons in charge of collection and publication of company information, materialization of the system of spokesman, and posting of the process of investors’ conference on the company website).</p> <p>c. Does the company release the annual financial report within two months after the end of the fiscal year, and announce and declare the first, second, and third quarter financial reports and the monthly operating situation within the prescribed time limit?</p>	V		<p>a. The company institutes website for disclosing the status of finance and corporate governance. The address of the corporate website: <a href="http://www.teco.com.tw">www.teco.com.tw</a></p> <p>b. The company institutes English-language website (<a href="http://www.teco.com.tw/en_version/index.asp">http://www.teco.com.tw/en_version/index.asp</a>), According to the company's measures for news release, collection and disclosure of company information is in the charge of designated staffer. After approval by the president, various units can notify the public relations unit for news release which will then be transferred to the spokesman for execution. According to the company's measures for information publication, spokesman should disclose company information to all investors and media at the same time in a fair manner.</p> <p>c. The company publishes and declares annual financial reports (within three months), the first, second, and third quarter financial reports (within 45 days) and monthly operating conditions (before 10th of each month) within the time limit specified in Article 36 of the Securities Exchange Law. Because there are hundreds of consolidated entities, temporarily not been able to announce and declare the annual financial report within two months after the end of the fiscal year. 2020 Annual financial statements have been announced and declared on 2021.3.24.</p>	<p>a. Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”</p> <p>b. Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”</p> <p>c. Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”</p>
<p>H. Whether the company has other information conducive to understanding the status of corporate governance (including, but not limited to, staffers’ interests, concern for staffers, investor relationship, supplier relationship, stakeholders’ rights, advanced study of directors and supervisors, execution of risk-management policy and criteria for risk assessment, execution of customer policy, and taking out of liabilities insurance for directors, and supervisors.</p>	V		<p>a. In order to safeguard employees' benefits, labor union has been established, on top of regular labor-management meeting, as a bridge of communications with employees. At quarter meeting at headquarters and weekly meeting at various plant premises, senior managers would explain to employees the company's current business performance and challenges and open commend those with extraordinary performance.</p> <p>b. The company set up committee of employees' welfare as early as 1964, in charge of pushing various welfare measures and planning series of measures caring for employees' families, so as help employees build a harmonious familial relationship and improve their health, so as to enhance their performance.</p> <p>c. The company has set up a unit dedicated to periodic disclosure the company's major business information, boosting information transparency, as well as a feedback mechanism for accepting suggestions of</p>	<p>Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”</p>

Items	Implementation status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summaried Explanation	
			<p>investors on the company's development, in addition to active participation in investor conferences, so that investors can have firm grip on the company current business status and development planning.</p> <p>d. The company's representatives visit each supplier at least twice a year. The company has been pushing the establishment of e-procurement platform, as an effective communications channel for suppliers worldwide. The business group has also formulated a uniform list of qualified sales agents.</p> <p>e. To uphold the rights of stakeholders, they can express their suggestions and complaints via telephone, fax, or e-mail, which will be handled by designated staffers, and employees are also encouraged to report violations of laws or regulations via dedicated mailbox.</p> <p>f. In 2020, all the directors of the company engaged in advanced study with hours meeting the requirement of "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies," with total study time reaching 97 hours, on top of total study time of 63 hours for managers.</p> <p>g. The company has dedicated to the establishment of a complete risk-management system, actively considering all the risks which may occur in the company's operation and assuring compliance by the company with related laws and regulations. Meanwhile, assure continuing effectiveness of the company's internal control system via auditing system. Various auditing tasks by the auditing unit ascertain the effectiveness of the company's internal control system, as shown in the low risks of various environmental indicators in 2020.</p> <p>h. The company has dedicated to the provision of quality products with high price-performance ratio to customers. In order to meet customer demands for products and services, the company has also endeavored to better understand their expectation for the company and its products, via multiple channels, including dedicated customer service phone lines, seminars, field visits, after-sales tracking, telephone calls, corporate website, and media, so as to make products and services better fit customer's needs.</p> <p>i. The company has taken out liabilities insurance for directors covering possible liabilities related to their responsibilities during their tenure to lower the risks of major loss for the company and shareholders which could be caused by the mistake or negligence of directors since 1999. Report on the insurance, including insurance amount</p>	

Items	Implementation status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summaried Explanation	
			(US\$10 million), coverage (all the directors), premium rate, and insurance period (2020 and 2021) was delivered at the 12 <sup>th</sup> meeting of the 25 <sup>th</sup> board of directors (2020.2.24) and 23 <sup>th</sup> meeting of the 25 <sup>th</sup> board of directors.(2021.3.2)	
I. Please illustrate the improvement based upon the latest Corporate Governance Evaluation Result released by Taiwan Stock Exchange and measures for those that haven't improved	V		<p>a. The company was granted top 5% evaluation in corporate-governance evaluation for seven years running since fiscal 2015.</p> <p>b. The situation has been improved: In order to diversify the schedule of the shareholders' meeting and facilitate shareholders' participation in the shareholders' meeting, the company started to hold regular shareholders' meetings before the end of May since 2020.</p> <p>c. matters needed to be improved and its measures: In order to enable investors to obtain sufficient and correct information in a timely manner, the company's financial report will be approved by the board of directors or submitted to the board of directors 7 days before the announcement deadline, and the financial report will be announced within 1 day after the approval date or the reporting date.</p>	Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”

Note 1: Implement the policy of diversification in the board

Name Name	Basic Condition and Value		Back-ground	Knowledge and Skill								
	Sex	Nationality		Education	Judg-ment for operation	Analytical Skills for accounting and finance	Man-agement	Crisis Man-agement	Industry know-ledge	Inter-national outlook	Lead-Ing Ability	Decision Making
Tung Kuang Investment Co., Ltd. Representative: Chwen-Jy, Chiu	F	Taiwan	Business Administration	v	v	v	v	v	v	v	v	v
Tong Ho Gloabl Investment Co., Ltd Representative : Chao-Kai, Liu	M	Taiwan	Electronic Engineering	v	v	v	v	v	v	v	v	v
Cheng-Tsung, Huang	M	Taiwan	Economy	v	v	v	v	v	v	v	v	v
Creative Sensor Co., Ltd. Representative: Yu-Ren Huang (Note 1)	M	Japan	Electronic Engineering	v	v	v	v	v	v	v	v	v
Wei-Chi, Liu	M	Taiwan	Business Administration	v	v	v	v		v	v	v	v
Jin-Fu, Chang	M	Taiwan	Electronic Engineering	v		v	v	v	v	v	v	v
Ting-Wong, Cheng	M	Taiwan	Accounting	v	v	v	v	v	v	v	v	v
Mao-Hsiung, Huang	M	Taiwan	Economy	v	v	v	v	v	v	v	v	v
Yinge Int. Inv. Co., Ltd Representative : Li-Con, Huang (Note 2)	M	Taiwan	Engineering	v	v	v	v	v	v	v	v	v

Name Name	Basic Condition and Value		Back-ground Education	Knowledge and Skill							
	Sex	Nationality		Judgment for operation	Analytical Skills for accounting and finance	Management	Crisis Management	Industry knowledge	International outlook	Leading Ability	Decision Making
Hung Shun Investment Co., Ltd Representative: Tzu-Yi, Kuo	M	Taiwan	Business Administration	v	v	v	v		v	v	v
Tong-An Investment Co., Ltd. Representative: Shang-Wei, Kao	M	Taiwan	Management	v	v	v	v		v	v	v
Kuang Yuan Industrial Co., Ltd. Representative: Shih- Chien, Yang	M	Taiwan	Electronic Engineering	v	v	v	v	v	v	v	v
Tung Kuang Investment Co., Ltd. Representative: Hong-Hsiang, Lin	M	Taiwan	Mechanical Engineering	v	v	v	v	v	v	v	v
Yubantec & Co., Ltd. Representative: Tung-Hai, Kao	M	Taiwan	Accounting	v	v	v	v		v	v	v
Yung-Hsiang, Chang (Note 3)	M	Taiwan	Industrial Management	v	v	v	v	v	v	v	v

Note 1: Managing Director, Creative Senor Inc. and its representative, Mr. Yu-Ren Huang, resigned on March 18th 2021

Note 2: The representative of Yingde Int. Inv. Co., Ltd. changed from Po-chih, Huang to Li-Chong Huang on January 1st 2021

Note 3: Director, Mr. Yung-Hsiang Chang, resigned on May 21st 2020

#### Note 2: Corporate Governance and Sustainability Committee

In order to establish a good governance system, rationalize and strengthen management function, fulfill corporate social responsibilities, and attain sustainable development, the company's 25th board of directors resolved in its third meeting (on Aug. 13, 2018) to set up "corporate governance and sustainability committee." The committee consists of more than three directors, over half of them independent directors, with convener and chairman of committee meetings being served by an independent director to be elected by committee members.

According to the company's "organization regulations for corporate governance and sustainability committee," the committee convenes at least twice a year and is in charge of reviewing the soundness of the company's corporate governance organization and system, the nomination of the candidates for directors and independent directors, supervision of the fulfillment of corporate social responsibilities and attainment of sustainable development, and strengthening of the operation and management of the units under the direct jurisdiction of the board of directors, among others.

The current corporate governance and sustainability committee consists of five members, with tenure starting from Aug. 13, 2018 through June 14, 2021. Status of attendance for the three meetings of the committee in 2020:

Title	Name	Times of attendance	Attendance rate (%)	Note
Convener and chairman	Wei-Chi, Liu	3	100%	Financial management, industry-government education and social service experience
Member	Ting-Wong, Cheng	3	100%	Financial Management and Accounting
Member	Jin-Fu, Chang	3	100%	Electrical Engineering and Information Science
Member	Chwen-Jy, Chiu	3	100%	Finance and Management
Member	Mao-Hsiung, Huang	3	100%	Management and Industrial Innovation

Other items of mandatory registration:

1. In case the board of directors turns down suggestions of corporate governance and sustainability committee, specify the

date and number of the meeting, contents of the case, resolutions of the board of directors, and status of the handling of the committee's opinions by the company: none.

2. Opposition or reservation of members on record or in written statement against resolutions of corporate governance and sustainability committee: none.

3. The main items reviewed are summarized below:

corporate governance and sustainability committee	Item	Result
1-4 (2020.1.13)	(1) 2020 important legal compliance issues report. (2) "Uncontrollable sustainable risk" and its preventive measures report. (3) The company's "CSR Committee", "Corporate Governance Center" and " Legal and Compliance Division " 2020 work plan.	(1) Notification (2) Notification (3) Approval without objections after the chairman consulted all attending members, then submitted to the board of directors for resolution.
1-5 (2020.8.10)	(1) The company's "CSR Committee", "Corporate Governance Center" and " Legal and Compliance Division " 2020 work plan's implementation. (2) Management plan of TECO Group's Intellectual Property	(1) Notification (2) Approval after review, then submitted to the board of directors.
1-6 (2020.12.10)	(1) 2020 CSR implementation result and 2021 development focus (2) Proposal of "Criteria for nominating the candidate of board of director"	(1) Notification (2) Approval without objections after the chairman consulted all attending members, then submitted to the board of directors for resolution.

Note 3: Evaluation for CPA

A. Requirement of Independence			
	Item	Result	Comply with the standard
1	Do certified public accountants, their spouses, or minor children have relationship of investment or financial-interest sharing with the company?	No	v
2	Whether certified public accountants, their spouses, or minor children have borrowing or loaning relationship with the company? It doesn't cover cases involving financial institutions as clients for normal dealings.	No	v
3	Whether certified public accounts or members of auditing service panel serve as the company's directors, managing staffers, or other positions with significant influence on the audited cases at present or recent two years?	No	v
4	Whether certified public accountants or members of auditing service panel undertake promotion or brokerage of stocks or other securities floated by the company?	No	v
5	Whether certified public accountants or members of auditing service panel represent the company in defending cases involving the company and third parties or other disputes?	No	v
6	Whether certified public accounts or members of auditing service panel are spouses, direct blood relatives, direct relatives by marriage, or relatives within second-degree kinship of the company's directors, managerial staffers, or employees with significant influence on audited cases?	No	v
7	Whether there are certified public accountants relieving joint practice within one year who now serve as the company's directors, managerial staffers, or other positions with significant influence on audited cases?	No	v
8	Whether certified public accountants or members of auditing service panel receive major gifts or preferential treatments from the company's directors, managerial staffers, or major shareholders?	No	v
9	Whether certified public accountants are hired by clients or persons under investigation for regular jobs, reception of fixed pays, or service of directors or supervisors?	No	v
B. Operation of Independence			
	Item	Result	Comply with the standard
1	Whether certified public accounts have evaded and failed to undertake the case when the case affects their impartiality and independence because there is a direct or significant indirect interest in the matters assigned?		N/A Appointed accountants are the accountants who certified/audited the company's financial statement



	Item	Result	Comply with the standard
2	Whether certified public accounts can maintain independence in substance and form for audition, perusal, recheck, or special inspection of financial statements before offering opinions?	Yes	v
3	Whether members of auditing service panel, other certified public accountants with joint practice or shareholders of legal firms, legal firms, affiliates of legal firms, or allied legal firms can keep independence with the company?	Yes	v
4	Whether certified public accountants carry out professional service in upright and rigorous manner?	Yes	v
5	Whether certified public accountants can keep fair and objective stance, avoiding influence of prejudice, conflicting interest, or relationship of interest on professional judgment?	Yes	v

Note 4: Issues which stakeholders focus and communication channel

Stakeholder	Issue	Communication Channel	Communication Result
Shareholder	<ul style="list-style-type: none"> <li>Business development and operation</li> <li>Financial transparency</li> <li>Risk management</li> <li>Corporate governance</li> <li>Environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>Market Observation Post System at Taiwan Stock Exchange</li> <li>Shareholder meeting---at least once a year</li> <li>Investment forums in Taiwan and abroad</li> <li>Visits by institutional investors</li> <li>Investor Relation/stock mailboxes dedicated to investors ---immediate replies by responsible persons</li> <li>Contact window:(IR) ir@teco.com.tw</li> </ul>	<ul style="list-style-type: none"> <li>Chosen as a component stock of Taiwan Sustainability Index</li> <li>In 2020 corporate governance evaluation, Teco Electric &amp; Machinery ranked high in every performance indicator for the evaluation and ranked as the top 5% award for six consecutive years</li> </ul>
Employee	<ul style="list-style-type: none"> <li>Business development and operation</li> <li>Relations between company and employees</li> <li>Employees' rights and interests</li> <li>Training and career development</li> <li>Occupational environment</li> <li>Expression of employees' opinions and communication</li> </ul>	<ul style="list-style-type: none"> <li>Company-employee meetings---once every quarter</li> <li>Employees' meetings---once every quarter</li> <li>Executives' symposiums---once half a year</li> <li>Occupational safety and health committee---a meeting every quarter</li> <li>Employee welfare committee</li> <li>Publication of a bimonthly Survey of employees' satisfaction---once a year</li> <li>Proposals for improvement</li> <li>Contact window:(HR) edwardyu@teco.com.tw</li> </ul>	<ul style="list-style-type: none"> <li>A symposium is held once a year for company president, manager of every factory, company's human resource director as well as directors and supervisors of the company's labor union.</li> <li>Employees' social participation is encouraged. Besides, the company promoted a credit system and paid leaves for voluntary contribution to social benefit.</li> </ul>
Client	<ul style="list-style-type: none"> <li>Labeling for products and services</li> <li>Customers' health and safety</li> <li>Marketing communication</li> <li>Survey of customers' satisfaction</li> <li>Green products</li> </ul>	<ul style="list-style-type: none"> <li>Dedicated telephone lines for response to customers if needed</li> <li>1-4 symposiums a year for sales agents and irregular calls on sales agents</li> <li>Tracking of after-sale services---by every service and telephone talks after company's website and media---updated in needed</li> <li>Questionnaire survey of satisfaction---1-4 times a year</li> <li>Contact window:(Spokesperson) speaker@teco.com.tw</li> </ul>	<ul style="list-style-type: none"> <li>TECO takes the electromechanical business as the main body, and sends customer satisfaction questionnaires to global households twice a year, collecting feedback as the key improvement goal.</li> </ul>
Supplier	<ul style="list-style-type: none"> <li>Green supply chain management</li> <li>Human right evaluation for suppliers</li> <li>Operational performance</li> </ul>	<ul style="list-style-type: none"> <li>Evaluation of suppliers---70 per year.</li> <li>Examination of suppliers---once a quarter</li> <li>Counseling for</li> </ul>	<ul style="list-style-type: none"> <li>Risk assessment and on-site evaluation were undertaken for key suppliers, with key suppliers</li> </ul>

Stakeholder	Issue	Communication Channel	Communication Result
	<ul style="list-style-type: none"> <li>Order management</li> <li>Quality management</li> <li>Technology used in production</li> </ul>	<ul style="list-style-type: none"> <li>suppliers---offered if needed</li> <li>E-procurement---if needed</li> <li>Contact window:(Procurement) <a href="mailto:dora@teco.com.tw">dora@teco.com.tw</a></li> </ul>	
Local community	<ul style="list-style-type: none"> <li>Occupational safety and health</li> <li>Environmental management</li> <li>Social participation</li> <li>Voluntary services for social benefit</li> </ul>	<ul style="list-style-type: none"> <li>Service centers in industrial parks---services provided irregularly</li> <li>Joint efforts to prevent impact of disasters on neighborhoods of industrial parks---once every quarter</li> <li>Communication mailbox at the company's website---for use irregularly</li> <li>Employees' voluntary work for social benefit---activities held every quarter</li> <li>Contact window:(PR) <a href="mailto:pr@teco.com.tw">pr@teco.com.tw</a></li> </ul>	<ul style="list-style-type: none"> <li>No violations of regulations on air pollution and waste disposal as well as no events with negative impact on neighboring communities</li> <li>Participation in joint efforts and cooperation with other companies stationed in industrial parks to prevent impact of disasters on residential communities neighboring industrial parks</li> <li>Energy-saving education was offered for local communities and schools</li> </ul>
NGO (non-governmental organization)	<ul style="list-style-type: none"> <li>Environmental protection</li> <li>Social benefit</li> <li>Labor conditions</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of non-financial information---regular publication of CSR (corporate social responsibility) reports every year, disclosing the company's action in environmental protection, social responsibility and corporate governance and results accordingly</li> <li>Greenhouse gas inventory---the company passes BSI (British Standards Institution) ISO 14064-1 verification to obtain reasonable level of assurance every year</li> <li>Contact window:(IR) <a href="mailto:ir@teco.com.tw">ir@teco.com.tw</a></li> </ul>	<ul style="list-style-type: none"> <li>Active participation in external organizations and advocacy to support goals of sustainable development and government policies</li> </ul>
Government agency	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Occupational safety and health</li> <li>Reduction in greenhouse gas emission</li> <li>Environmental protection</li> <li>Energy management</li> </ul>	<ul style="list-style-type: none"> <li>Irregular attendance in symposiums and public hearings on regulations held by authorities concerned</li> <li>Promotion of compliance with latest anti-corruption regulations and rules of faithful operation at employees' meetings---once every quarter</li> <li>Contact window:(Spokesperson) <a href="mailto:speaker@teco.com.tw">speaker@teco.com.tw</a></li> </ul>	<ul style="list-style-type: none"> <li>Market Observation Post System at Taiwan Stock Exchange</li> <li>Pursuant to OHSAS (Occupational Health and Safety Assessment Series) 18001 and CNS 15506 under Taiwan Occupational Safety &amp; Health Management System (TOSHMS), the company has set up an OSHMS for efficient management to secure employees' occupational safety and health</li> </ul>

### 3.3.4 Compensation Committee

#### (1) Information on Members of Compensation Committee

Status	Conditions Name	Whether or not possess over five years of working experience and following professional qualifications			Conformance to independency (note 2)										Number of part-time positions on the compensation committees of other companies	Note	
		Instructors or higher position in the fields of commerce, law, finance, accounting or other related departments at universities	Judges, prosecutors, lawyers, certified public accountants, or other related professionals or technicians with government licenses	Working experience in commerce, law, finance, accounting, or other related fields	1	2	3	4	5	6	7	8	9	10			
Independent Director	Wei-Chi, Liu	v		v	v	v	v	v	v	v	v	v	v	v	v	2	
Independent Director	Ting-Wong, Cheng	v	v	v	v	v	v	v	v	v	v	v	v	v	v	1	
Independent Director	Jin-Fu, Chang	v		v	v	v	v	v	v	v	v	v	v	v	v	0	

Note 1: Status would be filled as Director, Independent Director or Other.

Note 2: For members conforming the following conditions during the two years before the appointment or the term of the position, please give a check mark “√” in the black space under the code of various conditions:

- (1) Not an employee of the company or its affiliates
- (2) Not a director or supervisor of the company or its affiliates, excluding independent director set up by the parent company and subsidiary based upon Company Law or local regulations.
- (3) Not a shareholder owning over 1% stake in the company, in the names of himself/herself, the spouse, offspring before the age of majority, or others, or not one of the top-10 natural-person shareholders
- (4) Not spouse or relatives within second kinship or relatives of direct lineage within third kinship of the aforementioned three kinds of persons
- (5) Not director, supervisor, or employee of institutional shareholder owning over 5% stake in the company directly, or director, supervisor, or employee of the top-five institutional shareholders
- (6) Not director, supervisor, manager, or shareholder with over 5% stake of specific company or institution with financial or business dealing with the company
- (7) Not professionals providing commercial, legal, financial, and accounting services or consulting to the company or its affiliates; not owner, partner, director, manager, or spouse of such person of firms of sole proprietorship or partnership, companies, or institutions providing aforementioned services or consulting to the company and its affiliates.
- (8) Without cases mentioned in various clauses of Article 30 of Company Law
- (9) Professionals, sole proprietorships, partnerships, business owners of companies or institutions that do not provide audits for companies or related companies or business, legal, financial, accounting and other related services that have not received more than NT\$ 500,000 in cumulative compensation in the past two years Partners, directors (directors), supervisors (supervisors), managers and their spouses. However, members of the Compensation Committee, Public Takeovers Review Committee, or M&A Special Committee performing their functions and powers in accordance with the relevant laws and regulations of the Securities Exchange Act or the Corporate M&A Act are not limited to this.
- (10) Not a governmental, juridical person or its representative as defined in Article 30 of the Company Law

## (2) Information on Members of Compensation Committee

A. There are three members in Compensation Committee

B. The term of the current committee: June 15, 2018 to June 14, 2021. The committee has met two times in the recent year. The attendance and qualifications of committee members follow:

Title	Name	Number of attendance (B)	Number of attendances via proxy	Actual attendance rate (%) (B/A) (note)	Note
Covener & Chairman	Wei-Chi, Liu	2	0	100%	
Member	Ting-Wong, Cheng	2	0	100%	
Member	Jin-Fu, Chnag	2	0	100%	
Other items needing registration:					
1. In case the board of directors declines or modifies the suggestions of the compensations committee, specify the date, number, contents, and resolutions of the meeting of the board and its handling of the opinions of the compensations committee: None.					
2. If a member opposes or has reservation, on record or in written form, about the resolutions of the compensations committee: None					
3. Summary of main subjects of communication and results in 2020					
Compensation committee	Subject of communication	Communication Result			
4-4 (2020.3.13)	Remuneration to employees in 2019	Approved, submit to board of directors for resolution			
	Remuneration to director of board in 2019	Approved, submit to board of directors for resolution			
4-5 (2020.12.14)	Report on distribution of remuneration to executive manager in 2019	Ratification			
	Report on distribution of 2020 year-end bonuses among employees	Ratification			
	Report on salary adjustment in 2011	Ratification			
	Research on the conversion of some variable salaries to fixed salaries for employees above the manager level of the company	Ratification			

## 3.3.5 Social Responsibility

Items	Implement Status			Difference with "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Company" and reasons
	Yes	No	Summaried Explanation	
A. Does the company conduct risk assessments on environmental, social and corporate governance issues related to the company's operations and formulate relevant risk management policies or strategies based on the principle of materiality?	V		The company is led by the "CSR Working Group", it regularly analyzes major issues with reference to the international universal report preparation guidelines. Through researching reports, literature, and communication with internal and external key stakeholders, the content of each topic and its priority are set Sequence, and integrate the risk list proposed by each department, conduct risk assessment and put forward corresponding strategic recommendations, and after review by the chairman, report to the "Corporate Governance and Sustainability Committee" of the board and formulate an annual work plan. .	Compliance with "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies"
B. Whether the company has instituted unit for pushing fulfillment of corporate social responsibility, either on full- or part-time basis, in addition to having the board of directors authorize ranking management to handle the issue before reporting the outcome to the board of directors.	V		The company established the "Corporate Governance and Sustainability Committee". The members of the committee are composed of more than three directors, of which more than half should be independent directors. One independent director shall be elected by the members as the convener and chairman of the meeting. The current convener is Wei-Chi, Liu, managing and independent director. Meetings are held regularly every year. Routine affairs are promoted by the "CSR Working Group"; the working group reports directly to the chairman on a regular basis every month, tracks the implementation of TECO 's corporate social responsibility goals and policies, and summarizes the company 's relevant performance, and prepares and publishes annual corporate social responsibility reports	Compliance with "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies"
C.Environment issues a. Does the company establish an appropriate environmental management system according to its industrial characteristics?  b. Is the company committed to improving the utilization efficiency of various resources and using recycled materials with low impact on environmental load?	V		a. Established and verified environmental management system according to ISO 14001 . According to the ISO 14064-1 standard, we conduct annual greenhouse gas inventory, track the effectiveness of emission reduction and publicly disclose it in the corporate social responsibility report and website  c. The product side is to develop IE3 / IE4 high-efficiency motors, inverters, first-class energy efficiency and energy-saving water-saving labels for air-conditioning appliances and other products, and the process is also changed to high-efficiency motors, energy-saving lamps and other energy-saving and EMS to monitor the best energy use. The motor casing uses "silicon steel scrap and scrap steel recycled material casting", transportation packaging reduction and container recycling to reduce resource consumption; refrigerators and air-conditioning products are developed	Compliance with "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies"

Items	Implement Status			Difference with “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Company” and reasons
	Yes	No	Summaried Explanation	
<p>c. Whether the company has assessed the potential risks and opportunities from climate change for now and future, and adopt countermeasures of climate-related issues?</p> <p>d. Has the company counted greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies for energy saving and carbon reduction, greenhouse gas reduction, water use reduction or other waste management?</p>			<p>using environmentally friendly refrigerants, which greatly prevents the greenhouse gas effect of SF6 fugitive emissions from electrical equipment; from all aspects of efforts to reduce the impact on the environment. Relevant data are publicly disclosed in the corporate social responsibility report.</p> <p>c. From this year, the company refers to the use of climate change-related financial disclosure (TCFD) structure for risk and opportunity assessment and corresponding strategic recommendations. After review by the chairman, the company reports to the board of directors "Corporate Governance and Sustainability Committee" and formulates an annual work plan.</p> <p>d. The company annually verifies and tracks greenhouse gas emission data according to the ISO 14064-1 standard, and takes "20% reduction in emissions for 10 years" as its sustainable operation goal. It promotes energy-saving measures and builds renewable energy power generation devices in production bases. The 2020 achievement rate was 114.6% and reached the target five years ahead of schedule. Add Category 3 to investigate publicly exposes it to the corporate social responsibility report and website. The company saves 2% of electricity every year; saves 2% of water; and reduces waste by 10% as specific targets to manage each production base.</p>	
<p>D. Social Issues</p> <p>a. Whether the company has formulated relevant management policy and procedure, according to related laws/regulations and international convention on human rights.</p> <p>b. Whether the company has formulated and implemented reasonable employee welfare measures (including salary, vacation and other benefits), and appropriately reflect the operating performance or</p>	V		<p>a. The company respects and supports the labor standards of the "United Nations Universal Declaration of Human Rights", "United Nations Global Covenant" and "International Labour Organization Conventions", has a human rights declaration and implements it, it includes investment agreements, fairness and non-discrimination, building good labor relations, Child labor is prohibited, forced and compulsory labor is prohibited, working hours are regulated, minimum wage are met, a safe and healthy working environment is established, education and training, supplier management, and communication channels for employee rights are unblocked.</p> <p>b. New employees of TECO have equal pay for men and women, no gender difference, and are also higher than the government's minimum basic salary requirements. Each year, the company regards individual performance contributions as the basis for evaluating multiple rewards such as salary adjustments, variable bonuses, dividends, etc., and plans a</p>	<p>Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”</p>

Items	Implement Status			Difference with “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Company” and reasons
	Yes	No	Summaried Explanation	
<p>results in employee compensation?</p> <p>c. Whether the company has provided staffers safe and healthy working environment and held regular safety and health education for staffers.</p> <p>d. Whether the company has established effective cultivation plan for staffers in developing capabilities essential for their career.</p> <p>e. With regard to customer health and safety, customer privacy, marketing and labeling of products and services, has the company followed relevant regulations and international standards, and formulated relevant consumer protection policies and appeal procedures</p>			<p>complete grade and rank system, regardless of whether male or female employees are applicable and there is no difference. At least two performance evaluations are conducted annually, and the remuneration of managers above the manager level is directly linked to the organization's operating performance and adjusted quarterly.</p> <p>c. The company is based on occupational safety and health related laws and regulations (ISO 45001), the employees must be involved in safety and health education, disaster prevention training and health management and other related measures; in addition, equipment safety protection and personal safety gear are required. According to standards and regulations and regularly lead by supervisors to conduct safety inspections and supervision and implementation, and the quarterly general manager presides over the occupational safety committee (1/3 of labor representatives) to review the implementation of various management and training to ensure the safety of employees in the workplace</p> <p>d. The company's training and development sets and implements the management mechanism in strict accordance with the PDDRO principle. Make overall analysis and consideration based on four levels: strategy / organization, work, and personal needs. Each annual course is divided into 4 categories according to the company's "Talent Development Implementation Rules", considering management ability, professional ability, general knowledge and company policy. In addition to establishing a training blueprint for TECO Academy according to grades, we regularly review the professional abilities and readiness of colleagues. We conduct annual employee training needs surveys, and consider personal performance and strategic development priorities to formulate annual training plans. We plan that only those who have passed the courses and tests set by TECO Academy for each rank can be qualified for promotion.</p> <p>e. TECO motor products are designed in accordance with IE energy efficiency grades and comply with CE, UL and other safety standards and adopt RoHS hazardous substance restriction directive standards; home appliances are marked with energy efficiency and environmental protection labels according to government regulations. TECO Appliance provides online repair, electronic warranty registers and complete after-sales service to protect the rights and interests of consumers.</p>	

Items	Implement Status			Difference with “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Company” and reasons
	Yes	No	Summaried Explanation	
f. Does the company formulate supplier management policies, requiring suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights, and their implementation?			f. TECO conducts supplier selection through the three major aspects of environmental, social and governance performance to confirm the requirements of supplier management system status, capabilities and potential, and operational performance. The company conducts risk assessments and on-site evaluations of key suppliers every year, and the amount of completed evaluations has reached 84%. In order to require suppliers to implement the CSR concept together, TECO’s partners must sign the “Human Rights and Environmental Commitment Consent Form” with a signing rate of 99% this year.	
E. Does the company refer to the internationally-accepted reporting standards or guidelines to prepare corporate social responsibility reports and other reports that disclose non-financial information? Did the pre-report report obtain the confidence or assurance opinion of the third-party verification unit?	V		The company compiles the corporate social responsibility report in accordance with the internationally accepted report preparation guidelines (GRI Standards), and conducts independent limited assurance and disclosure through a third-party notary unit in accordance with the Republic of China Confidence Standard Bulletin No. 1 (developed with reference to ISAE 3000) on the official website.	Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”
F. Describe the operation of company’s Corporate Social Responsibility Best Practice Principles, should it exist, and its difference with “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies.” TECO promotes related work in accordance with the development of corporate social responsibility standards at home and abroad and changes in corporate environment. There is no other code with differences				
F. Other key information conducive to the understanding of the company’s CSR-related affairs: (1) Via the function of the TECO Technology Foundation, the company uses "technology" to support the humanistic Taiwan, encourages Taiwan’s technological innovation, held the TECO Award for the 27th consecutive year (1994 ~ 2020), in the four major "technology" and "electricity / information / communications, machinery / energy / environment, chemical industry / materials, biology / medical industry / agriculture" There are nearly 155 winners in the field of "Humanities", which can be regarded as the benchmark of the domestic elite efforts in science and technology and the benchmark of science and technology humanities awards. With "creative education" solidify humanistic Taiwan, we are committed to technological innovation and upgrading and activate the teaching model of school teachers, to open their teaching horizons and encourage teaching enthusiasm, and promote students from rural areas to enjoy high-quality learning opportunities and educational resources; use the "exclamation mark-the aboriginal ethnic group sustainable education plan" to call on more than 30 enterprises and NGOs to inject resources and build a resource supply and demand platform that provides technical support related to transmission, supports the sustainable development of the indigenous ethnic groups, and enables the Taiwanese Aborigines with only language but no text to flourish and have a long history. (2) Other related information is contained in the CSR report, which has been posted on TECO’s website. <a href="http://teco.com.tw/csr">http://teco.com.tw/csr</a>				

### 3.3.6 Adherence to the Ethical Corporate Management and Measures

The company executes ethical corporate management based on “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies”

Items	Implementation Status			Difference with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No	Summaried Explanation	
A. Formulate policy and program for ethical corporate management a. Whether the company has	V		a. "Operate with integrity, implement	Compliance with “Ethical Corporate Management Best Practice Principles



Items	Implementation Status			Difference with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No	Summaried Explanation	
<p>explicitly expressed the policy and methods of ethical corporate management in its charter and outbound documents and whether the board of directors and management have fulfilled the commitment to the policy of ethical corporate management</p>			<p>corporate governance, and fulfill Social Responsibility, Pursuing Sustainable Management" is TECO's core value. The company has yet to formulate "Ethical Corporate Management Best Practice Principles" on August 14 in 2014, and amended on December 23 in 2016 and November 12 2019. The board also amended "Rules of Ethical Conduct to Directors and Managerial Officers" on March 20 2015. Besides the policies mentioned above disclosed on the company's website, the company's directors and management have signed "Integrity Statement" to cautiously fulfilling their duties in compliance with the obligation of attention of a prudent administrator. The company in August 2018 set up the "Corporate Governance and Sustainability Committee" and formulated "Corporate Governance and Sustainability Committee Charter" on August 13<sup>th</sup> 2018. The committee consists of more than three directors of whom over half are independent directors. An independent director was elected as meeting convener and chairman who is responsible for evaluating performance in corporate governance and social responsibility as well as ethical operation.</p>	<p>for TWSE/GTSM-Listed Companies</p>
<p>b. Whether the company has established an assessment mechanism for the risk of unethical, regularly analyzes and evaluates business activities with a high risk of unethical in the business scope, and accordingly formulates a plan to prevent unethical, and at least cover the preventive measures for the conduct of the second paragraph of Article 7 of the "Code of Integrity Management of Listed OTC Companies"</p>			<p>b. The company's board of directors decided on November 12, 2019 to amend the company's " Ethical Corporate Management Best Practice Principles ", clearly listing the evaluation mechanism for the risks of unethical business activities, preventing from items of the scope covering various behaviors of article 7-2 of "Code of Integrity Management of Listed Companies" (1. Bribery and Take bribes. 2. Providing illegal political donations. 3.Improper charitable donation or sponsorship. 4. provide or accept unreasonable gifts, hospitality or other irregularities. 5. Infringement of business secrets and trademarks, rights, patent rights, copyrights and other intellectual property. 6. Engaging in unfair competition 7. Direct or indirect damages to consumers' or other interested parties' benefit, health and safety during R&amp;D, procuring, manufacturing, offering or selling products and services). According to this, the company's "Legal &amp; Compliance division" announced "Risk assessment of dishonest operation evaluation mechanism" in July 2020, completed risk assessment for each business unit in September, risk analysis of of dishonest operations in various</p>	

Items	Implementation Status			Difference with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No	Summaried Explanation	
c. Does the company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent unethical behaviors, and implement it, and regularly review and revise the pre-disclosure plan?			<p>departments and its preventive measures plan report 2020 in October 2020. Then start to implement various plans. In addition, the company formulated "Procedures for Ethical Management and Guidelines for Conduct" to prevent the company members from failing to perform business. Please refer to the evaluation item (3)</p> <p>c. The " Procedures for Ethical Management and Guidelines for Conduct " formulated by the company on November 16, 2017. It is clearly stipulated that employees shall not directly or indirectly provide, promise, request or receive any illegitimate benefits in the execution of their business, or make other acts that violate good faith, illegality or breach of acceptance. Dishonest acts such as fiduciary duty to obtain or maintain benefits. In order to urge employees to maintain an awareness of integrity behaviors, the company will not only disclose the integrity standards related to business behaviors to internal website, and encourage employees to sign the "Integrity Statement" (the signing rate reached 100% in September 2020) with 76 companies around the world. Customs enterprises signed a letter of commitment for honest management of the companies (as of December 31, 2020, a total of 73 completed, 96% completion rate). In addition, the system's propaganda should be followed when conducting honest behaviors with colleagues through multiple methods such as education courses and quarterly conferences. In addition, in order to implement the high requirements of compliance with laws and regulations and professional ethics, the company has set up a " Bylaws to report cases of illegal and unethical conduct", establish the company's internal and external reporting channels and handling systems, and set up the "Legal &amp; Compliance Division " under the board of directors as the promotion unit for integrity management, responsible for the implementation of integrity management policies and prevention plans, In addition, the "Internal audit Division" of the board of directors conducts irregular inspections and continuous follow-up to improve the implementation. At the same time, it reviews regularly, and in line with the law, the board of directors' resolution on March 17, 2020 passed the amendment to the " Procedures for Ethical Management and Guidelines for Conduct."</p>	
B. Materialize ethical corporate management	V			Compliance with "Ethical Corporate Management

Items	Implementation Status			Difference with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
	Yes	No	Summaried Explanation	
<p>a. Whether the company has evaluated the track record on the integrity of business partners and whether the contracts with business partners include an article on behavioral integrity.</p> <p>b. Does the company set up a special unit under the board of directors to promote the integrity management of the enterprise, and regularly (at least once a year) report to the board of directors on its integrity management policies and plans to prevent unethical behaviors and supervision and implementation?</p> <p>c. Whether the company has formulated policy preventing conflict of interest and provided, as well as faithfully executed, proper channel for complaints.</p> <p>d. Whether the company has instituted effective accounting system and internal control system for the materialization of the policy of ethical corporate management, which is audited regularly by in-house auditing unit or certified public account</p>			<p>a. When the company conducts external commercial activities, it will consider its integrity record before dealing with the counterparty. The Company's Board of Directors' legal &amp; compliance division also incorporates the terms of good faith into the company's various types of system contracts, requiring the transaction partners to strictly observe integrity. If it does involve dishonest behavior, the company may terminate the contract unconditionally at any time.</p> <p>b. The company has established the Board of Directors' legal &amp; compliance division to promote dedicated units for the formulation of integrity management policies and prevention plans. On January 13 2020, August 10 2020, and December 10 2020, it reported annual work plan and its implementation in "Corporate Governance and Sustainability Committee". And regularly report to the board of directors semiannually (in the year 2020 of the board of directors on March 17 and August 14). It also announced the " Risk assessment of dishonest operation evaluation mechanism " on July 27 2020. According to the method, the company completed the risk assessment of the company's business departments in September, and complete "the year 2020 report on the analysis of the risk of dishonest operations and the preventive measures for each department in October," and launched various plans and implementation plans.</p> <p>c. The company has formulated "Procedures for Ethical Management and Guidelines for Conduct" and "Rules of Ethical Conduct to Directors and Managerial Officers" , demanding all staffers not to take benefits and sacrifice the company's interests for personal benefits. When discovering violation of integrity-related regulations, one can make compliant or report, according to the company's " Rules of Ethical Conduct to Directors and Managerial Officers " For the accused, it also provides the opportunity to express their opinions or appeal.</p> <p>d. In order to ensure the implementation of integrity management, the correctness of accounting and financial processes and the effectiveness of internal control, the company has an "audit committee" to supervise the "finance and management center" which is responsible for dynamic management of financial risks. Annually</p>	Best Practice Principles for TWSE/GTSM-Listed Companies

Items	Implementation Status			Difference with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
	Yes	No	Summaried Explanation	
under its entrustment.			consider the five elements of laws and regulations compliance, COSO internal control, and according to the company's strategic objectives and past audit experience, internal audit division evaluates the company's risks at all levels under the existing organizational structure, and propose an audit plan for the following year. The audit committee (2020.12.14) and the board of directors (2020.12.22) to report and approve the compliance status of the regular inspection system. In the fourth quarter of each year, the internal control system self-assessment of each business unit and important affiliated companies will be carried out, and the internal control system will be self-evaluated in the first quarter of the following year. The results are summarized and reported to the Audit Committee (2020.3.13) and the Board of Directors (2020.3.17) to review the management level of the company, the degree of control over the overall internal and external environmental risks, the control of business unit operational risks, the design of internal control systems and the effectiveness of execution. In addition, through the annual internal control self-assessment, each business department of TECO must self-examine the effectiveness of the internal control system design and implementation	
e. Whether the company had held internal or external education and training regularly on ethical corporate management.			e. TECO regularly organizes internal education and training courses such as training for new recruits and new supervisors every year, and at the same time announces the " Ethical Corporate Management Best Practice Principles " and " Procedures for Ethical Management and Guidelines for Conduct " related to integrity management regulation, and at least once a year, the relevant laws and regulations shall be carried out on directors, managers and employees for education promotion. The company has dealt with the current directors, managers and current directors on June 17, 2020, September 27, 2020 and November 17, 2020. Carry out relevant education and promotion with employees, and the content of the course includes "what tax law issues should be paid attention to when signing contracts (including foreign transactions)" and prevention and control of money laundering, personal asset management, business secret examples, etc. September 21, 2020, also invited to gather all the representative of the affiliated companies held a seminar on promoting integrity	

Items	Implementation Status			Difference with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No	Summaried Explanation	
			management to connect TECO to implement the group’s core values of integrity management. Besides the employees of TECO have promoted the completion of the "Integrity Statement" (2020.9.21, signing rate 100%), according to the " Preventing Insider Trading Rules and Major Internal Information Processing Procedures”, the promotion on the relevant laws and regulations preventiing insider trading procedures to the directors, supervisors, managers, and employees shall handle at least once every year. New directors, supervisors and managers shall be provided with education and publicity in a timely manner. The human resources unit promoted during the pre-employment training, and there are 183 people count the participants during the course. After class, they tested their learning status in class and place the course briefings and audiovisual files in the internal staff system for all staff to understand	
<p>C. Status of the company’s reporting system:</p> <p>a. Whether the company has formulated concrete reporting and rewarding system, as well as convenient reporting channel, in addition to designation of specific person handling the reporting.</p> <p>b. Whether the company has instituted standard operating procedure for handling reported items and related confidentiality mechanism.</p> <p>c. Whether the company has adopted measures to protect informants from improper treatment.</p>	V		<p>a. As part of the company’s reporting system, the company has formulated “Bylaws to report cases of illegal and unethical conduct,” containing ethical norms for staffers, and has instituted reporting e-mail address integrity@teco.com.tw with the audit division</p> <p>b. For “Bylaws to report cases of illegal and unethical conduct”, Articles 3 and 4 specify channels of reporting and handling procedures while the standard operating procedures for the investigation of the reported matter and the follow-up measures to be taken after the investigation is completed, and the confidentiality mechanism is specified in Article 4, Item 5. For the informant or the personnel participating in the investigation and the content, the company adopts confidentiality and prudent procedure</p> <p>c. Provision 5 under Articles 4 of “Bylaws to report cases of illegal and unethical conduct” specifies secrecy mechanism that protects the reporters or responsible investigators and content of reporting from unfair treatment or revenge.</p>	Compliance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies

Items	Implementation Status			Difference with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
	Yes	No	Summaried Explanation	
D. Intensifying information disclosure a. Whether the company has disclosed its "Ethical Corporate Management Best Practices Principles" on its website and the implementation effect.	V		a. The company places relevant norms and publicity information on integrity management on its internal website for colleagues to inquire at any time. TECO's external website ( <a href="https://www.teco.com.tw">https://www.teco.com.tw</a> ) placed the annual report under "Investor Relations" (also placed at the Public Information Observatory) and corporate governance/management team and internal rules of the organization under "About TECO", and the corporate social responsibility report under Corporate Social Responsibility are also fully disclosed with the relevant policy requirements, rules and regulations and information on integrity management	Compliance with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
E. Should the company formulate own ethical corporate management principles according to "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Company," specify its execution and difference with the principles: The company has already formulated its own ethical corporate management principles and disclosed on the Company's website. There is no major difference between its execution and principles.				
F. Other key information conducive to the understanding of the company's ethical corporate management (such as review and revision to the company's ethical corporate management): The company materializes ethical corporate management via compliance with Company Law, Securities Exchange Act, and regulations and laws governing listed firms, in addition to forbidding unethical behaviors in business dealings. The company has amended the " Ethical Corporate Management Best Practice Principles " on November 12, 2019; On March 17, 2021, amended the "Procedures for Ethical Management and Guidelines for Conduct"				

### 3.3.7 Corporate Governance Guidelines and Regulations

The company has instituted "Corporate Governance Best Practice Principles". The document could be accessed "Corpoarte Governance" on Market Observation Post System (<http://mops.twse.com.tw>) conforming to related regulations.

### 3.3.8 Other Important Information Regarding Corporate Governance

A. The important information regarding corporate governance has been disclosed on Market Observation Post System (<http://newmops.twse.com.tw>) conforming to related regulations.

B. Advanced studies for directors and supervisors :

Title	Name	Date	Organizer	Training Course	Time
Chairman	Tung Kuang Investment Co., Ltd. Representative: Chwen-Jy, Chiu	2020.7.30	Taiwan Institute for Sustainable Energy	The 21 <sup>st</sup> CEO talk and Special Lecture	2 hrs
		2020.8.14	Taiwan Investors Relation Institute	Macro economic analysis after COVID-19 + the impact of the Sino-U.S. technological war on the global environment and its response	3 hrs
		2020.10.29	Taiwan Institute for Sustainable Energy	The 22 <sup>nd</sup> CEO talk and Special Lecture	2 hrs
		2020.12.22	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs
Managing Director	Tong Kuang Investment Co., Ltd Representative : Chao-Kai, Liu	2020.8.14	Taiwan Investors Relation Institute	Macro economic analysis after COVID-19 + the impact of the Sino-U.S. technological war on the global environment and its response	3 hrs
		2020.12.22	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs
Managing Director	Cheng-Tsung, Huang	2020.8.14	Taiwan Investors Relation Institute	Macro economic analysis after COVID-19 + the impact of the Sino-U.S. technological war on the global environment and its response	3 hrs
		2020.12.24	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs
Managing Director	Creative Sensor Inc. Representative: Yu-Ren, Huang	2020.12.24	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs
		2020.12.27	Accounting Research and Development Foundation	Under the corporate governance structure-the blueprint for the sustainable development of my country's enterprises and the way for enterprises to respond	3 hrs
Managing & Independent Director	Wei-Chi, Liu	2020.8.14	Taiwan Investors Relation Institute	Macro economic analysis after COVID-19 + the impact of the Sino-U.S. technological war on the global environment and its response	3 hrs
		2020.9.22	Taiwan Institute of Directors	Enterprise transformation in the era of change	3 hrs
		2020.12.24	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs
Independent Director	Ting-Wong, Cheng	2020.8.14	Taiwan Investors Relation Institute	Macro economic analysis after COVID-19 + the impact of the Sino-U.S. technological war on the global environment and its response	3 hrs
		2020.12.22	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs
Independent Director	Jin-Fu, Chang	2020.8.14	Taiwan Investors Relation Institute	Macro economic analysis after COVID-19 + the impact of the Sino-U.S. technological war on the global environment and its response	3 hrs
		2020.12.22	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs

Title	Name	Date	Organizer	Training Course	Time
Director	Mao-Hsiung, Huang	2020.8.5	Accounting Research and Development Foundation	On the Management of Intellectual Property from the Perspective of the Board	3 hrs
		2020.8.14	Taiwan Investors Relation Institute	Macro economic analysis after COVID-19 + the impact of the Sino-U.S. technological war on the global environment and its response	3 hrs
		2020.12.22	Taiwan Investors Relation Institute	Trend of Corporate Governance	3hrs
Director	Yingde Int. Inv. Co., Ltd Representative : Po-Chih, Huang	2020.8.14	Taiwan Investors Relation Institute	Macro economic analysis after COVID-19 + the impact of the Sino-U.S. technological war on the global environment and its response	3 hrs
		2020.12.22	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs
Director	Kuang Yuan Industrial Co., Ltd. Representative: Shih-Chien, Yang	2020.8.11	Taiwan Corporate Governance Association	Ten Required Courses of Corporate Governance	3 hrs
		2020.8.11	Taiwan Corporate Governance Association	How to effectively perform the functions of directors and implement corporate governance	3 hrs
		2020.12.22	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs
Director	Tung Kuang Investment Co., Ltd. Representative: Hong-Hsiang, Lin	2020.8.14	Taiwan Investors Relation Institute	Macro economic analysis after COVID-19 + the impact of the Sino-U.S. technological war on the global environment and its response	3 hrs
		2020.12.22	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs
Director	Yubantec & Co., Ltd. Representative: Tung-Hai, Kao	2020.8.14	Taiwan Investors Relation Institute	Macro economic analysis after COVID-19 + the impact of the Sino-U.S. technological war on the global environment and its response	3 hrs
		2020.12.22	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs
Director	Hung Shun Investment Co., Ltd Representative: Tzu-Yi, Kuo	2020.8.14	Taiwan Investors Relation Institute	Macro economic analysis after COVID-19 + the impact of the Sino-U.S. technological war on the global environment and its response	3 hrs
		2020.12.22	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs
Director	Tong-An Investment Co., Ltd. Representative: Shang-Wei, Kao	2020.8.14	Taiwan Investors Relation Institute	Macro economic analysis after COVID-19 + the impact of the Sino-U.S. technological war on the global environment and its response	3 hrs
		2020.12.22	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs



## C. Advanced studies for managing staffers in 2020:

Title	Name	Date	Organizer	Traning course	Time
President	Chao-Chih, Lien	2020.8.14	Taiwan Investors Relation Institute	Macro economic analysis after COVID-19 + the impact of the Sino-U.S. technological war on the global environment and its response	3 hrs
		2020.12.22	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs
Executive Consultant	Hong-Hsiang, Lin	2020.8.14	Taiwan Investors Relation Institute	Macro economic analysis after COVID-19 + the impact of the Sino-U.S. technological war on the global environment and its response	3 hrs
		2020.12.22	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs
Assistant Vice President	Sheng-chyuan, Lin	2020.8.14	Taiwan Investors Relation Institute	Macro economic analysis after COVID-19 + the impact of the Sino-U.S. technological war on the global environment and its response	3 hrs
		2020.12.22	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs
Assistant Vice President	Sung-Pin, Chang	2020.8.14	Taiwan Investors Relation Institute	Macro economic analysis after COVID-19 + the impact of the Sino-U.S. technological war on the global environment and its response	3 hrs
		2020.12.22	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs
Assistant Vice President	Chi-Tseng, Peng	2020.8.14	Taiwan Investors Relation Institute	Macro economic analysis after COVID-19 + the impact of the Sino-U.S. technological war on the global environment and its response	3 hrs
		2020.12.22	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs
Assistant Vice President	Fei-Yuan, Kao	2020.8.14	Taiwan Investors Relation Institute	Macro economic analysis after COVID-19 + the impact of the Sino-U.S. technological war on the global environment and its response	3 hrs
		2020.12.22	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs
Assistant Vice President	Kuo-Min, Chen	2020.12.22	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs
Assistant Vice President	Hank Horng	2020.8.14	Taiwan Investors Relation Institute	Macro economic analysis after COVID-19 + the impact of the Sino-U.S. technological war on the global environment and its response	3 hrs
		2020.12.22	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs
Corporate Governance Officer	Shih-Hsiung Chien	2019.7.17	Securities & Futures Institute	2019 Annual Public Announcement Meeting on the Legal Compliance of Listed Companies and Unlisted Cabinet Public Offering Companies	3 hrs
		2019.8.14	Taiwan M&A and Private Equity Council	"Shareholder activism and unconsensual mergers and acquisitions"	3 hrs

Title	Name	Date	Organizer	Traning course	Time
		2019.11.27	Taiwan Corporate Governance Association	Directors' financial reporting obligations, global institutional investors' active role play in strengthening the corporate governance ecosystem, and references to business judgment rules	3 hrs
		2019.12.24	Taiwan Investors Relation Institute	Money Laundering Prevention and Trade Sanctions (China-US Trade War)	3 hrs
		2020.5.14	Accounting Research and Development Foundation	Analysis and decision-making application of corporate financial information	3 hrs
		2020.5.28	Accounting Research and Development Foundation	Analysis and Case Study of Unconventional Transactions of Directors and Supervisors	3 hrs
		2020.8.14	Taiwan Investors Relation Institute	Macro economic analysis after COVID-19 + the impact of the Sino-U.S. technological war on the global environment and its response	3 hrs
		2020.9.18	Taiwan Corporate Governance Association	The role of institutional investors in improving corporate governance	3 hrs
		2020.10.23	Taiwan Stock Exchange	2020 Corporate Governance and Corporate Integrity Directors and Supervisors Promotion Conference	3 hrs
		2020.12.22	Taiwan Investors Relation Institute	Trend of Corporate Governance	3 hrs

D. The situation of resignation in the Company:

Title	Name	On Board Date	Date of resignation	Reason
Director	Yung-Hsiang, Chang	2004.09.06	2020.05.21	Resign
Director	Po-Chih, Huang	1988.03.28	2021.01.01	Change the representative
Assistant Vice President	Kevin Yeh	2017.01.01	2021.01.01	Resign
Director	Yu-Ren, Huang	2012.06.15	2021.03.18	Resign

#### E. Succession planning of board members and important management class:

The structure of the company's board of directors should be based on the company's business development scale and its major shareholders' shareholdings, considering practical operational needs. In order to establish a good governance system, the Company has established the "Corporate Governance and Sustainability Committee" on August 13, 2018 to nominate candidates for functional directors and independent directors and strengthen the functions of the board of directors.

The company implements the board diversity policy in accordance with the "Corporate Governance Best Practice Principle" Currently, there are 15 directors (including 3 independent directors) with diverse and complementary industry experience and professional capabilities in finance, finance and accounting. Two of them also serve as the senior management of the company. In the future, the composition structure of the company's board of directors and the background of the members' experience will continue the current structure. The "Board Performance Evaluation Results" of each year will be provided to the "Corporate Governance and Sustainability Committee" as a reference for director nomination and reappointment.

Regarding the succession planning of the board of directors, the company nurtures high-level managers to enter the board of directors to familiarize them with the operation of the board of directors and the business of each unit of the group, and deepens its industrial experience through work rotation. Currently, the Group has many senior management professionals, so the company has a sufficient talent pool to be selected as future directors. In addition to considering diversity, directors who concurrently serve as company managers do not exceed one-third of the number of directors, and will focus on gender equality and possess the knowledge, skills and literacy necessary to perform their duties. The current chairman, Ms. Chwen-Jy, Chiu, joined the TECO management team in 1997. She successively held the positions of finance director, assistant vice president of the home appliance division, vice president and president. She joined the board of directors in 2006 and took over as chairman in 2015.

For the succession planning of important management levels, in addition to inventory and selection of potential successors, it is combined with personal development plans and Mentor counseling and other systems to help them effectively improve their succession ability and shorten the succession time. In designing the training mechanism, arranging potential successors to the board of directors of related companies, as well as mobile phone and online management development courses, the "TECO Academy" has been established since 2018, and management elite classes have been established to strengthen its business management and management capabilities including strategic planning, multinational operations, global marketing, innovation management and new economy and other important topics, in order to cultivate the management talents needed in the future (a total of 25 educated trainees from 2018 to 2019). Mr. Chao-Chih, Lien, the current acting president, joined the TECO Group in 2001. He successively led the heavy industry product division, the information electronics business group, the new business promotion center, and the electrification preproduct division. He took over as the acting president in 2018 and upgraded to President in December 2020.

### 3.3.9 Internal Control System

1. Please refer to page 66 of the Chinese annual report.
2. Those who entrust an accountant to review internal controls should disclose the accountant's review report:  
None

### 3.3.10 In the recent year and up to the publication of the annual report, legal penalties for the company and internal staffers, penalties of internal staffers by the company for violation of internal control system and regulation, major defects and improvement status

None

### 3.3.11 Major Resolutions of Shareholders' Meeting and Board Meetings

#### A. Major Resolutions of Shareholders' Meeting and Board Meetings in the recent two years

2020/2/24	The board of directors resolved to convene 2020 shareholders' meeting on May 11, 2020
2020/3/17	(1) The Board of Directors resolved cash dividend NT\$0.99 per share with the total amount NT\$ 1,948,016 thousand and propose to the shareholders' meeting. (2) The Board of Directors resolved 2019 financial statements and submitted to the shareholders' meeting for ratification. (3) The board of directors approved employees' bonus of NT\$ 258,192 thousand and directors' remuneration of NT\$114,752 thousand in 2019. The above amount will be distributed through cash. There is no difference from the expense amounts in 2019 recognized by the board of directors. (4) The board of directors decided to issue the first unsecured ordinary corporate bonds in 2020. The total issuance is capped at NT \$ 5 billion, and the issuance period is based on the principles of five and seven years. (5) The board of directors decided to increase the proposals for the shareholders' meeting (1) Three items in the report: the report on the distribution of cash dividends in 2019, the amendment to the "Corporate Social Responsibility Best Practice principle" and the amendment to the "Codes and Procedures for Ethical Management and Guidelines for Conduct" ; (2) Two items for discussion: the amendments to the "Procedures for Lending Funds to Other Parties" and the amendments to the "Procedure for Endorsement and Guarantee", and they shall be submitted to the 2020 Annual Shareholders' General Meeting or submitted for resolution
2020/3/31	(1) The board of directors raises to propose privately placed common shares and preferred shares. The total amount of private placement does not exceed 200 million shares. The selection of applicants is based on the principle of adding value to the company, and the priority for the future operation of the company can directly or indirectly improve the performance of the company. (2) The board of directors decided to increase the proposals for the shareholders' meeting (1) The case of ratification: 2019 profit distribution; (2) The 3 cases of discussion: the amendment of the "Articles of Association", privately placed common shares and preferred shares and capital reduction proposed by PJ Asset management. Each will be separately submitted to the 2020 ordinary shareholders for approval or resolution
2020/4/6	(1) In line with the recommendation of the securities regulatory authority to amend the private placement case previously announced on 2020/03/31, the board of directors passed the original resolution to separate the private placement case into two privately placed common shares and privately placed preferred shares proposals. The total amount of private equity does not exceed 190 million shares. (2) The board of directors approved amendments to the 2020 regular shareholders' meeting agenda. The revised discussion items were i. amendment to "Procedures for Lending Funds to Other Parties", ii amendments to the "Procedure for Endorsement and Guarantee", iii. amendment to the Articles of Incorporation, iv. Privately placed preferred shares of Class A and / or Class B and / or Class C (Revised), v. privately placed common shares (revised) and vi. Capital reduction proposed by PJ Asset Management.
2020/4/10	The board of directors resolved to postpone discussion items of privately placed preferred shares and common shares. The revised discussion items were i. amendment to "Procedures for Lending Funds to Other Parties", ii amendments to the "Procedure for Endorsement and Guarantee", iii. amendment to the Articles of Incorporation, and iv. Capital reduction proposed by PJ Asset Management.
2020/5/7	The board of directors resolved to pay cash dividend NT\$0.99 per share, as total amount of NT \$ 1,948,016 thousand. The ex-dividend base date was 2020/06/19, and the cash dividend payment date was 2020/07/16
2020/5/11	Important resolutions in Annual Shareholders' Meeting (1) Acknowledged 2019 business report and financial statement. (2) Acknowledged 2019 profit distribution. (3) Amendment to Articles of Incorporation: passed (4) Amendment to Procedures for Lending Funds to Other Parties: passed (5) Amendment to Procedure for Endorsement and Guarantee: passed (6) Capital reduction and return cash to the shareholders: rejected
2020/7/2	In order to cooperate with the government to accelerate the reconstruction of dangerous and old buildings and revitalize its own assets, the board of directors resolved to approve the land joint construction and development project of the subsidiary "Tong An Asset Management Co., Ltd.", and the contract promised that the counterparty were Mingtai Insurance Co., Ltd. and TECO. The subject of the reconstruction is a house at No. 934, Jilin Section 2, Zhongshan District, Taipei City, and the reconstruction value will be obtained according to the investment ratio (Mingtai 44%, TECO 7.341% and Tong An Assets 48.2659%) Allocation, the total contract amount is estimated to be NT\$1,364 million
2020/11/13	(1) Submission of 2020 Q3 consolidated financial report to the board of directors, which shows that consolidated operating revenue stood at NT\$33,348,808 thousand, pre-tax profit reached at 3,395,505 thousand and net income attributable to the parent company is NT\$2,727,719 thousand in the first three quarters of 2020, with earnings per share reaching NT\$1.41. (2) Resolved to assign Mr. Tommy as chief accounting

2020/11/20	The board of directors resolved to carry out strategic cooperation in the form of share exchange. The target company of the share exchange was Walsin Lihwa Co., Ltd. The share exchange ratio was 0.8333 ordinary shares of the company to exchange 1 common share of Walsin Lihwa Co., Ltd. The purpose of the share exchange is to enhance the competitiveness of both parties, jointly deploy the next generation of smart grid, smart manufacturing and new energy industries, the base date of the stock exchange is 2021/01/06
2020/12/22	The board of directors resolved the company's spokesperson and acting spokesperson change case. The original spokesperson Kevin Yeh and acting spokesperson Shih-Hsiung Chien were adjusted to new spokesperson Shih-Hsiung Chien and acting spokesperson Andy Liu due to job changes.
2021/3/2	The board of directors resolved to convene a regular shareholder meeting on 2021/05/25 at the conference hall of Nangang Exhibition Center Hall 2 (7th Floor, No. 2, Jingmao 2nd Road, Nangang District, Taipei City), and the period of cessation of transfer is 2021/03/27~2021/05/25. When considering that the meeting place of the shareholders meeting needs to be changed due to the impact of the epidemic before May 25, 2021, the board authorized the chairman full authority to deal with related matters
2021/3/23	(1) 2020 consolidated financial report resolved by the board of directors, which shows that consolidated operating revenue stood at NT\$45,823,430 thousand, net profit reached at 3,811,648 thousand and net income attributable to the parent company is NT\$3,511,358 thousand, with earnings per share reaching NT\$1.81 (2) The board of directors approved employees' bonus of NT\$ 284,575 thousand and directors' remuneration of NT\$109,939 thousand in 2020. The above amount will be distributed through cash. (3) The Board of Directors resolved cash dividend NT\$1.15 per share with the total amount NT\$ 2,459,616 thousand

#### B. Implementation of Resolutions made in Annual Shareholders' Meeting on May 11, 2020.

Number	Resolution	Implementation
1	Acknowledged 2019 business report and financial statement.	※ The proposal was approved by the participating Shareholders with 95.62% approved percentage.
2	Acknowledged 2019 profit distribution.	※ The proposal was approved by the participating Shareholders with 95.88% approved percentage.
3	Approval on Amendment to Procedures for Lending Funds to Other Parties	※ The proposal was approved by the participating Shareholders with 95.29% approved percentage.
4	Approval on Amendment to Procedure for Endorsement and Guarantee	※ The proposal was approved by the participating Shareholders with 95.29% approved percentage.
5	Approval on Amendment to Articles of Incorporation	1. The proposal was approved by the participating Shareholders with 55.52% approved percentage. 2. The amendment proposal is submitted to the Department of Commerce of the Ministry of Economic Affairs 2020/07/27 Letter No. 10901128610 approved for filing
6	Capital reduction and return cash to the shareholders(proposed by shareholder with 1% shareholding)	※ The proposal was rejected by the participating Shareholders with 37.19% approved percentage.

#### 3.3.12 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None

#### 3.3.13 Resignation or Dismissal of Personnel Involved in Preparation of Financial Reports

Chief accounting: : Ken Lin rotated on 2020/09/10

Chief finance: Kevin Yeh resigned on 2021/1/1